CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the year ended December 31, 2024

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The total number of shares of common shares outstanding as of March 31, 2025 was 102.1897.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains "forward-looking statements", which include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation, and availability of resources. These forward-looking statements include, without limitation, statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, and future economic performance; and statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as "may", "should", "could", "would", "predicts", "potential", "continue", "expects", "anticipates", "future", "intends", "plans", "believes", "estimates", and similar expressions, as well as statements in future tense, identify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved.

Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences are discussed in ″Business", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations″ of this annual report.

Forward-looking statements speak only as of the date the statements are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Industry Data

We use industry and market data throughout this annual report, which we have obtained from market research, independent industry publications or other publicly available information. Our statement that we are one of the largest used vehicle dealership enterprises based on total unit volume is based on our review of the other top companies’ financial statements, industry publications and research data with respect to such other companies. Although we believe that each such source is reliable as of its respective date, the information contained in such sources has not been independently verified. While we are not aware of any misstatements regarding any industry and market data presented herein, such data is subject to change based on various factors, including those discussed in "Risk Factors".

BUSINESS

Unless otherwise indicated, the terms "DriveTime", the "Company", "we", "our" and "us" refer to DriveTime Automotive Group, Inc. and Bridgecrest Acceptance Corporation and their respective subsidiaries as a consolidated entity.

Company

DriveTime Automotive Group, Inc. ("DTAG") and Bridgecrest Acceptance Corporation ("Bridgecrest") are sister companies operating collectively under common control. DTAG directs our retail vehicle and ancillary product sales and operations and Bridgecrest directs our financing, loan servicing, and ancillary product administration operations. Bridgecrest is consolidated into DTAG for financial reporting purposes.

Business Overview

DTAG is one of the largest used vehicle dealership enterprises based on total unit volume. We provide our customers with a comprehensive end-to-end solution for their automotive needs, including the sale, financing and repair of their vehicles. Over the past three years we have opened 20 new dealerships and entered into 18 new designated marketing areas ("DMAs"). As of December 31, 2024, we operated 149 dealerships and 17 reconditioning centers located in 87 DMAs across 30 states.

Through our Bridgecrest business, we provide auto financing and loan servicing for substantially all of the vehicles we sell as well as loan servicing for third parties. Auto financing is provided through retail installment sales contracts (also referred to herein as "loans" or "finance receivables"). As many of our customers may have difficulty obtaining financing to acquire a vehicle from other dealerships, financing is an important component of our integrated business model and product offering. We fund our portfolio of automobile finance receivables primarily through portfolio warehouse facilities and securitizations. As of December 31, 2024, we primarily utilized two domestic loan servicing and collections centers and three offshore locations.

We offer extended vehicle service contracts ("VSC"), guaranteed asset protection ("GAP"), and GPS monitoring subscription ("GPS") to our customers. Bridgecrest, through its wholly-owned subsidiary SilverRock Group, Inc. ("SilverRock"), offers extended vehicle service contracts and other ancillary products to the customers of a related party ("SilverRock Products"). In addition, SilverRock administers our VSC, GAP, and GPS products, SilverRock Products, our vehicle limited warranty ("DriveCare Limited Warranty"), the limited warranty, collectively referred to as "Ancillary Products", as well as the pre-sale vehicle repairs of a related party.

For the year ended December 31, 2024, we sold 127,547 vehicles generating total revenue of $3.7 billion and net income of $40.8 million. For the year ended December 31, 2024, we originated $2.9 billion of new loans and as of December 31, 2024, we serviced $22.2 billion in loan principal balances, which consisted of $5.9 billion in loan principal balances owned by Bridgecrest and $16.3 billion in loan principal balances owned by third parties.

Our business model successfully integrates the acquisition, reconditioning, and sale of quality used vehicles with financing for customers who are historically underserved by traditional lending sources. This integrated model was developed over our 33 year history of sourcing quality vehicles, evaluating customer credit, servicing loans, and offering a full range of other related products and services to meet the needs of our customer base. We control all aspects of the integrated model, inclusive of site selection for dealerships and reconditioning centers, the types and quantity of vehicles we purchase, the reconditioning process, the vehicle selling process, pricing and financing terms, the Ancillary Product offerings, after-sale product support, and the servicing of our loan portfolio.

Through our long history of providing vehicles and vehicle financing to customers, we have developed sophisticated vehicle sourcing, supply chain, and vehicle pricing systems, which are supplemented with predictive data science models specific to our customer segment and vehicle profile. Our credit scoring models and point of sale retail systems provide our customers with vehicle and financing options based on their credit and income. Through our website customers can customize their financing terms on all vehicles in our inventory based on their desired down payment or monthly payment. We believe our business model enables us to operate successfully in the underserved and highly fragmented subprime market and provides a platform to provide our customers with market leading retail and financing functionality.

The DriveTime Brand

We believe the DriveTime brand is firmly established among leading used car retailers in the United States. We associate our brand with transparency, integrity, and value, offering a unique and refreshing alternative to the typical used vehicle buying experience in our market segment. Our brand is centered on providing a seamless online to in-store experience that provides personalized vehicle buying and financing. We focus on a customer centric model that encompasses a comprehensive retail platform that embraces the digital experience. In 2023, we transitioned our online application to a soft credit pull. This allows customers to have the power of shopping online with real terms without impacting their credit. We own, operate, and control all of our dealership and financing functions, which enables us to deliver quality used vehicles, which include a 30-day or 1,500 mile limited warranty, optional Ancillary Products, and financing solutions. We believe every aspect of the buying experience is transparent and offers the options necessary to cater to the customers' individual vehicle and financing needs.

We utilize national cable, streaming services, and online advertising platforms to drive traffic to our dealerships and website, which shares our brand message of simplifying the vehicle buying and financing process. Our advertising focuses on how customers can save time in the car buying process by using our online shopping and financing tools on our website or our mobile app to obtain their credit approval and fully flexible financing terms for every car. Through our partnerships with market data providers, we are able to effectively target our unique customer demographic, which has generated over 5.2 million leads in 2024.

We promote a courteous, transparent, and respectful brand with our customers both before they arrive at and while visiting any one of our 149 dealerships nationwide. On our website, Drivetime.com, we promote transparency by providing the customer with customer-specific information in the beginning stages of the car buying process, utilizing fully flexible financing terms and real-time vehicle pricing information.

Our dealership floor plans are supplemented with an interactive workspace, a customer lounge, a play area for children, and are free from traditional "back-office" functions. Customers are guided through the retail process by our salaried customer experience guides and complete the process at their own pace with contracts entered electronically through an information technology platform equipped with the functionality to ensure compliance with applicable laws and regulations. All of our customer experience guides are committed to enhancing the car buying experience by creating a comfortable buying environment anchored by our transparent no-haggle vehicle pricing. Whether online or at our retail stores, we provide our customers with a "Guaranteed Price" on each vehicle as well as a complete vehicle history report provided from AutoCheck®. The Guaranteed Price is what the customer pays and serves to reduce the hassle of car buying, making the process fast, easy and simple. An AutoCheck® history report includes the AutoCheck Score, a tool that enables our customers to understand a vehicle's past quickly and easily, compare it to other vehicles, and lower the risk of buying a vehicle with undetected problems.

Each of our dealerships features a wide selection of makes and models to satisfy the preferences and budgets of our customers. As of December 31, 2024, vehicles for sale primarily range in age from two to 10 years and have an average mileage of approximately 75,800 miles.

Our dealership staff consists of talented individuals across 30 states, who have experience in retail and customer service. In order to develop and retain the talent necessary to fuel our growth and maintain a consistent DriveTime customer experience, we provide an interactive certification program which consists of targeted training modules to our customer experience personnel at each level of the business. The purpose of the certification program is to outline a specific training path to develop a customer centric focus, become specialized in the business, and build leadership skills necessary to advance within our company. We believe in providing several growth opportunities for our employees to demonstrate their knowledge and technical abilities obtained through the various training modules of the program. Our certification program has helped us develop and retain the talent necessary to fuel our growth and maintain a consistent DriveTime customer experience.

DriveTime Operations

Our integrated business model is designed to facilitate an efficient business program and provide quality products and financing solutions for our customers in a cost effective manner. The integrated model includes the following:

- dealership and reconditioning center site selection;
- vehicle acquisition;
- vehicle reconditioning and distribution;
- credit scoring and underwriting;
- vehicle sales and financing;
- ancillary product sales and administration;
- after-sales product support; and
- loan servicing.

Our participation throughout the value chain of our integrated model provides a platform for controlled growth and achievement of economic efficiencies to balance retail pricing and credit risk.

Dealership site selection

We employ a centralized group of internal real estate professionals who identify dealership and reconditioning center site locations that best suit our needs. We divide the country by DMA and evaluate each DMA based on demographic data and loan performance information to determine if a DMA is a good fit for our vehicle and financing offerings. We also evaluate the maximum capacity for each region's reconditioning center, and our ability to meet desired profitability thresholds in the market. In determining which market we want to enter, we take into consideration indicators such as the strength of surrounding dealerships, traffic counts, retail vacancy trends, median income levels, and anticipated loan performance as well as the cost to operate in the region.

Vehicle acquisition

For the year ended December 31, 2024, we purchased over 133,000 vehicles nationwide, net of vehicles returned to auction, using our proprietary internally-developed tool, Buyonic™. Our primary sources of vehicle inventory are the nation's largest used vehicle auctions, which we attend in person and online. We may also acquire vehicles through other sources, including daily rental agencies, dealer to dealer platforms, and commercial fleets. Vehicles are purchased by an internal team of purchasing professionals ("buyers") who we employ directly. Using our proprietary acquisition models and real-time data, our centralized inventory team delivers weekly buy targets to our buyers based on current inventory levels, projected sales volumes, anticipated vehicle demand at our dealerships, inventory turn times, and targeted vehicle pricing. Our centralized vehicle selection strategy takes into account many factors, including the retail value, age of vehicle, expected costs of acquisition and reconditioning, expected total cost of ownership, affordability to the buyer, and expected profitability of the ultimate customer transaction. Our centralized purchasing and supply chain analytics are integrated with our distribution model to maintain an optimal mix of vehicle inventory at each dealership based upon forecasted demand in each market.

Vehicle reconditioning and distribution

Once a vehicle is acquired, the inspection begins at the reconditioning center. We perform a comprehensive multi-point inspection and recondition the vehicles for safety, operability, and appearance. The inspection process allows us to evaluate the extent of repairs required for each vehicle, which aids in assessing vehicle quality and projected profitability. Vehicles that fail inspection, or for which we discover unexpected and significant mechanical issues during the reconditioning process, are resold at auction and not placed on our dealership lots for retail sale. During the year ended December 31, 2024, approximately 13% of vehicles we purchased at auction were either returned to the auction or sold at auction due to their failing inspection or the discovery of unexpected issues during the reconditioning process. We utilize our proprietary inventory management system to identify and monitor labor, parts, and other costs associated with reconditioning each vehicle. Once reconditioning is complete, our centralized supply chain group distributes vehicles to our dealerships based on real-time projected inventory levels, selection mix, and demand at each dealership.

Credit scoring and underwriting

We provide financing for substantially all of the vehicles we sell at our dealerships through retail installment sales contracts. The foundation for assessing and controlling risk is our proprietary credit scoring models. We have dedicated, and plan to continue to dedicate, substantial resources in developing, maintaining, and updating our proprietary credit scoring models, which are focused on predicting the credit risk of our customers. We have over 20 years of experience in developing credit scoring models for our customer base. We believe our scoring models provide a substantial improvement over traditional FICO® scores in rank-ordering the likelihood of credit default risk. Our scoring models incorporate alternative data sources to capture different behavior attributes along with traditional credit bureau data, to help us further segment credit risk levels. We believe our ability to quantify a customer's risk profile based upon a broad set of attributes and sophisticated modeling techniques, allows us to better rank a consumer's risk, manage the blended quality of our portfolio of loans, and obtain more appropriate risk adjusted returns than relying on more generic predictors such as FICO® scores.

Our centralized risk management group manages the financing terms and credit mix of our loan originations based on the customer's income, vehicle selection, and credit. This group is also responsible for income and identity verification on loan applications for all of our dealerships, monitoring the origination and ongoing static pool tracking of portfolio loss performance and profitability, and monitoring the underwriting process. We actively monitor our portfolio performance and regularly analyze the grade mix of originations and the related financing terms provided to our customers, which are established centrally. We closely monitor credit trends and make appropriate adjustments to both the grade mix and financing terms of our originations in an effort to maximize the performance of our loan portfolio.

Vehicle sales and financing

Our sales process is designed to provide our customers with transparent information on vehicles, flexible financing terms, and optional Ancillary Products, all of which allow each customer to select the mix of products that best suits his or her individual needs.

Most of our customers choose to start their vehicle buying experience online at Drivetime.com, where they can browse all of our available inventory, complete online credit applications with no impact to their credit, obtain vehicle-specific financing, and set up appointments at our dealerships. Our business development center is staffed with knowledgeable personnel who can answer customer questions through a variety of channels, including live agent, online chat, text message, and e-mail prior to visiting our dealerships. Through these features we seek to increase customer awareness, promote transparency, provide customer education regarding our straightforward, no-haggle sales approach, and differentiate ourselves from our competitors.

Ancillary product sales and administration

We provide customers the option to purchase certain Ancillary Products such as the VSC, GAP, and GPS products on an a la carte basis.

VSC

We offer a VSC as a separately priced, optional product for customers choosing to purchase a vehicle through us. The VSC is a service contract that covers the cost of repairs for covered parts and components, available for DTAG customers as a 60 month/50,000 mile service contract. The programs allow customers to take their vehicle to one of over 12,000 SilverRock preferred in-network repair facility vendors or to any repair facility of their choice. The VSC covers labor and parts for major mechanical items such as engine, drive axles and transmission, and during the first 36 months/36,000 miles, the VSC covers additional common mechanical items such as air conditioning and heat, steering and engine cooling. The VSC also provides for reimbursement of specified costs for rental cars and towing.

Certain SilverRock Products are vehicle service contracts sold through a related party, with mileage caps ranging from 12,000 to 72,000 miles and terms ranging from 12 to 72 months. These vehicle service contracts offer three levels of coverage: (i) basic mechanical coverage which includes the engine, transmission, and drivetrain, (ii) comprehensive coverage which includes the basic coverage plus steering, heating, A/C, exhaust, and other items, and (iii) premium coverage which includes comprehensive coverage plus three oil changes and tire rotations for one-year, minor cosmetic repairs, and tire/wheel damage. Similar to our VSC, these programs allow customers to take their vehicles to a SilverRock preferred in-network repair facility or their preferred out-of-network repair facility for a higher deductible.

GAP

We offer GAP as a separately priced, optional product for customers choosing to purchase a vehicle through us. In the event of a total loss, GAP covers the difference between the balance owed on the loan of the vehicle and the insurance proceeds for the covered vehicle for customers who meet all other obligations under their loan.

GPS

We offer a GPS monitoring subscription as a separately priced, optional product for customers choosing to purchase a vehicle through us. In the event a subscribing customer's vehicle is stolen, the GPS assists the subscriber and the police in locating the vehicle. In the event a vehicle is stolen, and the police are unable to recover the vehicle within 30 days, the program will payout $5,000 directly to the customer in the event he or she has GAP and insurance. The GPS monitoring subscription also provides the customer with the ability to track the vehicle’s location, mileage and speed, create geo-fences, as well as other monitoring features such as battery health status. The customer is able to access their subscription and obtain vehicle tracking data at any time through a mobile device or a web-based portal.

Limited warranty

We provide all customers with a 30-day/1,500 mile DriveCare® Limited Warranty with the purchase of any vehicle as well as a five-day, no questions asked, vehicle return policy. The DriveCare® Limited Warranty covers all labor and parts of the vehicle for the breakdown of any mechanical items and provides for reimbursement of specified costs for rental cars and towing assistance.

Ancillary product administration

The VSC, GAP, and GPS products along with the DriveCare® Limited Warranty are administered by SilverRock. Also, SilverRock administers the SilverRock Products, the vehicle limited warranty, and the pre-sale vehicle repairs of a related party.

Loan servicing

Loan servicing operations includes the entire life cycle of the loan from centralized payment collections to remarketing of recovered vehicles at auction. The foundation of our servicing and collection activity is our proprietary and custom-built loan servicing platform. As of December 31, 2024, we serviced $22.2 billion in loan principal balances, which consisted of $5.9 billion in loan principal balances we originated and retained $16.3 billion in loan principal balances owned by third parties.

We place a strong emphasis on employee training, customer service and regulatory compliance through systematic controls and our loan servicing objectives are structured to ensure regulatory compliance, while also delivering excellent customer service and maximizing the performance of our loan portfolio and the portfolios of others.

After we or one of our partners complete the sale of a financed vehicle, the related loan is systematically boarded to our loan servicing and accounting system. Although we do not accept payments in our dealerships, customers can access all account information online at Bridgecrest.com or through the Bridgecrest app and can initiate payment in a variety of ways including free options such as automated clearing house ("ACH"). Customers also have the ability to make cash payments through our electronic payment network at locations nationwide and through a variety of traditional payment channels.

Our loan servicing platform is segmented into various stages of delinquency, which enables us to provide specialized training for each of our collection groups. Our loan servicing platform also includes trained specialty groups, such as our new customer unit, which is responsible for interactions with customers during the first three months of their loan. Our servicing policies and procedures are designed to promote excellent customer service, compliance with regulatory guidelines, and maximum recovery of any delinquent amounts. We follow a pre-defined set of procedures within each delinquency stage in order to optimize our collection efforts, monitor our loan advisor's activities, and ensure compliance with regulatory standards.

Loan advisors focus their efforts on providing excellent customer service, obtaining customer payments, and educating customers on payment options. All loan advisor calls are recorded and are randomly selected for quality review. Calls are evaluated based on (i) respect - listening to the customers and showing that we understand their situation; (ii) transparency - empowering customers with information to help them be successful; (iii) options - being solution focused and helping to educate customers about different tools and programs available to them; and (iv) regulatory compliance. Our quality control group provides visibility into the performance of our loan servicing personnel and help us enhance collection strategies and the overall customer experience. Should a vehicle require recovery, we utilize technology such as GPS, if available, or LPR ("License Plate Recognition") to assist in locating the vehicle in an efficient manner, but we do not utilize any type of starter interrupt functionality. Each recovered vehicle is sold through online auction or is represented by a Bridgecrest employee at a physical auction in order to maximize the recovery value of recovered vehicles.

Seasonality

Historically, we have experienced higher revenues in the first half of the calendar year than in the last half of the calendar year. We believe these results are due to seasonal buying patterns resulting, in part, because many of our customers receive income tax refunds during the first quarter of the year, which are a primary source of down payments on used vehicle purchases. Our finance receivables portfolio also has historically followed a seasonal pattern, with delinquencies and charge offs being lowest in the first half of the calendar year as a result of customers receiving tax refunds and using the proceeds to pay their debt obligation and highest in the second half of the year.

Industry and Competition

We operate in both the highly fragmented used vehicle sales and financing markets. During 2024, total used vehicle sales were generated from approximately 130,000 franchise and independent dealers nationwide, according to IBISWorld.

Used vehicle sales

The market for used vehicles is among the largest and most highly fragmented retail markets in the United States, with few dealers having more than a small portion of the market share. As franchised dealers continue to feel margin pressure on new vehicle sales, they are continuing to focus on retailing used vehicles to capture incremental margin.

Vehicle sales typically occur through one of three channels: (i) the used vehicle retail operations of manufacturer-franchised new car dealerships, (ii) independent used vehicle dealerships, and (iii) individuals who sell used vehicles in private transactions.

Over the last 33 years, we have developed and refined our integrated business model, which we believe has several advantages over our competition in this industry and enables us to provide our customers with a unique buying experience featuring:

- online financing approvals with no impact to our customers' credit scores, a wide selection of vehicles, and no-haggle pricing;
- vehicle-specific financing with flexible terms;
- a five-day "no questions asked" vehicle return policy and limited 30-day warranty;
- affordable low down payments relative to our industry peers;
- 100% company operated and branded dealership facilities;
- a comprehensive suite of Ancillary Products to meet the needs of our customer base;
- full service credit underwriting and loan servicing capabilities;
- a diverse platform of payment and assistance options including numerous self service options;
- primarily salary-based retail experienced sales staff; and
- a national footprint to source inventory from a variety of wholesale auctions, online platforms, and strategic partnerships.

Our aptitude and experience in delivering customer satisfaction in an end-to-end solution, including the sale and financing of a vehicle and related products, is supplemented through our vehicle variety, nationwide footprint and the interactive nature of our website.

Used vehicle financing

The used vehicle financing market is highly fragmented and is served by a variety of financing sources that include independent finance companies, "buy-here, pay-here dealers", select traditional lending sources such as banks, credit unions, indirect non-bank lenders, and captive finance subsidiaries of vehicle manufacturers. Many traditional lending sources have historically avoided the subprime market due to its relatively high credit risk along with the associated collection efforts and costs.

Our advantages in this industry include the integration of the retail vehicle sale and finance aspect of a used vehicle transaction. We have developed a business model that integrates our vehicle acquisition, reconditioning, sales, marketing, underwriting and finance, loan servicing, after-sale support activities, and ancillary product sales and administration, which we believe enables us to control and generate value from each aspect of our business, while offering quality customer service to those who have been underserved elsewhere in the market. We believe our integrated business model, together with our 33 years of experience in evaluating data, including customer demand, customer credit, vehicle residual values and trends, factors impacting loan performance, and vehicle reliability and cost, all provide us the unique ability to be competitive, agile, and flexible in an ever-changing industry. We have also developed and maintained long term strategic relationships with both banking partners and industry auction houses that provide the financing and inventory needed to take advantage of business opportunities as they arise. We have maintained stable ownership and demonstrated proven success through multiple economic cycles.

Integrated Information System

All aspects of our business, including our reconditioning centers, dealerships, loan servicing centers, and our accounting and reporting functions are integrated leveraging decades of technical and business expertise. When a vehicle is purchased, the acquisition is recorded, and a unique identifier is assigned to the vehicle which is utilized within the system to track and report on the vehicle throughout the reconditioning and sales processes. When a sale is executed and a loan is generated, the system adds the loan to our loan servicing and collection systems. We also have electronic contracting available at all of our dealerships.

We have developed comprehensive databases and management tools, including credit scoring models, static pool analysis, and predictive modeling to set inventory acquisition and underwriting guidelines, structure contract terms, establish collection strategies, and monitor underwriting effectiveness. We developed a proprietary tool, Buyonic™, to aid in vehicle acquisition. Our proprietary scoring models are equipped with over 20 years of directly integrated, data driven decision making. Our cloud first software engineering approach leverages industry leading platforms. We service our loans via our cloud-hosted, web service driven servicing and collections platforms. Our comprehensive approach enables us to deliver flexible solutions to our customers and is key to ensuring we deliver the optimal customer experience.

Our systems and databases are maintained in two secured geographically redundant data centers and in multiple cloud data centers. We have in place high speed, secured, private connections to our systems in the cloud, allowing us to take advantage of the flexibility and scalability that cloud platforms offer. Firewalls, access controls, and other advanced security features are utilized to protect our customers' information. We have a security operations team that monitors the environment for malicious activity and can take responsive action. A third-party security monitoring service provides additional coverage 24/7. Our on-site infrastructure is safe guarded with fire protection systems, including passive and active design elements. We utilize multiple electrical backup systems in an effort to ensure uninterrupted power. Our network features multiple wide area network connections using redundant routing architecture with multiple access points to public networks. All cloud based and on-site systems and databases are configured for high availability with a comprehensive disaster recovery plan in place to cover intermittent or extended periods of interruption in one or more of our critical systems. We periodically test our disaster recovery procedures, including at least one full failover exercise each year. Additionally, all changes to our systems and infrastructure are governed by a rigorous but agile approval and audit process.

Regulation

Our sales, finance, ancillary product administration, and collections operations are subject to ongoing regulation, supervision, and licensing under various federal, state, and local statutes, ordinances, and regulations. Among other things, these laws require that we obtain and maintain certain licenses and qualifications, limit or prescribe terms of the contracts that we originate, provide specified disclosures to customers, limit our right to recover and sell collateral, and prohibit us from discriminating against certain customers.

Our financing activities with customers are subject to federal truth-in-lending, fair credit reporting, and equal credit opportunity laws and regulations, as well as state and local motor vehicle finance laws, installment finance laws, usury laws, and other installment sales and lending laws. Our loan servicing activities with customers are subject to federal and state collection practices and credit reporting laws and regulations. We are also subject to a variety of federal and state consumer protection, privacy, and related laws and regulations.

The United States lending and used vehicle sale industries are highly regulated under various federal laws, including the Truth-in-Lending, Truth-in-Savings, Equal Credit Opportunity, Fair Credit Reporting, Fair Debt Collection Practices, Gramm-Leach-Bliley Act, Dodd-Frank Act, Service Members Civil Relief, and Unfair and Deceptive Practices Acts, as well as various state and local laws. We are subject to inspections, examinations, supervision, and regulation by each state in which we are licensed and by various federal agencies, including the Federal Trade Commission.

To ensure compliance with the various regulations affecting our business, we have implemented and continue to work on and refine a comprehensive Compliance Management System ("CMS"). The focus of our CMS includes policies, procedures, training, monitoring, audit, vendor management and complaint management. Additional legal and regulatory matters affecting the Company’s activities are further discussed in *"Risk Factors"* of this annual report.

Environmental

We are subject to a variety of complex federal, state, and local laws, regulations, and permits relating to the environment and human health and safety. These requirements change frequently, tend to become more stringent over time and are a significant consideration for us as our operations involve the use of storage tanks, disposal of wastewater, and emission of hazardous substances into the air. We use, store, recycle, and dispose of hazardous materials, such as motor oil, oil filters, transmission fluids, antifreeze, refrigerants, paints, thinners, batteries, cleaning products, lubricants, degreasing agents, tires, and fuel. If we violate or fail to comply with these laws, regulations, or permits, we could be fined or otherwise sanctioned by regulators. Pursuant to such requirements, we have made and will continue to make capital and other expenditures.

Intellectual Property

We have an ongoing program under which we evaluate and defend our intellectual property and consider appropriate federal and state intellectual property related filings. We believe that there is significant value in our intellectual property, but that our business as a whole is not materially dependent on it. We believe we have taken appropriate measures to protect our proprietary rights.

Employees

At December 31, 2024, we employed over 4,800 people across our dealerships and reconditioning centers located in 30 states, loan servicing centers located primarily in Mesa, Arizona, and Fort Worth, Texas, and our corporate offices in Dallas, Texas and Tempe, Arizona.

None of our employees are covered by a collective bargaining agreement and we generally believe that our relations with our employees are positive.

RISK FACTORS

You should carefully consider the following risks and the other information contained in this annual report, including our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations". The risks described below are those that we believe are the material risks we face. Any of the risks described below, and others that we may not anticipate, could significantly and adversely affect our business, prospects, financial condition, operating results, and liquidity.

Business and Financial Risks

Our business could be negatively impacted if our access to funding is reduced.

We have borrowed, and will continue to borrow, capital to fund our operations and we periodically refinance such debt. As of December 31, 2024, we had approximately $4.3 billion in aggregate principal amount of indebtedness outstanding. If we cannot obtain the financing we need, or cannot do so on a timely basis and on favorable terms, our liquidity could be materially adversely affected.

We rely in part on asset-backed securitizations to fund our business operations. Due to the risk of volatility surrounding the global economic system there can be no assurance that we will continue to be successful in selling securities in the ABS market. Adverse changes in our ABS program or in the ABS market generally could materially adversely affect our ability to securitize loans on a timely basis or on terms acceptable to us. This could increase our cost of funding, reduce our margins or cause us to hold assets until investor demand improves.

We also depend on credit financing through various credit facilities, including our portfolio warehouse facilities and floorplan financing facility, to fund our operations and liquidity needs. We cannot guarantee that these financing sources will continue to be available beyond the current maturity dates, on reasonable terms, or at all. If our volume of loan originations increases or inventory balance increases, we may require the expansion of our borrowing capacity on our existing credit facilities or the addition of new credit facilities. The availability of these financing sources depends, in part, on factors outside of our control, including regulatory capital treatment for unfunded bank lines of credit, the financial strength and strategic objectives of the banks that participate in our credit facilities, and the availability of bank liquidity in general. In the event of a sudden or unexpected shortage of funds in the banking system, we cannot be sure that we will be able to avail ourselves of new financing without incurring high funding costs, a reduction in the term of funding instruments, or the liquidation of certain assets.

The degree to which we are leveraged, and to which we may become leveraged, could negatively impact our ability to obtain additional financing in the future, increase our vulnerability to general economic downturns and adverse industry conditions, limit our ability to respond to changes in our industry. If continued access to the sources of funding described above is not available to us on a regular basis for any reason, we may have to curtail or suspend certain business operations, including loan origination activities.

Our indebtedness and related obligations are significant and the agreements governing them may impose restrictions on our business.

At December 31, 2024, we had approximately $4.3 billion principal amount of indebtedness outstanding in aggregate.

Any agreements that govern future indebtedness may contain covenants that impose significant operating and financial restrictions on us, including, among other things, our ability to:

- incur additional indebtedness;
- incur liens;
- sell or otherwise dispose of assets;
- make investments, loans, or advances;
- engage in merger and acquisition activity;
- pay dividends, redeem capital stock, or make certain other restricted payments or investments;
- engage in certain sale and leaseback transactions;
- enter into new lines of business; and
- enter into transactions with affiliates.

Additionally, the advance rates on our portfolio warehouse facilities may be reduced if our portfolio does not perform as expected, we exceed certain extension limits, term limits, delinquency limits, or fail to meet the required collateral levels. If we do not repay the amounts due on the applicable commitment date, all of our facilities and financings feature a term-out feature, which may result in a step-up of the interest rate, with any remaining balance paid down based on the amortization of the underlying collateral.

From time to time in the past, we have breached certain of these technical or other restrictions and have incurred advance rate reductions or obtained advance waivers from the applicable lenders in some instances. In a future event of default or breach of covenants, there can be no assurance we will be able to receive such waivers, and in certain instances, our inability to obtain these waivers may result in events of default and cross default under, and the acceleration of, applicable indebtedness, each of which may have a material adverse impact on our ability to maintain the levels of funding needed to continue to expand and operate our business.

Our business will be negatively impacted if we are not able to generate sufficient cash flow to meet our debt service obligations.

Our ability to make payments of principal and interest on indebtedness will depend in part on our cash flows from loan payments, which are subject to economic, financial, competitive and other factors beyond our control. For the year ended December 31, 2024, we paid $227.4 million in cash for interest charges associated with our debt obligations. We cannot be certain that we will maintain a level of cash flows from loan payments sufficient to permit us to meet our debt service obligations in the future. If we are unable to generate sufficient cash flows from loan payments to service our debt, we may be required to undertake alternative financing plans, such as selling assets, refinancing all or a portion of our existing debt, reducing or delaying capital investments, or obtaining additional financing. There can be no assurance that any of these alternatives will be available on terms acceptable to us, or available at all.

Changes in interest rates may adversely impact our profitability and risk profile.

Our profitability is dependent, at least in part, on the difference between the interest rates we earn on our finance receivables (which are fixed) and the interest rates we pay on our borrowings, which are fixed and variable. Thus, when interest rates increase, the overall rates we pay on our borrowings may increase, while the rates we earn on our finance receivables may remain the same, potentially reducing our profitability. In addition, rates charged on new customer loan originations may be limited by market and competitive conditions, restricting our ability to pass on increased interest costs to the consumer. Further, increases in interest rates may reduce the volume of vehicles we sell and loans we originate, which would negatively affect our operating results in the absence of mitigating factors.

If we were to lose the right to service, we could experience a decrease in collections, which could have a material adverse impact on our business.

We retain the right to service all receivables, including those we own, those owned by third parties, those pledged as collateral to our portfolio warehouse facilities, and those sold to securitization trusts. We are entitled to a fee for our servicing activities, which generates cash flow for operations. Subject to certain conditions, if we experience an event of default under the agreements governing our financing arrangements, we may lose the right to service these receivables. Loss of this right could have a material adverse effect on our cash flows and servicing fees. In addition, if we lose our servicing rights, these servicing activities could be transitioned to a third-party who might lack the requisite experience in servicing these receivables. As a result, we may experience decreased collections and servicing fees, which could have a material adverse effect on our operating results and financial condition and on the value of certain of our credit facilities.

We have sold and may continue to sell deficiency charge off loans and loans in bankruptcy to third-party debt buyers, which could increase our exposure to regulatory action or litigation.

We are subject to a variety of complex federal and state consumer lending laws. The sale of certain of our accounts in deficiency charge off or bankruptcy status may increase the risk of regulatory action due to the activities of the debt buyers. We attempted to mitigate this risk through internal controls including commitments to compliance and contractual consequences if those commitments are not met as well as due diligence and screening of the accounts sold and vetting of the debt buyers. However, we cannot predict with certainty the current regulatory environment or the buyers' compliance.

There is a high degree of risk associated with borrowers with subprime credit.

A majority of the loans that we originate and service are with borrowers with subprime credit. Loans to borrowers with subprime credit have lower collection rates and are subject to higher loss rates than loans to borrowers with prime or near prime credit. Although we have extensive experience in subprime auto lending, there can be no assurance that our collection rates will not decrease and that our loss rates will not increase over time.

In addition, because certain of our financings are collateralized, in part, by the loans we originate, including the financings of special purpose entities that have issued securities secured by receivables, the value of such collateral for those financings will be sensitive to the performance of the underlying receivables. See *"Risk Factors — Changes in accounting policies could adversely affect our reported operating results."*

Our proprietary credit scoring system may fail to properly quantify the credit risks associated with our customers, which could have a material adverse effect on our financial condition and operating results.

We have developed, and revise from time to time, complex proprietary credit scoring models that use traditional and non-traditional variables to classify our customers into various risk grades that are linked to loan parameters. We cannot guarantee that these credit scoring models will perform as intended in current or future market conditions. In addition, given that our typical customer has limited or no credit history, our models rely on customer-related data provided by third parties (including credit agencies) or obtained from publicly available sources, in addition to any information provided to us by our customers. If data obtained from these sources are inaccurate or volatile, or if any such data or categories of data became unavailable to us, the ability of our credit scoring models to properly assess customer risk could be compromised, or our models could fail altogether, which could have a material adverse effect on our operating results and financial condition.

Our failure to effectively manage our growth, including the risks associated with new products, services or business ventures, could harm our business.

We may pursue growth opportunities, acquisitions, joint ventures and the introduction of new products and services. These business expansion initiatives could have unintended consequences, including negative impacts to our brand, the diversion of excessive time and attention of personnel away from our core business, and additional strain on our capital resources, information and reporting systems, financial management controls and personnel, and regulatory compliance systems and personnel.

There can be no assurance that these or any other new business ventures, products or services will be successful. When entering into any new business or venture, we run the risk of losing our initial investment and incurring operational losses if the venture does not perform according to expectations, which could result in material adverse effects to our business, operating results or financial condition. In addition, we may not be able to effectively manage or integrate our expanding operations (including new dealerships and reconditioning centers) or achieve planned growth on a timely or profitable basis. If we are unable to achieve our planned growth or effectively manage our growth, we may experience operating inefficiencies that could have a material adverse effect on our operating results.

Reliance on third parties and affiliates to perform certain company functions could adversely affect our business and financial results.

We partner with certain companies to perform collection operations and other activities. Our dependence on third-party service providers and affiliates may increase our operational complexity, decrease our control over certain functions, and subject us to additional risks, such as inadequate service, work strikes, or other work stoppages in foreign countries where certain outsourced services are located. We also rely on BlueShore Insurance Company ("BlueShore"), an affiliate and property and casualty insurance company, to issue Contract Liability Insurance Policies ("CLIP") to back certain of our Ancillary Products and SilverRock Products. BlueShore holds the reserves for the outstanding potential claims liability associated with those products. Further, if our relationships with such third-party providers or affiliates were modified, disrupted, or terminated, we would need to obtain these services from alternative sources. We may be unable to replace these third-party providers or affiliates with a suitable alternative in a timely and efficient manner on terms acceptable to us, or at all, and we may not be able to provide these services effectively using our internal resources. Additionally, in the event our CLIP provider becomes insolvent, we may not be able to recover the reserves held by that provider and may incur additional losses for paying out claims under the relevant Ancillary Product and SilverRock Products policies. Finally, as the obligor on these Ancillary Products and SilverRock Products, we bear the risk of increased claims costs. In any such scenario, our market reputation could suffer, and our operating results and financial position could be adversely affected.

A reduction in demand from, changes in the financial condition of, or a material adverse development in our relationship with a related party customer may harm our business, financial condition, and/or results of operations.

SilverRock offers certain products that are primarily marketed and sold through a related party customer pursuant to a master dealer agreement whereby the related party customer sells SilverRock Products that SilverRock is obligated by and subsequently administers. Additionally, SilverRock administers the vehicle limited warranty of the related party customer and the related party customer’s pre-sale vehicle repairs. Also, Bridgecrest provides loan servicing for loans originated by this related party customer and subsequently sold to other third parties and for loans originated and retained by this related party customer. A reduction in demand from, changes in the financial condition of, or a material adverse development in our relationship with this related party customer may harm our business, financial condition, and/or results of operations.

Actual or threatened epidemics, pandemics, outbreaks, or other public health crises may adversely affect our customers’ financial condition and the operations of our business.

Our business could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis. The risk of a pandemic, or public perception of the risk, could cause customers to avoid public places, including our dealerships, and could cause temporary or long-term disruptions in our supply chains and/or delays in our loan servicing operations. Further, such risks could also adversely affect our customers' financial condition, resulting in a reduction in consumer demand for vehicles and in an increase in consumer credit delinquency and loss rates. While we have business continuity procedures in place to guide our response to a crisis, our attention may be diverted away from normal operations and our resources may be constrained. Risks related to an epidemic, pandemic or other health crises could also lead to the complete or partial closure of one or more of our dealerships, reconditioning centers or loan servicing centers. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crises could therefore materially and adversely affect our business, financial condition and results of operations.

We incur inherent risks by contracting offshore service providers which may adversely affect our business

We contract service providers in international locations. The offshore groups perform primarily back office accounting and support tasks and assist in our loan servicing operations in collections and customer facing functions. Additionally, we contract with vendors in the United States that employ or contract personnel outside of the United States. We are susceptible to inherent risks outside of our control by partnering with agencies in international countries, including:

- risks related to different government regulation or required compliance with local laws and regulations;
- local licensing and reporting obligations;
- difficulties in hiring and retaining personnel, developing, and simultaneously managing a number of varying foreign operations as a result of distance, language and cultural differences;
- political and economic differences, security risks and changes in international relations;
- international state or federal regulations that require our service providers to obtain additional licenses, registrations or permits to perform services on our behalf;
- natural disasters, public health issues, epidemics or pandemics, acts of war, and terrorism, and other events outside our control;
- the impact of, and response of local governments to the events aforementioned;
- compliance by our outsourcing partners with U.S. laws and foreign laws related to consumer protection, intellectual property, privacy, data security, corruption, money laundering, and export/trade control; and
- potentially adverse tax developments and consequences.

Adverse macro-economic conditions and their effect on automobile sales may adversely affect our business.

Historically, both the United States economy and the wider global economy have experienced recessions and extended periods of economic downturn and may experience similar events in the future. Periods of economic downturn may adversely affect the payment performance of our finance receivables. High unemployment and lack of available credit are likely to lead to increased delinquencies, defaults, recoveries, and losses on retail installment contracts. Periods of economic downturn may also be accompanied by decreased consumer demand for automobiles and declining values of automobiles securing our retail installment contracts, which could weaken collateral coverage and increase the amount of a loss in the event of default. Also, any increases in the inventory of used automobiles during a period of economic slowdown or recession will typically depress the prices at which recovered automobiles may be sold.

Additionally, higher gasoline prices, unstable real estate values, U.S. government trade policy, such as tariffs, and other factors can adversely affect consumer confidence and disposable income. These conditions may increase loss frequency, decrease consumer demand for automobiles and weaken collateral values on certain types of vehicles. Because our customers are primarily borrowers with subprime credit, the actual rates of delinquencies, defaults, recoveries and losses on our retail installment contracts are expected to be higher than those experienced in the general automobile finance industry and may be affected to a greater extent during an economic downturn.

Our operations are geographically concentrated, and a downturn in the economies or markets in which we operate could adversely affect vehicle sales and collections.

As of December 31, 2024, we operated our dealerships in 30 states though approximately 37.2% of our sales volume and approximately $2.2 billion of our $5.9 billion originated and retained portfolio of loans is concentrated in three states: Texas, Florida, and Georgia. Accordingly, our operating results depend substantially on general economic conditions and consumer spending habits in these markets. Adverse economic conditions, natural disasters, public health emergencies, or other factors affecting any state or region where high concentrations of our customers reside could adversely affect vehicle sales and collections and materially impact our overall operating results and financial condition.

Our industry is highly competitive and fragmented, and if we are unable to compete, we may experience material adverse effects on our operating results and financial condition.

Used vehicle retailing and financing is a highly competitive industry. Our competition includes "buy-here, pay-here" dealerships, publicly and privately owned used car dealers and the banks, finance companies and indirect lenders that purchase their loans. Many of our retail competitors buy and sell the same or similar makes of vehicles that we offer in the same or similar markets and at competitive prices, which can result in margin pressure due to increased inventory costs and lower retail prices. The financing side of the market is served by banks, captive finance affiliates of automobile manufacturers, credit unions and independent finance companies that may be much larger and have greater financial resources than are available to us, which may allow them to compete favorably with us. Along with lower operating margins on retail sales, increased competition may cause downward pressure on the interest rates that we charge on finance receivables originated by our dealerships, all of which together could have a material adverse effect on our operating results and financial condition.

If we are unable to obtain sufficient inventory in a cost-effective manner, our operating results and financial condition will be adversely impacted.

We require a large number of quality used vehicles for our dealerships, and our ability to manage inventory costs while maintaining affordability for our customers is critical to the success of our business. We acquire most of our used vehicle inventory through auctions, primarily through two auction companies. We also source inventory from wholesalers and fleet owners, such as leasing and rental companies. The number of sources that can supply acceptable quantities of vehicles meeting our quality standards is limited, and we face substantial competition to acquire the vehicles we purchase. Additionally, higher auction prices may lead us to acquire older or higher mileage vehicles, which could cause an increase in reconditioning and warranty costs, both of which would also negatively affect our sales margins and overall profitability.

We also rely on logistics in transporting vehicles from auctions to reconditioning centers and to our dealerships. Our failure to manage this process both internally and through our network of transportation partners, or disruptions in the vehicle transport industry beyond our control, could cause a disruption in inventory supply chain and distribution, which may adversely affect our operating results and financial condition.

Market factors may reduce the value of used vehicles, which could result in increased losses on auto loans and may adversely affect our business.

Vehicles that are recovered are typically sold at vehicle auctions. The pricing of used vehicles is affected by supply and demand for such vehicles, which in turn is affected by consumer tastes, economic factors, fuel costs, the introduction and pricing of new car models and other factors, such as recalls due to manufacturing problems, the introduction of new vehicle sales incentives and legislation relating to emissions and fuel efficiency. Decisions by a manufacturer with respect to new vehicle production, pricing and incentives may affect used vehicle prices, particularly those for the same or similar models. Adverse conditions affecting one or more automotive manufacturers may negatively affect used vehicle prices for vehicles manufactured by that company. Certain actions that manufacturers may take or have taken may adversely affect consumer demand for, and values of, used motor vehicles produced by these companies, which may depress the price at which recovered motor vehicles may be sold or delay the timing of these sales. A decrease in demand for used vehicles or decline in the prices at which the related vehicles may be sold are likely to result in increased losses on the related auto loans. Market prices for related vehicles can be impacted by changes in demand for used vehicles or changes in used vehicle supply, such as the liquidation of large vehicle fleets.

Changes in the automobile industry including technological advancements and consumer trends could adversely impact our business, operating results, and financial condition.

Technological advancements or changes to trends in the automobile industry such as new autonomous driving technologies or car- and ride-sharing programs could decrease consumer demand for automobiles. Decreased consumer demand for automobiles could negatively impact demand for our business operations and materially adversely affect our financial position, liquidity and results of operations.

We may experience seasonal and other fluctuations in our operating results.

Sales of motor vehicles historically have been subject to substantial cyclical variation characterized by periods of oversupply and weak demand. Historically, we have experienced higher revenues in the first half of the calendar year than in the second half of the calendar year. We believe these results are due to seasonal buying patterns driven in part by the timing of income tax refunds, which are a source of our customers' down payments on used vehicle purchases. Our loan performance also has followed a seasonal pattern, with delinquencies and charge offs being the highest in the second half of the year. A significant portion of our selling, general, and administrative expenses, however, do not vary proportionately with fluctuations in revenues. Accordingly, our results in any quarter may not indicate the results we may achieve in any subsequent quarter or for the full year. We expect quarterly fluctuations in our operating results to continue as a result of seasonal patterns.

We are subject to fluctuations in demand for our products and our failure to adequately meet such demand, including through inventory re-mixing and product pricing, could adversely affect our business, operating results, and financial condition.

The demand for the products we offer may be reduced due to a variety of factors, such as demographic patterns, changes in customer preferences or financial conditions, regulatory restrictions that decrease customer access to particular products, or the availability of alternative or competing products. For example, if customer preferences change and we fail to re-align our inventory mix and Ancillary Products and services to such preferences, our revenues could decrease significantly, and our operations could be harmed. If used vehicle retail prices rise significantly due to supply constraints, consumer demand for used vehicles could decline as customers delay purchases or pursue alternative options. If our pricing models fail to properly calculate retail vehicle prices aligned with market demand, our sales and sales margin could decrease, which could have a material adverse effect on our operating results and financial condition.

SilverRock, as administrator and obligor of certain ancillary products, may incur actual claims that exceed reserves for claims, requiring us to incur additional expense for settling unreserved liabilities, which could have a material adverse effect on our financial position, liquidity and operating results.

SilverRock has a primary business of selling and administering retail automotive ancillary products, including vehicle service contracts, vehicle protection products and guaranteed asset protection products. Currently, the SilverRock Products we sell are primarily marketed and sold through Carvana Co. ("Carvana"), a related party, and e-commerce auto retailer, pursuant to a master dealer agreement. Under the master dealer agreement, SilverRock is obligated by, and subsequently administers, vehicle service contracts. We maintain reserves in certain instances, which are held by BlueShore, to cover our estimated ultimate unpaid liability for claims. Pricing the reserves for claims involves a high degree of judgment and variability and is subject to a number of factors which are highly uncertain. If our recorded reserves are insufficient for any reason, the required increase in reserves would be recorded as a charge against our earnings in the period in which reserves are determined to be insufficient.

Our reputation is a key aspect of our business, and our business may be affected by how we are viewed in the marketplace.

The DriveTime brand represents transparency, integrity, value and a customer-centric used vehicle buying experience. The reputation of our brand is critical to our success. If we fail to maintain the high standards on which this reputation is built, or if an event occurs that damages this reputation, it could adversely affect our brand and consumer demand for our products and have a material adverse effect on our business, sales and operating results. Additionally, if we fail to correct or mitigate misinformation or negative information about the vehicles we offer, our customer experience, or any aspect of our brand, we could experience a material adverse effect on our business, sales and operating results.

Failure to adequately protect our brand, intellectual property, and confidential information could harm our business, operating results, and financial condition.

Our business depends on our brand, intellectual property, and confidential information. For example, we trademarked our name, logos, and marks, and have developed proprietary lead scoring algorithms to determine down payment and financing options we offer to our customers. We rely on a combination of patent, trademark, trade secret and copyright law and contractual restrictions to protect our marks, algorithms and other intellectual property and confidential information. In addition, we attempt to protect our intellectual property and confidential information by, among other things, monitoring the use of our marks and requiring certain of our employees and consultants to enter into confidentiality and nondisclosure agreements. Despite our efforts, we may not effectively prevent unauthorized use or disclosure of our confidential information or intellectual property and any such disclosure or use may have a material adverse effect on our business, operating results, and financial condition.

Adverse outcomes to current and future litigation against us may adversely impact our financial position, liquidity and operating results.

We may be involved in various litigation matters from time to time, which may include product liability claims and other litigation with customers, labor and employment-related lawsuits, environmental claims, Telephone Consumer Protection Act claims, class actions, purported class actions, and other actions brought by competitors or governmental authorities, any of which could have a material adverse effect on our business and operating results. These actions could expose us to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, reduced demand for our products, and adverse publicity, among other consequences. We cannot assure you that we will have sufficient resources, including insurance to the extent it is available, to cover such legal actions and claims, and adverse outcomes of such legal actions could have a material adverse effect on our operating results and financial condition. See *"Legal Proceedings"* included in this annual report for more information.

A failure of our information systems or any security breach or unauthorized disclosure of confidential information could have a material adverse effect on our business.

Our business is highly dependent on communications and information systems. In particular, we rely on our information systems to effectively manage our pricing strategy and tools, sales, inventory, and service efforts, the preparation of our consolidated financial and operating data, consumer financing, and loan servicing and collections. Our information systems also collect, process and retain sensitive and confidential information regarding our customers, employees and others. Despite the security measures and business controls we have in place (which include, among other things, backup systems, disaster recovery measures, and the adoption of procedures in compliance with the Red Flags Rule promulgated under the Fair Credit Reporting Act) our facilities and systems, and those of third-party service providers, could be vulnerable to external or internal security breaches, cyber-attacks, acts of vandalism, computer viruses, employee theft or misuse, misplaced or lost data, programming or human errors, malfunction, or other similar events. Specifically, third parties may attempt to fraudulently induce our employees or customers to disclose information to gain access to our data or customers' data. In addition, because the login credentials or passwords employed by customers to access our service may be similar to or the same as the ones that they use in connection with other platforms or websites, a breach in the security of those platforms or websites can allow third parties to gain unauthorized access to customers' accounts on our service.

Some threats are out of our control, including natural disasters and network and telecommunications failures. Others may inadvertently occur when we integrate systems or migrate data to our servers following an acquisition or in connection with periodic hardware or software upgrades. Regardless, any security breach or event resulting in the misappropriation, loss, or other unauthorized disclosure of confidential information, whether by us directly or by our third-party service providers, could damage our reputation and adversely impact our competitive position. In addition, government authorities or affected customers could initiate legal or regulatory action against us over those incidents, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Concerns over our data privacy practices, whether actual or unfounded, could subject us to negative publicity and damage our reputation and deter customers from using our service. Any of these occurrences could damage our reputation, expose us to the risks of litigation and liability, disrupt our business, or otherwise affect our operating results.

If all or some portion of our employees elect to collectively bargain or join a union, these actions could adversely affect our operations.

As of December 31, 2024, none of our employees were represented by a labor union. The retail industry is historically an industry in which there is a high degree of labor union participation and we have expanded into geographic regions that traditionally experience more active labor organization. If all or some portion of our employees elect to join a labor union, we could experience increased operational costs, work stoppages or strikes, and/or barriers to communication between management and employees. These factors could lead to inefficiencies in the operation of the affected facilities or groups and could cause us to experience a material adverse effect.

We are dependent on the services of certain key personnel and the loss of their services, or an inability to attract such personnel, could harm our business.

Our continued success depends in part on the continued employment of our executive management team including, but not limited to, our Chief Executive Officers, Scott Worthington and Mary Leigh Phillips, and our Chief Financial Officer, Daniel Gaudreau, as well as the service of our Board of Directors. We do not currently maintain key person life insurance on any member of our executive management team, and the unexpected loss of the services of one or more of these key personnel, or our inability to attract new key personnel, could have a material adverse effect on our operations. See *"Directors, Executive Officers, and Corporate Governance"* included in this annual report for more information.

Our Executive Chairman and principal shareholder can direct our management and policies through his right to elect our Board of Directors (the "Board") and to control substantially all matters requiring a shareholder vote.

Ernest C. Garcia II, our Executive Chairman and principal shareholder, beneficially owns or controls all of our outstanding common shares. Certain agreements to which we are a party, including the agreements governing our indebtedness and our origination agreement with Bridgecrest pursuant to which Bridgecrest purchases all of the auto loan receivables we originate, limit the control Mr. Garcia otherwise could exercise over our business and operations. Mr. Garcia has the power to elect our entire board of directors and determine the terms and outcome of any corporate transaction or other matters required to be submitted to shareholders for approval, including the amendment of our certificate of incorporation, mergers, consolidations and the sale of all or substantially all of our assets. Because his interests as an equity holder may conflict with the interests of our other stakeholders, he may cause us to take actions that, in his judgment, could enhance his interests but may be prejudicial to the interests of our other stakeholders.

Conflicts of interest may arise as a result of affiliations that our principal shareholder has with other affiliated companies with which we have material relationships.

Mr. Garcia, our principal shareholder, is also the owner of Verde Investments, Inc. ("Verde"), a company with which we have and have had material leasing and financing relationships, including with Verde's subsidiary, BlueShore. Mr. Garcia is also a controlling shareholder of Carvana with which we have product servicing, loan servicing, and shared service relationships. See *"Certain Relationships and Related Transactions, and Director Independence."* Any future transactions between us and Verde, or other related party companies with which we have a material relationship, such as Carvana and BlueShore, could give rise to a conflict of interest on the part of our principal shareholder or any of our directors or executive officers. While transactions that we enter into in which a director or officer has a conflict of interest are generally permissible so long as the material facts relating to the director's or officer's relationship or interest as to the transaction are disclosed to our Board and a majority of our disinterested directors, or a committee consisting solely of disinterested directors, approves the transaction, any such conflict of interest could have a material adverse effect on our business, operating results or financial condition.

Changes in accounting policies could adversely affect our reported operating results.

We have identified several accounting policies as being "critical" to the fair presentation of our financial condition and operating results because they involve major aspects of our business and require management to make judgments about matters that are inherently uncertain. Materially different amounts could be recorded under different conditions or using different assumptions. These policies are described in *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and the notes to the consolidated financial statements included in this annual report.

Changes in the fair values of finance receivables can have various negative effects on us, including reduced earnings, increased earnings volatility, and volatility in our book value.

Fair values for our finance receivables can be volatile and our earnings can be impacted by changes in fair values. We re-evaluate the carrying value of receivables measured at fair value at the close of each quarter and if the re-evaluation were to yield a value materially different from the previous carrying value, an adjustment would be required. The fair values can change rapidly and significantly, and changes can result from changes in interest rates, perceived risk, actual and expected future net cash flows, prepayments, and credit performance.

Additionally, a decrease in fair value may not necessarily be the result of deterioration in expected future net cash flows. For example, changes in our discount rate assumptions may be subject to changes in credit spreads or benchmark interest rates. Credit spreads measure the yield demanded on securities by the market based on their credit relative to a specific benchmark and is a measure of the perceived risk of the investment. Changes in market conditions may result in changes to our discount rate assumptions as a result of the use of a higher, or "wider" spread over the benchmark rates. Under such conditions, the fair value of our finance receivables would decline. Conversely, if the spread were to decrease or tighten, the fair value of our finance receivables would tend to increase. Such changes in market conditions could materially affect our fair value calculations and our financial results.

Our calculations of the fair value of our finance receivables are based upon assumptions that are inherently subjective and involve a high degree of management judgment.

The fair value of an asset is, by definition, the exchange price in an orderly transaction between market participants. Receivables such as ours are not regularly traded on exchanges where we can observe prices for exchanges of similar assets. In computing the fair value of our finance receivables, we may therefore develop a number of assumptions as to what a market participant would pay for our receivables. These assumptions may be based on our historical experience and market-based assumptions, including assumptions regarding amortization speed, prepayment rates, credit loss rates, the timing of credit losses, discount rates and loan servicing rates. These assumptions are inherently subjective and involve a high degree of management judgment. Use of different assumptions could materially affect our fair value calculations and our financial results.

Regulatory Risks

We are subject to significant governmental regulation, and if we are found to be in violation of any of the federal, state, or local laws or regulations applicable to us, our business could suffer adverse consequences.

The automotive retail, finance, and ancillary product administration industries are subject to a wide range of federal, state, and local laws and regulations, such as dealership and other licensing and registration requirements, and retail financing, consumer protection, environmental, health and safety, creditor, wage-hour, anti-discrimination, and other related laws and regulations. During the past several years, governmental authorities have increased their scrutiny of advertising, sales, financing, ancillary product administration, and insurance activities involved in the sale and leasing of motor vehicles, and many federal agencies and state attorney generals have been increasingly active in the area of consumer protection. Our violation of these or future requirements, laws or regulations could result in administrative, civil, or criminal sanctions against us, which may include, among other things, withheld or delayed approval of business licenses, cease and desist orders against our operations, and suspension or revocation of our existing operating licenses. As a result, we have incurred and will continue to incur capital and operating expenditures to comply with these requirements, laws, and regulations. Despite the significant efforts we make to comply with these laws and regulations, we are subject, and may be subject in the future, to inquiries, examinations, and enforcement actions from state and federal regulators. There can be no assurance that such activities will not result in material adverse effects on our business.

The Dodd-Frank Act and the Consumer Financial Protection Bureau ("CFPB") will likely continue to focus regulatory and enforcement activities in consumer lending.

We, and certain customers for whom we provide loan servicing, are subject to the Dodd-Frank Act. The CFPB has broad regulatory authority over consumer protection matters applicable to entities offering consumer financial services or products, including non-bank commercial companies in the business of extending credit and servicing consumer loans.

Although the Dodd-Frank Act expressly provides that the CFPB has no authority to establish usury limits, some consumer advocacy groups have suggested that various forms of alternative financial services or specific features of consumer loan products should be a regulatory priority, and it is possible that at some time in the future the CFPB could propose and adopt rules making such lending services materially less profitable or impractical, which may impact finance loans or other products that we offer.

The CFPB's commencement of regulatory and enforcement activities related to consumer lending activities has had, and may continue to have, a material effect on us.

These actions, or others, could negatively impact the business of the affected lenders, and potentially the business of dealers and other lenders in the vehicle finance market. This impact on dealers and lenders, and other impacts from the CFPB's regulatory and enforcement activities, could increase our regulatory compliance requirements and associated costs. Though we are not an indirect or payday lender, these actions also could be a precursor to other changes to our industry, any or all of which could adversely affect the profitability of vehicle financing or otherwise have a material effect on us.

In addition to the grant of certain regulatory powers to the CFPB, the Dodd-Frank Act gives the CFPB authority to pursue administrative proceedings or litigation for violations of federal consumer financial laws. In these proceedings, the CFPB can obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief) and monetary penalties.

The Dodd-Frank Act contains numerous other provisions affecting financial industry participants of all types, including third parties that we deal with in the course of our business, such as rating agencies, insurance companies, and lenders. It also provided the Federal Trade Commission ("FTC") with new and expanded authority regarding automotive dealers, and the FTC has undertaken various enforcement initiatives relating to the advertising practices of automotive dealers and finance companies. We believe that the implementing regulations of the Dodd-Frank Act likely will continue to have the effect of increasing the compliance costs of operating our business and further impact our operating environment in other substantial and unpredictable ways that could have a material adverse effect on our financial condition and operating results. See *"Legal Proceedings"* included in this annual report for discussion of the specific claims and actions we are currently involved in.

Changes in laws, regulations, or policies, or in their enforcement, may adversely affect our business.

The laws and regulations governing our retail, lending, servicing, ancillary product, and insurance activities or the regulatory or enforcement environment at the federal level or in any of the states in which we operate may change at any time and may have an adverse effect on our business. Examples of such changes or potential changes include, but are not limited to, the following:

- Additional regulatory actions and investigations by state and federal regulators against automotive lenders and finance companies are likely to occur in the future and, while it is difficult to predict how any such changes might impact us, any adverse changes in applicable laws or regulations resulting from such actions and investigations could have a material adverse impact on our business and operating results.
- Each state in which we operate and service customers has new and constantly changing laws governing, among other things, consumer protection, motor vehicle sales, consumer lending and financing, and insurance. We spend significant effort and resources monitoring these changes and adjusting our operations to remain in compliance with all applicable laws. It is possible that despite these efforts, applicable legal or regulatory changes will occur that go unrecognized or for which our operations cannot timely adjust to be in compliance with. For example, we may from time to time sell certain deficiency charge off loans and/or loans in bankruptcy to third-party debt buyers, which could increase our exposure to regulatory action or litigation under federal or state consumer lender laws due to, among other things, activities of the debt buyers, which are not entirely within our control. Though we have sought to mitigate this risk through internal controls, including commitments to compliance and contractual consequences to if those commitments are not met as well as screening of the loan accounts sold and due diligence of the debt buyers, we cannot predict with certainty the current regulatory enforcement environment or the buyers’ compliance with respect to transactions of this nature. Further, we cannot assure you that any noncompliance with applicable legal or regulatory requirements will not adversely affect our operating results, business, financial condition, reputation, or liquidity.
- We operate in some states that impose limits on the interest rates we can charge on the installment sales contracts we provide to our customers, and new or lower limits may harm our ability to offset increased interest expenses and could adversely affect our profitability and liquidity.
- Certain states allow us to apply for sales taxes credits to the extent that the related receivable becomes uncollectible. If state laws or the position of state taxing authorities change with respect to these refunds, we could experience a material adverse effect.
- Federal and state legislation has been proposed, and enacted in some states, that could broaden restrictions on United States companies (i) outsourcing their services to companies outside the United States and (ii) limiting customer access to ancillary products and financing of those ancillary products. Such restrictions may include tax disincentives, fees or penalties, intellectual property transfer restrictions, mandatory government audit requirements, and new work visa restrictions that could impact collections and other activities that we outsource to companies located outside the United States.
- Notwithstanding the CMS, which is designed to enhance and assure regulatory compliance, we cannot provide absolute assurances that there are not issues we are unaware of or based on regulatory priorities or trends may become issues tomorrow that are not issues today or have historically not been issue in the auto finance industry.

We are unable to predict how these, or any other future legislative or regulatory proposals or programs will be administered or implemented or in what form, or whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future. Any such action could affect us in substantial and unpredictable ways and could have an adverse effect on our operating results and financial condition.

Limitations on interest payments and foreclosures under federal and state law may adversely affect the collection of interest on auto loans of borrowers on active military duty.

Generally, under federal and state law, a borrower who enters military service after purchasing a financed vehicle (including one who is a member of the National Guard or is in reserve status at the time of purchase and is later called to active duty) may not be charged interest (including fees and charges) above an annual rate of 6% during the period of such borrower's active duty status. In addition to adjusting the rate of interest, the lender must forgive any such interest above an annual rate of 6%, unless the borrower agrees or a court or administrative agency orders otherwise upon application of the lender. It is possible that this limitation could have an adverse effect, for an indeterminate period of time, on the ability to collect full amounts of interest on certain auto loans. In addition, the law imposes limitations that would impair our ability to foreclose on an affected auto loan during the borrower's period of active duty status. Thus, if such an auto loan goes into default, there may be delays and losses resulting from the inability to realize upon the related financed vehicle in a timely fashion. These delays and losses ultimately could affect our availability of funds.

Government regulations may limit our ability to recover and enforce auto loans or to recover and sell collateral.

We are subject to ongoing regulation, supervision, and licensing under various federal, state and local statutes, ordinances, and regulations. If we do not comply with these laws, we could be fined or certain operations could be interrupted or shut down. Among other things, these laws:

- require that certain licenses and qualifications be obtained and maintained;
- limit or prescribe terms of the auto loans originated;
- require specified disclosures to borrowers;
- limit our ability to recover and sell collateral; and
- prohibit discrimination against certain borrowers.

While we believe that we are currently in compliance with all applicable federal, state and local laws and regulations, we may not be able to remain in compliance with such laws. In addition, the adoption of additional statutes and regulations, changes in the interpretation of existing statutes and regulations, or its entry into jurisdictions with more stringent regulatory requirements, could have a material adverse effect on our operations.

Changes to United States tax law could materially impact us or our shareholders.

United States federal income tax laws and the administrative interpretations of those laws may be amended at any time, potentially with retroactive effect. For example, the Tax Cuts and Jobs Act ("TCJA"), enacted in 2017, made significant changes to the United States federal income tax laws applicable to individuals and corporations. Technical corrections or other amendments to the TCJA or administrative guidance interpreting the TCJA may be forthcoming at any time. We cannot predict the long-term effect of the TCJA or any future changes on us or on our financial condition. In addition, future United States tax legislation, regulations, administrative interpretations or court decisions cannot be predicted by us and could adversely affect us and our financial condition.

We are subject to environmental laws, regulations, and permits that could impose significant liabilities, costs, and obligations.

We are subject to a variety of complex federal, state, and local laws, regulations, and permits relating to the environment and human health and safety. If we violate or fail to comply with, or otherwise incur liability under these laws, regulations, or permits, we could incur significant costs, including fines and sanctions by regulators, clean up costs, and damages for third-party claims. These environmental requirements, and the enforcement thereof, change frequently, have become more stringent over time, and compliance may necessitate substantial capital expenditures or operating costs. A number of our facilities have a history as commercial operations involving the use of underground storage tanks. Under certain environmental laws, we could be responsible for the costs relating to any contamination at these or any of our, or our predecessors, currently or formerly owned or operated properties or third-party waste disposal sites, whether or not we were at fault. Such matters also may lead to claims from governmental authorities and other third parties for fines or penalties, natural resource damages, personal injury or property damage. We cannot assure you that our costs and liabilities relating to environmental matters will not adversely affect our operating results, business, financial condition, reputation, or liquidity.

We could suffer material effects of regulatory challenges to certain transactions effected within our related finance company structure.

Our treatment of certain intercompany transactions within our related party finance company structure, including the tax treatment of intercompany sales of receivables from DTAG to Bridgecrest could be subjected to review by federal and state tax authorities. We believe that our intercompany transactions are standard within our industry and our interpretation of the applicable tax rules is not meaningfully different from other companies therein. However, tax authorities may challenge our position causing an accelerated tax obligation, which could have a material adverse effect on our financial condition.

PROPERTIES

As of December 31, 2024, we operated 149 dealerships and 17 reconditioning centers in 87 DMAs across 30 states. Select information regarding these dealerships and reconditioning centers, organized by region, is as follows:

Region	Date First Facility Opened	Number of Dealerships	Number of Reconditioning Centers	DriveTime Owned Centers	Related Party Owned Facilities[(1)]
Albany, GA	August 2021	1	—	—	—
Albuquerque, NM	October 1997	2	—	—	1
Atlanta, GA	September 1997	7	1	—	4
Augusta, GA	September 2011	1	—	—	—
Austin, TX	November 2004	1	—	—	—
Bakersfield, CA	March 2017	1	—	—	—
Baltimore, MD	January 2015	3	—	—	—
Baton Rouge, LA	December 2022	1	—	—	—
Birmingham, AL	October 2010	2	—	—	—
Charleston, SC	March 2011	1	—	—	—
Charlotte, NC	August 2006	3	1	—	—
Chattanooga, TN	October 2010	1	—	—	—
Chicago, IL	October 2014	3	2	—	3
Cincinnati, OH	September 2011	2	—	—	—
Cleveland, OH	June 2014	1	—	—	1
Colorado Springs, OH	June 2021	1	—	—	—
Columbia, MO	December 2022	1	—	—	—
Columbia, SC	June 2010	1	—	—	—
Columbus, GA	April 2013	1	—	—	1
Columbus, OH	September 2012	2	1	—	—
Corpus Christi, TX	December 2013	1	—	—	—
Dallas, TX	September 1997	5	1	1	1
Dayton, OH	May 2014	1	—	—	—
Denver, OH	May 2007	2	1	—	—
Des Moines, IA	April 2024	1	—	—	—
Detroit, MI	April 2017	2	1	—	1
El Paso, TX	December 2022	1	—	—	—
Escondido, CA	October 2021	2	—	—	—
Fayetteville, NC	July 2010	1	—	—	—
Fort Myers, FL	March 2013	1	—	—	—
Fort Wayne, IN	February 2022	1	—	—	—
Fresno, CA	December 2016	1	—	—	—
Gainesville, FL	November 2015	1	—	—	—
Grand Rapids, MI	April 2022	1	—	1	—
Greensboro, NC	February 2007	3	—	—	—
Greenville, NC	December 2021	1	—	—	—
Greenville, SC	May 2010	1	—	—	—
Houston, TX	June 2011	3	1	—	2
Huntsville, AL	November 2012	1	—	—	—

Region	Date First Facility Opened	Number of Dealerships	Number of Reconditioning Centers	DriveTime Owned Centers	Related Party Owned Facilities(1)
Indianapolis, IN	April 2011	2	—	—	—
Jackson, MS	May 2011	1	—	—	—
Jacksonville, FL	April 2006	2	—	—	1
Kansas City, MO	June 2014	2	1	—	—
Knoxville, TN	December 2010	1	—	—	—
Las Vegas, NV	October 1996	2	1	—	1
Lexington, KY	October 2022	1	—	—	—
Los Angeles, CA	September 1997	5	1	—	—
Louisville, KY	August 2013	1	—	—	—
Lubbock, TX	January 2022	1	—	—	—
Macon, GA	January 2017	1	—	—	—
Memphis, TN	November 2010	2	1	—	2
Miami, FL	March 2013	3	—	—	—
Minneapolis, MN	May 2022	1	—	—	—
Mobile, AL	December 2010	2	—	—	—
Modesto, CA	November 2022	1	—	—	—
Myrtle Beach, SC	December 2012	1	—	—	—
Nashville, TN	December 2009	2	—	—	—
Norfolk, VA	May 2005	2	—	—	—
Oklahoma City, OK	January 2010	1	—	—	—
Orlando, FL	September 1999	4	1	—	1
Peoria, IL	September 2022	1	—	1	—
Philadelphia, PA	November 2014	5	1	—	1
Phoenix, AZ	December 1994	5	1	—	3
Pittsburgh, PA	April 2016	2	—	—	2
Reno, NV	June 2021	1	—	—	—
Richmond, VA	December 1999	2	—	—	2
Roanoke, VA	December 2014	1	—	—	—
Sacramento, CA	January 2020	1	—	—	—
Salt Lake City, UT	July 2023	1	—	—	—
San Antonio, TX	March 1997	2	—	—	—
Savannah, GA	November 2011	1	—	—	—
Shreveport, LA	August 2023	1	—	—	—
South Bend, IN	August 2015	1	—	—	—
Springfield, MO	June 2022	1	—	—	—
St. Louis, MO	September 2012	2	—	—	1
Tallahassee, FL	November 2012	1	—	—	—
Tampa, FL	January 1997	5	1	—	3
Temple, TX	January 2007	1	—	—	—
Toledo, OH	September 2022	1	—	—	—
Topeka, KS	September 2022	1	—	—	—
Tucson, AZ	May 1994	1	—	—	1
Tulsa, OK	July 2010	1	—	—	—

Region	Date First Facility Opened	Number of Dealerships	Number of Reconditioning Centers	DriveTime Owned Centers	Related Party Owned Facilities[(1)]
Tyler, TX	July 2014	1	—	—	—
Washington, D.C.	October 2014	2	—	—	—
West Palm Beach, FL	September 2013	2	—	—	—
Wichita, KS	October 2022	1	—	—	1
Wilmington, NC	November 2021	1	—	1	—
		149	17	4	33

(1) Related party owned facilities includes 33 facilities owned by Verde. See *Note 11 — Related Party Transactions* for further discussion.

LEGAL PROCEEDINGS

See *Note 14 — Commitments and Contingencies* to our consolidated financial statements included in this annual report for detailed information regarding our legal proceedings.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth our selected historical consolidated financial and operating data as of the dates and for the periods indicated. The consolidated statements of comprehensive income for the years ended December 31, 2024, 2023 and 2022, and data from the consolidated balance sheets as of December 31, 2024 and 2023, have been derived from our audited consolidated financial statements, which are included elsewhere in this annual report. The data from the consolidated balance sheets as of December 31, 2022 have been derived from our audited consolidated financial statements, which are not included in this annual report. Our historical results are not necessarily indicative of our results for any future period.

The following selected financial and other data (dollar amounts in thousands) should be read in conjunction with *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and our consolidated financial statements and related notes included elsewhere in this annual report.

	As of December 31,		
	2024	2023	2022
Consolidated GAAP Financial Data:			
Net income (loss) before income taxes	$ 64,799	$ (44,837)	$ 73,843
Net income (loss)	$ 40,824	$ (69,327)	$ 39,254
Total shareholders' equity	$ 870,688	$ 840,896	$ 1,031,853
Dealerships and Reconditioning Centers:			
Dealerships in operation at end of period	149	148	146
Average number of dealerships [(1)]	149	147	137
Number of reconditioning centers at end of period	17	17	16
Number of states at end of period	30	29	28
Number of designated marketing areas at end of period	87	86	84
Retail Volume:			
Number of vehicles sold	127,547	110,027	102,649
Average vehicles sold per dealership per month [(2)]	71	62	62
Same store sales change [(3)]	14.0 %	2.4 %	(7.2)%
Bridgecrest Finance Receivables Portfolio:			
Principal balances originated	$ 2,925,914	$ 2,570,928	$ 2,118,977
Portfolio debt interest expense [(4)]	$ 233,407	$ 156,642	$ 86,589
Average amount financed per loan origination (in dollars)	$ 23,145	$ 23,731	$ 21,666
Number of loans outstanding—end of period	324,937	293,206	285,545
Average loan principal outstanding	$ 5,549,010	$ 4,678,069	$ 4,210,701
Finance receivables measured at fair value	$ 4,969,941	$ 4,201,281	$ 3,756,118
Weighted average APR of loans outstanding	22.4 %	22.3 %	22.0 %
Average effective yield on finance receivables measured at fair value [(5)]	10.4 %	9.5 %	8.1 %
Portfolio delinquencies 60+ days (end of period) [(6)]	10.7 %	10.3 %	9.9 %
Net charge offs as a % of average loan principal outstanding [(7)]	13.5 %	12.1 %	9.0 %
Financing and Liquidity:			
Unrestricted cash and availability [(8)]	$ 778,045	$ 697,479	$ 689,211
Average total debt	$ 3,884,067	$ 3,277,508	$ 2,862,115
Net debt [(9)]	$ 3,822,072	$ 3,074,670	$ 2,568,281
Total interest expense	$ 235,851	$ 159,470	$ 88,427
Weighted average effective borrowing rate on total debt [(10)]	6.0 %	4.8 %	3.0 %
Non-GAAP Financial Measures [(11)]:			
Adjusted earnings	$ (46,240)	$ (107,917)	$ 217,699
Adjusted earnings EBITDA	$ 227,541	$ 85,555	$ 332,995
Adjusted earnings EBITDA, excluding portfolio debt interest expense	$ (5,866)	$ (71,087)	$ 246,406
Adjusted earnings shareholders' equity	$ 1,056,446	$ 1,137,693	$ 1,391,730
Ratio of net debt [(11)] to adjusted earnings shareholders' equity	3.6x	2.7x	1.8x
Ratio of adjusted earnings EBITDA to total interest expense	1.0x	0.5x	3.8x

(1) Represents the average number of dealerships open during the periods presented above.

(2) Average vehicles sold per dealership per month is calculated as total vehicle sale transactions for each period, divided by the average number of dealerships in operation for each period, divided by the number of months in the period.

(3) Same store is defined as stores open for at least 15 months.

(4) Portfolio debt interest expense is the interest paid related to the outstanding amounts on our securitizations, portfolio term residual financings, and amounts drawn on our portfolio warehouse facilities.

(5) The average effective yield on finance receivables measured at fair value represents the interest income accretion on a level yield basis using the discount rate based on our own assumptions regarding the appropriate rate of return that market participants would require.

(6) Delinquencies are presented on a nearest Sunday to month end basis.

(7) Net charge-offs as a percentage of average loan principal outstanding is calculated as gross charge-offs, less charge-off recoveries, divided by the average of loan principal outstanding for the period.

(8) Unrestricted cash and availability consists of cash and cash equivalents and available borrowings under the portfolio warehouse and revolving inventory facilities, based on assets pledged or available to be pledged to the facilities.

(9) Net debt is calculated as total debt, net of deferred financing costs as presented in the accompanying consolidated balance sheets included in this annual report, less cash and cash equivalents and restricted cash and investments held in trusts securing various debt facilities.

(10) Weighted average effective borrowing rate includes the effects of the amortization of debt issuance costs and expenses associated with unused line fees.

(11) See definitions and related reconciliations of adjusted earnings, adjusted earnings EBITDA, and adjusted shareholders' equity in *—Non-GAAP Discussion.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations and our liquidity and capital resources should be read in conjunction with our consolidated financial statements and related notes that appear elsewhere in this annual report. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this annual report, particularly in "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Overview

DTAG is one of the largest used vehicle dealership enterprises based on total unit volume. We provide customers with a comprehensive end-to-end solution for their automotive needs, including the ability to buy, obtain optional ancillary products, and finance their vehicles. Most customers choose to start their vehicle buying experience online at Drivetime.com where they can browse all of our available inventory and complete an online financing application, which allows them to determine their financing options before arriving at one of our dealerships. As of December 31, 2024, we operated 149 dealerships and 17 reconditioning centers located in 87 DMAs across 30 states.

As of December 31, 2024, DTAG had one consolidated sister company, Bridgecrest. Through Bridgecrest, we provide auto financing and loan servicing for substantially all of the vehicles we sell. Auto financing is provided through retail sales installment contracts. As many of our customers may have difficulty obtaining financing to acquire a vehicle from other dealerships, financing is an important component of our integrated business model and product offering. We fund our originated and retained finance receivables portfolio primarily through portfolio warehouse facilities and securitizations. We maintain our finance receivables portfolio and related financings on our consolidated balance sheets. Bridgecrest also provides loan servicing for a related party and other third parties. As of December 31, 2024, Bridgecrest serviced $22.2 billion in loan principal balances, which consisted of $5.9 billion in loan principal balances owned by Bridgecrest and $16.3 billion in loan principal balances owned by third parties.

Also consolidated within our sister company, Bridgecrest, is SilverRock. SilverRock has a primary business of selling and administering ancillary products. SilverRock is also the administrator of our Ancillary Products. Currently, the ancillary products SilverRock sells are primarily marketed and sold through a related party of SilverRock as further discussed in *Note 11 — Related Party Transactions* to our consolidated financial statements included in this annual report.

Fiscal 2024 Summary

Highlights of our operating results for the year ended December 31, 2024, and certain comparisons to the year ended December 31, 2023, are as follows:

Operational

- lead volume increased 17.1%;
- unit sold volume increased 15.9% to 127,547;
- same store sales increased 14.0% from 2023;
- sold 71 vehicles per store per month; and
- opened 1 retail store in a new state to end with 149 retail stores and 17 reconditioning centers in 30 states.

Portfolio

- originated $2.9 billion of new loans to end the year with an owned portfolio loan principal balance of $5.9 billion;
- and a fair value of $5.0 billion; and

- serviced $22.2 billion in loan principal balances, which consisted of $5.9 billion in loan principal balances owned by Bridgecrest and $16.3 billion in loan principal balances owned by third parties.

Financial

- $3.7 billion of total GAAP revenue;
- recognized GAAP income before income taxes of $64.8 million and adjusted earnings of $(46.2) million;
- adjusted earnings EBITDA of $227.5 million, and $(5.9) million excluding the add-back of portfolio debt interest expense;
- adjusted earnings shareholders' equity of $1.1 billion; and
- available liquidity of $778.0 million and leverage ratio of net debt to adjusted earnings shareholders' equity of 3.6x.

Factors Affecting Comparability

We have set forth below selected factors that we believe had, or can be expected to have a significant effect on the comparability of recent or future results of operations:

Seasonality

Historically, we have experienced higher revenues in the first half of the calendar year than in the last half of the calendar year. We believe these results are due to seasonal buying patterns resulting, in part, because many of our customers receive income tax refunds during the first quarter of the year, which are a primary source of down payments on used vehicle purchases. Our finance receivables portfolio also has historically followed a seasonal pattern, with delinquencies and charge offs being lowest in the first half of the calendar year as a result of customers receiving tax refunds and using the proceeds to pay their debt obligations, and highest in the second half of the year.

Seasonality of Vehicles Sold

The following table presents a summary of retail sales units on a quarterly basis:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total	
Year	**Units**	**%**	**Units**	**%**	**Units**	**%**	**Units**	**%**	**Units**	**%**
2024	34,846	27.3 %	31,590	24.8 %	33,799	26.5 %	27,312	21.4 %	127,547	100 %
2023	28,301	25.7 %	27,099	24.6 %	28,679	26.1 %	25,948	23.6 %	110,027	100 %
2022	30,553	29.8 %	25,961	25.3 %	23,567	23.0 %	22,568	21.9 %	102,649	100 %

Results of Operations

The following table sets forth our results of operations for the years ended December 31, 2024, 2023, and 2022 (dollar amounts in thousands):

	Year Ended December 31,			% Change	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Revenue:					
Used vehicle sales revenue	$2,346,897	$2,110,608	$1,784,761	11.2 %	18.3 %
Ancillary product sales revenue	596,299	548,397	560,031	8.7 %	(2.1)%
Interest income	523,167	425,568	329,537	22.9 %	29.1 %
Servicing and other revenue	196,662	161,993	134,045	21.4 %	20.8 %
Total revenue	3,663,025	3,246,566	2,808,374	12.8 %	15.6 %
Costs and expenses:					
Used vehicle cost of sales	2,011,103	1,901,701	1,682,322	5.8 %	13.0 %
Ancillary product cost of sales	395,128	327,252	295,702	20.7 %	10.7 %
Mark to fair value on finance receivables	276,764	276,617	74,885	0.1 %	*
Portfolio debt interest expense	233,407	156,642	86,589	49.0 %	80.9 %
Non-portfolio debt interest expense	2,444	2,828	1,838	(13.6)%	53.9 %
Selling, general, and administrative expense	641,450	592,361	566,326	8.3 %	4.6 %
Depreciation and amortization expense	37,930	34,002	26,869	11.6 %	26.5 %
Total costs and expenses	3,598,226	3,291,403	2,734,531	9.3 %	20.4 %
Net income (loss) before income taxes	$ 64,799	$ (44,837)	$ 73,843	*	*

* Greater than 150%

For a discussion of the changes in operations for the year ended December 31, 2022, as compared to December 31, 2021, see "Results of Operations" included in *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report for the year ended December 31, 2022, issued on March 24, 2023.

Used vehicle sales revenue

2024 versus 2023. Used vehicle sales revenue increased $236.3 million, or 11.2%, for the year ended December 31, 2024, as compared to the prior year. The increase in used vehicle sales revenue was primarily due to a 15.9% increase in the number of vehicles sold, partially offset by a 3.9% decrease in the average sales price per unit.

Ancillary product sales revenue

At the time of sale, we defer all revenue associated with our Ancillary Products and the portion of revenue we expect to recognize into sales revenue is recognized over a pattern consistent with claims expense for VSC and GAP or over the life of the subscription for GPS. Ancillary product sales revenue also includes revenue related to the sale of SilverRock Products. See *Note 11 — Related Party Transactions* to our consolidated financial statements for further discussion of these transactions.

2024 versus 2023. Ancillary product sales revenue increased by $47.9 million, or 8.7%, for the year ended December 31, 2024, as compared to the prior year. The increase was primarily attributable to an increase in the number of ancillary product contracts outstanding.

Interest income

We recognize interest income on our finance receivables on a level yield basis utilizing a discount rate based on our own assumptions regarding the appropriate rate of return that market participants would require. The computed discount rate is materially lower than the stated contractual interest rate. See *Note 2 — Significant Accounting Policies* to our consolidated financial statements included in this annual report for further discussion on interest income recognition.

2024 versus 2023. Interest income increased $97.6 million, or 22.9%, for the year ended December 31, 2024, as compared to the prior year. The increase was primarily due to a $42.6 million increase due to changes in our discount rate, coupled with a $54.1 million increase in the average size of our portfolio of finance receivables measured at fair value.

Servicing and other revenue

Servicing and other revenue primarily consists of loan servicing fee income from servicing finance receivables owned by third parties and related parties. See *Note 11 — Related Party Transactions* to our consolidated financial statements included in this annual report for further discussion on our related party finance receivables servicing transactions.

2024 versus 2023. Servicing and other revenue increased $34.7 million, or 21.4%, for the year ended December 31, 2024, as compared to the prior year. The increase was primarily due to an increase in loan servicing revenue as a result of the increase in the size of the serviced portfolio.

Used vehicle cost of sales

2024 versus 2023. Used vehicle cost of sales increased $109.4 million, or 5.8%, for the year ended December 31, 2024, as compared to the prior year. The increase was primarily due to a 15.9% increase in the number of vehicles sold.

Ancillary product cost of sales

2024 versus 2023. Ancillary product cost of sales increased $67.9 million, or 20.7%, for the year ended December 31, 2024, as compared to the same period in the prior year. The increase was primarily due to (i) a $28.7 million increase in GAP claims expense due to lower wholesale vehicle values at the time the claims occurred and an increase in the frequency of claims, (ii) a $16.7 million increase in VSC claims expense primarily due to an increase in average claims expense, (iii) a $16.4 million increase in the amortization of deferred acquisition costs associated with the sale of SilverRock Products, and (iv) a $6.1 million increase in SilverRock Products claims expense.

Mark to fair value on finance receivables

Under the fair value method of accounting, the mark to fair value on finance receivables in a given period may consist of the impacts from new loan principal originations initially being measured at fair value, changes in the discount rates used to measure fair value, differences in expected payments used to measure fair value to actual payments received, and estimate changes to remaining expected payments to be received.

2024 versus 2023. For the year ended December 31, 2024, mark to fair value on finance receivables changed by $0.1 million, or 0.1%, as compared to the prior year. The change was primarily due to (i) a $109.1 million increase from the change in mark to fair value on new loan principal originations, (ii) an $18.7 million increase from the changes in expected payments to be received, (iii) a $64.1 million decrease as a result of the changes in the discount rate used to measure fair value, and (iv) a $63.6 million decrease due to actual payments received missing expectations by a higher amount.

Portfolio debt interest expense

2024 versus 2023. Portfolio debt interest expense increased $76.8 million, or 49.0%, for the year ended December 31, 2024, as compared to the prior year. The increase was due to a $615.0 million increase in the average portfolio debt outstanding, coupled with a 1.1% increase in the portfolio debt average cost of funds to 5.9%.

Non-portfolio debt interest expense

2024 versus 2023. Non-portfolio debt interest expense decreased $0.4 million, or 13.6%, for the year ended December 31, 2024, as compared to the prior year. The decrease was primarily due to interest rate changes in our revolving inventory facility and the reduction of interest payments due to paying off the mortgage note payable.

Selling, general, and administrative expenses

The following table sets forth our results of selling, general, and administrative expenses for the years ended December 31, 2024, 2023, and 2022 (dollar amounts in thousands):

	Year Ended December 31,			% Change	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Compensation and benefits	$ 405,751	$ 371,471	$ 360,271	9.2 %	3.1 %
Selling and marketing	114,391	107,434	105,537	6.5 %	1.8 %
Location	67,085	68,561	64,017	(2.2)%	7.1 %
Other general expenses (1)	54,223	44,895	36,501	20.8 %	23.0 %
Selling, general, and administrative expense	$ 641,450	$ 592,361	$ 566,326	8.3 %	4.6 %

(1) Other general expenses include other general and administrative costs, other (income) expense, and lease operating expense.

Compensation and benefits

2024 versus 2023. Compensation and benefits expense increased $34.3 million, or 9.2%, for the year ended December 31, 2024, as compared to the prior year. The increase was primarily due to higher employee headcount.

Selling and marketing

2024 versus 2023. Selling and marketing expenses increased $7.0 million, or 6.5%, for the year ended December 31, 2024, as compared to the prior year. The increase was attributable to an increase in web-based advertisements.

Location

2024 versus 2023. Location costs decreased $1.5 million, or 2.2%, for the year ended December 31, 2024, as compared to the prior year. The decrease was primarily attributable to lower costs for repairs and maintenance and services as compared to the same period in the prior year.

Other general expenses

2024 versus 2023. Other general expenses increased $9.3 million, or 20.8%, for the year ended December 31, 2024, as compared to the prior year. The increase was primarily due to an increase in collection expenses and professional services, partially offset by higher sales tax recoveries and gains on sales of fixed assets.

Depreciation and amortization expense

2024 versus 2023. Depreciation and amortization expense increased $3.9 million, or 11.6%, for the year ended December 31, 2024, as compared to the prior year. The increase was primarily due to a 43.5% increase in computer software depreciation due to the development and capitalization of new projects.

Credit quality

Bridgecrest originations

The following table sets forth information regarding our originations for the years ended December 31, 2024, 2023, and 2022:

	Year Ended December 31,			Change	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Amount originated (in thousands)	$ 2,925,914	$ 2,570,928	$ 2,118,977	$ 354,986	$ 451,951
Number of loans originated	126,452	108,314	97,900	18,138	10,414
Average amount financed	$ 23,145	$ 23,731	$ 21,666	$ (586)	$ 2,065
Weighted average APR originated (1)	22.7 %	22.6 %	22.2 %	0.1 %	0.4 %
Weighted average term (in months) (1)	71.6	71.4	70.7	0.2	0.7
Average down payment	$ 1,093	$ 1,284	$ 1,381	$ (191)	$ (97)
Down payment as a percent of amount financed	4.7 %	5.4 %	6.4 %	(0.7)%	(1.0)%

(1) Weighted by average amount financed.

2024 versus 2023. The increase in amount originated was primarily attributable to higher vehicle sales prices. The increase in the number of loans originated was primarily due to an increase in the number of vehicles sold when compared to the same period in the prior year. Additionally, the changes in APR, term, and down payment were primarily attributable to changes in deal structure.

Finance receivables

The following table depicts the characteristics of our finance receivables portfolio, as of and for the years ended December 31, 2024, 2023, and 2022:

	As of and for the Year Ended December 31,			Change	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Average remaining principal balance per loan, end of period	$ 17,077	$ 15,953	$ 14,749	$ 1,124	$ 1,204
Weighted average APR of loans outstanding (1)	22.4 %	22.3 %	22.0 %	0.1 %	0.3 %
Weighted average loan age (in months) (1)	16.8	18.3	19.6	(1.5)	(1.3)
Payment performance of loan principal balances:					
Current	55.0 %	56.0 %	54.7 %	(1.0)%	1.3 %
Days delinquent:					
01-30 days	24.5 %	24.1 %	25.1 %	0.4 %	(1.0)%
31-60 days	9.7 %	9.6 %	10.3 %	0.1 %	(0.7)%
61-90 days	5.3 %	5.5 %	5.5 %	(0.2)%	— %
91-120 days	5.4 %	4.8 %	4.4 %	0.6 %	0.4 %

(1) Weighted by remaining loan principal balance.

Delinquencies

Delinquencies are impacted by multiple factors, including the underlying performance of the loans, growth and age of the finance receivables portfolio, and collection polices such as the use of extensions and communication strategies. Generally, an increase in the age of the finance receivables portfolio will negatively impact delinquencies as older loans are more likely to experience greater delinquencies and newer originations are less likely to experience delinquencies. For the year ended December 31, 2024, we saw an overall increase in delinquencies, as compared to the same period in the prior year.

Liquidity and Capital Resources

General

We require capital to provide financing to our customers, to purchase vehicle inventory for sale, to open new dealerships and reconditioning centers, to invest in new business opportunities, and for general corporate purposes, including property and equipment acquisition and other operational expenses.

Financing sources

We currently fund our capital requirements through the following:

- Cash flows from operations;
- Portfolio term financings including asset-backed securitizations;
- Portfolio warehouse facilities;
- Revolving inventory facility; and
- Operating leases for our dealerships, reconditioning centers, most of our operations facilities, and our corporate office.

We actively manage the utilization of our various funding sources and seek to minimize borrowing costs by drawing on our lower cost facilities, minimizing unused line fees and balancing the effective advance rates and liquidity generated by each of the credit facilities. The effective advance rates on our portfolio warehouse facilities are based on the outstanding principal balance of the loans we originate. However, our initial investment in the loans we originate is lower than the original principal balance of the loans.

Financing and cash flow transactions during the year ended December 31, 2024

In January 2024, we completed an SEC registered securitization through our BLAST platform ("BLAST 2024-1"), issuing $591.5 million of asset-backed securities with a duration weighted average coupon of 6.11%. The securities were rated in tranches with credit ratings from A-1+/K-1+ through BB by Standard & Poor's Global Ratings and Kroll Bond Rating Agency, LLC.

Concurrent with the issuance of BLAST 2024-1, we retained certain classes of the bonds with a par value of $38.5 million. We have not recognized an investment asset or portfolio term financing related to the Retained Bonds on the consolidated balance sheets. Additionally, we have not recognized interest income or portfolio debt interest expense related to the Retained Bonds in the accompanying consolidated statements of comprehensive income.

In March 2024, we amended our DT Warehouse Facility, LLC resulting in an extension to the commitment expiration to February 2026.

In April 2024, we completed an SEC registered securitization through our BLAST platform ("BLAST 2024-2"), issuing $595.0 million of asset-backed securities with a duration weighted average coupon of 6.36%. The securities were rated in tranches with credit ratings from A-1+/R-1(H) through BB/BB(H) by Standard & Poor's Global Ratings and DBRS Morningstar.

Concurrent with the issuance of BLAST 2024-2, we retained certain classes of the bonds with a par value of $39.2 million. We have not recognized an investment asset or portfolio term financing related to the Retained Bonds on the consolidated balance sheets. Additionally, we have not recognized interest income or portfolio debt interest expense related to the Retained Bonds in the accompanying consolidated statements of comprehensive income.

In July 2024, we completed an SEC registered securitization through our BLAST platform ("BLAST 2024-3"), issuing $680.0 million of asset-backed securities with an origination duration weighted average coupon of 6.01%. The securities were rated in tranches with credit ratings from A-1+/K1+ through BB/BB- by Standard & Poor's Global Ratings and Kroll Bond Rating Agency, LLC.

Concurrent with the issuance of BLAST 2024-3, we retained certain classes of the bonds with a par value of $56.0 million. We have not recognized an investment asset or portfolio term financing related to the Retained Bonds on the consolidated balance sheets. Additionally, we have not recognized interest income or portfolio debt interest expense related to the Retained Bonds in the accompanying consolidated statements of comprehensive income.

In July 2024, we renewed our DT Warehouse VII, LLC facility, resulting in an advance rate increase up to 75.0% and an extension to the commitment expiration date to July 2026.

In August 2024, we amended our Bridgecrest Warehouse facility I, LLC, resulting in an increase to the commitment amount to $300.0 million and an extension to the commitment expiration date to August 2026.

In August 2024, we sold the building in Mesa, Arizona secured by the mortgage note payable. The mortgage note payable had an outstanding balance of $7.3 million at the time of sale, which was fully paid off as part of the transaction.

In August 2024, we sold certain Retained Bonds with a par value of $66.6 million for proceeds of $69.7 million, resulting in a premium of $3.1 million, which is included in portfolio term financings in the accompanying consolidated balance sheets.

In September 2024, we sold certain Retained Bonds with a par value of $22.5 million for proceeds of $24.4 million, resulting in a premium of $1.9 million, which is included in portfolio term financings in the accompanying consolidated balance sheets.

In October 2024, we completed an SEC registered securitization through our BLAST platform ("BLAST 2024-4"), issuing $688.0 million of asset-backed securities with an origination duration weighted average coupon of 5.33%. The securities were rated in tranches with credit ratings from A-1+/K1+ through BB/BB- by Standard & Poor's Global Ratings and DBRS Morningstar.

Concurrent with the issuance of BLAST 2024-4, we retained certain classes of the bonds with a par value of $49.2 million. We have not recognized an investment asset or portfolio term financing related to the Retained Bonds on the consolidated balance sheets. Additionally, we have not recognized interest income or portfolio debt interest expense related to the Retained Bonds in the accompanying consolidated statements of comprehensive income.

In December 2024, we amended our DT Warehouse V, LLC facility, resulting in an extension to the commitment expiration date to December 2026 and a change in the interest rate to SOFR plus 1.60%.

Operating leases

Operating leases are a significant component of our financing sources. As of December 31, 2024, we had 149 dealerships and 17 reconditioning centers, the majority of which were leased. We also lease our corporate headquarters in Tempe, Arizona, our loan servicing centers in Dallas, Texas and Mesa, Arizona, and our retail and SilverRock operation centers in Mesa, Arizona. As each lease matures, we evaluate whether or not to renew the lease based on dealership location and performance. As of December 31, 2024, we had approximately $158.3 million in aggregate operating lease liabilities, of which $62.4 million is due to related parties. See *Note 6 — Leases* to our consolidated financial statements included in this annual report for further discussion of our operating leases.

Liquidity

The following is a summary of total available liquidity, consisting of unrestricted cash and current availability under our portfolio warehouse and revolving inventory facilities for the periods indicated (in thousands):

	December 31, 2024	December 31, 2023
Liquidity		
Unrestricted cash	$ 24,323	$ 16,398
Portfolio warehouse facilities	130,379	193,139
Revolving inventory facility	336,002	288,370
Fair value of Retained Bonds	287,341	199,572
Total liquidity	$ 778,045	$ 697,479

The following table presents a summary of our access to liquidity under our portfolio warehouse facilities and revolving inventory facility based on collateral pledged as of December 31, 2024 (in thousands):

Components of Liquidity	Facility Amount	Borrowing Base	Amount Drawn	Total Availability
DT Warehouse, LLC facility	$ 300,000	$ 54,895	$ 54,000	$ 895
DT Warehouse V, LLC facility	300,000	167,488	152,500	14,988
DT Warehouse VII, LLC facility	300,000	155,522	139,500	16,022
Bridgecrest Warehouse I, LLC facility	300,000	177,970	167,500	10,470
Bridgecrest receivables (1)	N/A	88,004	N/A	88,004
Total portfolio warehouse facilities	1,200,000	643,879	513,500	130,379
Revolving inventory facility	350,000	336,002	—	336,002
Fair value of Retained Bonds	N/A	287,341	N/A	287,341
	$ 1,550,000	$ 1,267,222	$ 513,500	$ 753,722
Unrestricted cash				24,323
Total cash and availability				$ 778,045

(1) Includes $49.7 million of unpledged qualifying receivables that can be pledged immediately and bring total borrowing to our maximum capacity. The borrowing base is the lesser of total eligible collateral multiplied by the average advance rate and the facility amount.

The following table presents a summary of our access to liquidity under our portfolio warehouse facilities and revolving inventory facility based on collateral pledged as of December 31, 2023 (in thousands):

Components of Liquidity	Facility Amount	Borrowing Base	Amount Drawn	Total Availability
DT Warehouse, LLC facility	$ 300,000	$ 93,409	$ 84,000	$ 9,409
DT Warehouse V, LLC facility	300,000	143,382	120,500	22,882
DT Warehouse VII, LLC facility	300,000	116,313	105,500	10,813
Bridgecrest Warehouse I, LLC facility	200,000	102,265	92,500	9,765
Bridgecrest Receivables (1)	N/A	140,270	N/A	140,270
Total portfolio warehouse facilities	1,100,000	595,639	402,500	193,139
Revolving inventory facility	350,000	288,370	—	288,370
Fair value of Retained Bonds	—	199,572	—	199,572
	$ 1,450,000	$ 1,083,581	$ 402,500	$ 681,081
Unrestricted cash				16,398
Total cash and availability				$ 697,479

(1) Includes $196.8 million of unpledged qualifying receivables that can be pledged immediately and bring total borrowing to our maximum capacity. The borrowing base is the lesser of total eligible collateral multiplied by the average advance rate and the facility amount.

Changes in liquidity

Changes in liquidity are affected by increases and decreases to our operating and financing cash flows including (i) changes in advance rates on our portfolio warehouse facilities, (ii) capacity of our portfolio warehouse facilities and inventory facility, (iii) changes to credit enhancements, specifically overcollateralization on our securitizations, and (iv) new financing from the issuance of asset-backed securities and other debt facilities.

The following is a summary of changes in liquidity during the years ended December 31, 2024 and 2023 (in thousands):

	Year Ended December 31,	
	2024	2023
Liquidity, beginning of period	$ 697,479	$ 689,211
Increase (decrease) in unrestricted cash	7,925	(27,748)
Decrease in portfolio warehouse availability	(62,760)	(80,071)
Increase (decrease) in inventory facility availability	47,632	(45,570)
Increase in fair value of Retained Bonds	87,769	161,657
Net increase in liquidity	80,566	8,268
Liquidity, end of period	$ 778,045	$ 697,479

Change in liquidity during the year ended December 31, 2024

Liquidity for the year ended December 31, 2024 increased $80.5 million from 2023. This increase was due to an increase in the fair value of our Retained Bonds, an increase in the availability of our inventory facility, and an increase in cash provided by operating activities, which was partially offset by a decrease in the availability of our portfolio warehouse facilities.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Impact of New Accounting Pronouncements

For a discussion of recent accounting pronouncements applicable to us as of December 31, 2024, see *Note 2 — Significant Accounting Policies*, to our consolidated financial statements included in this annual report.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions, impacting our reported results of operations and financial condition.

Certain accounting policies involve significant judgments and assumptions by management, which have a material impact on the carrying value of assets and liabilities and the recognition of income and expenses. Management considers these accounting policies to be critical accounting policies. The estimates and assumptions used by management are based on historical experience and other factors, which are believed to be reasonable under the circumstances. The significant accounting policies which we believe are the most critical to aid in fully understanding and evaluating our reported financial results are described below. See *Note 2 — Significant Accounting Policies* to our consolidated financial statements included in this annual report for more detailed information regarding our accounting policies.

Revenue Recognition

Revenue is recognized differently for each of the products we sell. Revenue from the sale of used vehicles is recognized upon delivery, when the sales contract is signed, and the agreed-upon down payment or purchase price has been received. Revenue from the sale of used vehicles is recorded net of a reserve for expected sales returns, which is estimated using historical experience and trends and could be affected if future vehicle returns differ from historical averages.

Revenue from the sale of our Ancillary Products is deferred at the time of sale and recognized over time. While GAAP requires the deferment of revenue related to the sale of our Ancillary Products as separately priced products, the underlying cash flow of selling these products does not change from the time of sale.

Finance Receivables Measured at Fair Value

Under the fair value method of accounting, the fair value of finance receivables is based on the exit price an entity would receive to sell an asset in an orderly transaction between market participants at the measurement date. We measure the fair value of our finance receivables by using an internal valuation model. The model projects expected future net cash flows to be collected over the life of the loan, including expected principal and interest payments as well as forecasted recoveries in the event of loan default. The expected future net cash flows are discounted to their present value using a discount rate based on a combination of market inputs and our own assumptions regarding the appropriate rate of return that market participants would require for similar and like transactions in circumstances where relevant market inputs cannot be obtained. We evaluate the fair value of our finance receivables at the close of each measurement period with changes in the fair value measurement period over period included in mark to fair value on finance receivables in the accompanying consolidated statements of comprehensive income.

We recognize interest income on our finance receivables on a level yield basis utilizing a discount rate based on our own assumptions regarding the appropriate rate of return required by market participants.

Valuation of Inventory

Vehicle inventory consists of used vehicles primarily acquired at auction and is stated at the lower of cost or net realizable value. Vehicle inventory cost is determined by specific identification. Direct and indirect vehicle reconditioning costs, such as parts, labor, and overhead costs incurred at reconditioning centers, and transportation costs to transport vehicles to our reconditioning centers and dealerships are capitalized as a component of inventory cost. Determination of the net realizable value of inventory involves assumptions regarding wholesale loss rates derived from historical trends and could be affected by changes in supply and demand at our dealerships and at auction.

Securitizations

We periodically sell loans to bankruptcy-remote special purpose entities, which, in turn, transfer the loans to separate trusts that issue notes and certificates collateralized by these loans. The notes (asset-backed securities) are sold to investors, and we retain the residual certificates. We continue to service all securitized loans. We have determined the trusts to be variable interest entities with Bridgecrest being the primary beneficiary. Therefore, loans included within the securitization transactions are recorded as finance receivables, with the asset-backed securities issued by the trusts recorded as a component of portfolio term financings in the accompanying consolidated balance sheets included in this annual report.

Impact of Inflation

Inflation generally results in higher interest rates on our borrowings, which could decrease the profitability of our existing finance receivables portfolio to the extent we have variable rate debt and could decrease profitability of our future originations if we are not able to pass the increase on to our customers. We may seek to limit the risk of increasing borrowing costs:

- through fixed rate portfolio term financings, which allow us to fix a portion of our borrowing costs and generally match the term of the underlying finance receivables, and
- by increasing the interest rate charged for loans originated at our dealerships (if allowed under applicable law) while maintaining affordability of the customers' payments.

Higher auction prices may lead us to acquire older or higher mileage vehicles, which could cause an increase in reconditioning and warranty costs, both of which would also negatively affect our sales margins. While higher auction prices may lead to negative impacts on our sales margins, vehicles that we recover are typically sold at vehicle auctions. Higher auction prices may increase the price at which the related recovered vehicle may be sold which would positively impact losses on the related retail installment contract.

Additionally, as a majority of the loans that we originate and service are with borrowers with subprime credit, inflation could unfavorably impact purchasing power and consumer behavior, resulting in lower collections on our portfolio of finance receivables as well as a decrease in the volume of originations.

Non-GAAP Discussion

Adjusted earnings, adjusted earnings EBITDA, adjusted earnings shareholders’ equity, and EBITDA which we refer to as non-GAAP financial measures, are supplemental measures of our financial performance that are not required by, or presented in accordance with, GAAP. These non-GAAP financial measures are not measures of our financial performance under GAAP and should not be considered as an alternative to GAAP net income or any other performance measure derived in accordance with GAAP. The most comparable GAAP metric for adjusted earnings, adjusted earnings EBITDA, and EBITDA is net income. The most comparable GAAP metric for adjusted earnings shareholders' equity is shareholders' equity.

We present non-GAAP financial measures because we consider them to be supplemental measures of our operating performance. Management considers our operating performance to be that which can be affected by our managers in any particular period through their management of the resources that affect our underlying revenue and profit generating operations during that period. The adjustments in our calculation of the non-GAAP financial measures for shareholders' equity are made because management believes they demonstrate a supplemental measure of the position of the underlying business.

Because these non-GAAP financial measures are not recognized measurements under GAAP, when analyzing our operating performance investors should use these non-GAAP financial measures in addition to, and not as an alternative for, net income, operating income, or any other performance measure presented in accordance with GAAP, or as an alternative to cash flow from operating activities or as a measure of our liquidity. Because not all companies use identical calculations, our presentation of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies.

Adjusted Earnings, Adjusted Earnings EBITDA, and Adjusted Earnings Shareholders’ Equity

The calculation of adjusted earnings, adjusted earnings EBITDA, and adjusted earnings shareholders’ equity primarily include the up-front recognition of the deferred revenue and expenses related to all Ancillary Products and an adjustment for mark to fair value on finance receivables changes as a result of our own assumptions regarding the appropriate rate of return that market participants would require. Management believes these non-GAAP measures better reflect the economics of the Ancillary Products at the time of sale and the finance receivables over the life of the loan.

EBITDA

EBITDA represents GAAP net income, adjusted for income tax expense, total interest expense (the sum of portfolio and non-portfolio debt interest expense), and depreciation and amortization expense.

In evaluating EBITDA, be aware that in the future we may incur expenses similar to the adjustments described above. Our presentation of EBITDA should not be construed as an inference that our future results will be unaffected by expenses that are unusual, non-routine, or non-recurring. EBITDA has limitations as an analytical tool, and you should not consider such non-GAAP financial measure in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that they do not reflect, among other things:

- cash expenditures for capital expenditures or contractual commitments;
- changes in, or cash requirements for, our working capital requirements;
- interest expense, or the cash requirements necessary to service interest or principal payments on our indebtedness;
- the cost or cash required to replace assets that are being depreciated or amortized; and
- the impact on our reported results of earnings or charges resulting from items accounted for in the GAAP measure from which EBITDA is derived.

Adjusted Earnings and Adjusted Earnings EBITDA Reconciliations

Adjusted earnings represents GAAP net income before income taxes, plus the change in deferred revenue associated with our Ancillary Products, net of all Ancillary Product expected expenses, plus an adjustment for mark to fair value on finance receivables changes as a result of a discount rate change from our own assumptions regarding the appropriate rate of return that market participants would require (collectively, "Adjusted Earnings Adjustments"). Adjusted earnings EBITDA represents EBITDA plus the change in Adjusted Earnings Adjustments.

The following table presents a reconciliation of our consolidated statements of comprehensive income before income taxes to adjusted earnings and to adjusted earnings EBITDA for the years ended December 31, 2024, 2023, and 2022 (in thousands):

	Year Ended December 31,								
	2024			2023			2022		
	Consolidated Statements of Comprehensive Income	Adjusted Earnings Adjustments	Adjusted Earnings	Consolidated Statements of Comprehensive Income	Adjusted Earnings Adjustments	Adjusted Earnings	Consolidated Statements of Comprehensive Income	Adjusted Earnings Adjustments	Adjusted Earnings
Revenue:									
Used vehicle sales revenue	$ 2,346,897	$ —	$ 2,346,897	$ 2,110,608	$ —	$ 2,110,608	$ 1,784,761	$ —	$ 1,784,761
Ancillary product sales revenue (1)	596,299	57,132	653,431	548,397	15,800	564,197	560,031	(7,346)	552,685
Interest income	523,167	—	523,167	425,568	—	425,568	329,537	—	329,537
Servicing and other revenue	196,662	—	196,662	161,993	—	161,993	134,045	—	134,045
Total revenue	3,663,025	57,132	3,720,157	3,246,566	15,800	3,262,366	2,808,374	(7,346)	2,801,028
Costs and expenses:									
Used vehicle cost of sales	2,011,103	—	2,011,103	1,901,701	—	1,901,701	1,682,322	—	1,682,322
Ancillary product cost of sales (2)	395,128	50,050	445,178	327,252	24,832	352,084	295,702	20,958	316,660
Mark to fair value on finance receivables (3)	276,764	118,121	394,885	276,617	54,048	330,665	74,885	(172,160)	(97,275)
Portfolio debt interest expense	233,407	—	233,407	156,642	—	156,642	86,589	—	86,589
Non-portfolio debt interest expense	2,444	—	2,444	2,828	—	2,828	1,838	—	1,838
Selling, general, and administrative expenses	641,450	—	641,450	592,361	—	592,361	566,326	—	566,326
Depreciation and amortization expense	37,930	—	37,930	34,002	—	34,002	26,869	—	26,869
Total costs and expenses	3,598,226	168,171	3,766,397	3,291,403	78,880	3,370,283	2,734,531	(151,202)	2,583,329
Net (loss) income before income taxes	**$ 64,799**	**$ (111,039)**	**$ (46,240)**	**$ (44,837)**	**$ (63,080)**	**$ (107,917)**	**$ 73,843**	**$ 143,856**	**$ 217,699**
EBITDA adjustments:									
Total interest expense (4)	235,851	—	235,851	159,470	—	159,470	88,427	—	88,427
Depreciation and amortization expense	37,930	—	37,930	34,002	—	34,002	26,869	—	26,869
EBITDA	**$ 338,580**	**$ (111,039)**	**$ 227,541**	**$ 148,635**	**$ (63,080)**	**$ 85,555**	**$ 189,139**	**$ 143,856**	**$ 332,995**
Less: Add back for portfolio debt interest expense	233,407	—	233,407	156,642	—	156,642	86,589	—	86,589
EBITDA, excluding the add back for portfolio debt interest expense	**$ 105,173**	**$ (111,039)**	**$ (5,866)**	**$ (8,007)**	**$ (63,080)**	**$ (71,087)**	**$ 102,550**	**$ 143,856**	**$ 246,406**

(1) This adjustment includes the change in deferred revenue. Change in deferred revenue represents the difference (change) in the amount of revenue deferred on the balance sheet at the time of sale from our Ancillary Products, offset by deferred revenue accreted into ancillary product sales revenue for the period.

(2) This adjustment includes the change in expected expense for all Ancillary Products.

(3) This adjustment is made to exclude the impact of mark to fair value associated with changes in discount rates subsequent to the initial discount rate used to measure a loan's fair value upon loan origination.

(4) Total interest expense is the sum of portfolio debt interest expense and non-portfolio debt interest expense as presented on our consolidated statements of comprehensive income for the periods presented.

Adjusted Earnings Shareholders' Equity Reconciliation

Adjusted earnings shareholders' equity represents total GAAP shareholders' equity plus cumulative Adjusted Earnings Adjustments. The following table presents a reconciliation of total shareholders' equity to adjusted earnings shareholders' equity as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Shareholders' equity	$ 870,688	$ 840,896
Current year Adjusted Earnings Adjustments	(111,039)	(63,080)
Prior year Adjusted Earnings Adjustments	296,797	359,877
Adjusted earnings shareholders' equity	$ 1,056,446	$ 1,137,693

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our financial instruments are exposed to market risk from changes in interest rates. We do not use financial instruments for trading purposes. We use fixed rate securities to manage risk. Our earnings are substantially affected by our net interest income, which is the difference between the income earned on interest-bearing assets and the interest paid on interest-bearing notes payable. Increases in market interest rates could have an adverse effect on profitability.

Our financial instruments consist primarily of finance receivables measured at fair value and fixed and variable rate notes payable. Our finance receivables are classified primarily as subprime loans and generally bear interest ranging from 3.2% to 30.0% or the maximum interest rate allowed in states that impose interest rate limits. As of December 31, 2024, the remaining scheduled maturities on our finance receivables ranged from one to 72 months, with a weighted average remaining maturity of 58 months. The interest rates we charge our customers on finance receivables have not changed significantly as a result of fluctuations in market interest rates. We may increase the interest rates we charge in the future if market interest rates rise. The affordability of our customers' payments is an important component of the structure of our transactions. Because of these affordability concerns for our customers and interest rate limits imposed by some states, we may not pass on the entire portion of future rate increases to our customers.

The table below illustrates the impact that hypothetical changes in the discount rate could have on our mark to fair value of finance receivables for the years ended December 31, 2024 and 2023 (in thousands). We compute the impact on mark to fair value of finance receivables for the period by first computing the baseline mark to fair value of finance receivables on our finance receivables using the discount rate that is currently applied. We then determine mark to fair value of finance receivables based on each of the discount rate changes listed below and compare the results to the baseline mark to fair value of finance receivables.

	(Increase) Decrease in Mark to Fair Value of Finance Receivables	
	2024	2023
Change in Rates		
+200 basis points	$ 145,743	$ 125,670
+100 basis points	$ 73,837	$ 63,655
-100 basis points	$ (75,824)	$ (65,352)
-200 basis points	$ (153,718)	$ (132,461)

Approximately $3.8 billion of our total debt of $4.3 billion as of December 31, 2024, consists of fixed-rate asset-backed securities issued under our securitization program. Our securitization program has allowed us to mitigate our interest rate risk by periodically replacing variable rate borrowings under our portfolio warehouse facilities with fixed rate borrowings during the year.

The table below illustrates the impact that hypothetical changes in interest rates could have on our interest expense for the years ended December 31, 2024 and 2023 (in thousands). We compute the impact on interest expense for the period by first computing the baseline interest expense on our debt with interest rate risk, which includes the variable rate revolving credit lines and the variable rate notes payable. We then determine interest expense based on each of the interest rate changes listed below and compare the results to the baseline interest expense. The table does not give effect to our fixed rate receivables and borrowings.

	Increase (Decrease) in Interest Expense	
	2024	2023
Change in Rates		
+200 basis points	$ 6,865	$ 4,253
+100 basis points	$ 3,432	$ 2,126
-100 basis points	$ (3,432)	$ (2,126)
-200 basis points	$ (6,865)	$ (4,253)

DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors:

Name	Age	Position(s)
Ernest C. Garcia II	67	Executive Chairman and Executive Director
Mary Leigh Phillips	38	President, Chief Executive Officer ("CEO") Bridgecrest and SilverRock
Scott Worthington	42	President, Chief Executive Officer ("CEO") DTAG
Daniel Gaudreau	40	Executive Vice President, Chief Financial Officer ("CFO"), and Treasurer
Clay Scheitzach	50	Executive Vice President, Secretary, and General Counsel
Fred DuVal	70	Director
Susanne E. Ingold	54	Director
Donald J. Sanders	80	Director
Mark G. Sauder	64	Director
Gregg E. Tryhus	67	Director

Ernest C. Garcia II. Mr. Garcia has served as our Executive Chairman of the Board since 1992. Mr. Garcia served as our CEO from 1992 to 1999 and as our President from 1992 to 1996. Mr. Garcia has been the President of Verde Investments, Inc. since 1992. As our founder and former Chief Executive Officer, Mr. Garcia brings to his role as Executive Chairman of the Board an extensive understanding of the automobile sales and finance industry, which enables him to serve as a resource to our management team in their assessment and management of risks and development of overall corporate strategy.

Mary Leigh Phillips. Ms. Phillips has served as CEO of Bridgecrest and SilverRock since 2021. Ms. Phillips is currently on the DriveTime Board of Directors. Ms. Phillips started with DriveTime in July 2018 as CFO. Ms. Phillips also serves as CEO of GoFi, LLC, an affiliate of DriveTime. Prior to joining the Company, Ms. Phillips served as a Director for Asset Backed Finance specializing in Consumer Finance at Wells Fargo Securities, LLC. Ms. Phillips has more than 10 years of banking and capital markets experience working with captive and specialty finance companies while employed by Wells Fargo Bank, NA and Wells Fargo Securities, LLC. Ms. Phillips received her Bachelor of Science in Commerce with concentrations in Finance and Management and a minor in Economics from the University of Virginia.

Scott Worthington. Mr. Worthington has served as CEO of DTAG since 2021. Mr. Worthington is currently on the DriveTime Board of Directors. Mr. Worthington started with DriveTime in 2007 as an associate in real estate and progressed through several roles in real estate and marketing leading to his appointment as Director of Market Strategy in 2011, Managing Director of Market Strategy in 2014, Senior Managing Director of Marketing and Brand Strategy in 2015, and Vice President of Marketing and Brand Strategy in 2016. Mr. Worthington took responsibility of retail sales in 2017 and inventory in 2018. Mr. Worthington was appointed as Executive Vice President of Operations in December 2018, responsible for marketing, inventory, retail sales, and real estate. Mr. Worthington graduated with a Bachelor of Science in Real Estate from Arizona State University.

Daniel Gaudreau. Mr. Gaudreau has served as CFO of DriveTime since 2021. Mr. Gaudreau started at DriveTime in 2015, leading accounting and capital markets functions prior to becoming Treasurer in 2017. As Treasurer, Mr. Gaudreau oversaw treasury, capital markets, internal audit, and tax. Mr. Gaudreau also serves as CFO of GoFi, LLC, an affiliate of DriveTime. Mr. Gaudreau is currently on the board of directors of BlueShore Insurance Company, an affiliate of DriveTime. Prior to joining the Company, Mr. Gaudreau spent 9 years with Ernst & Young, LLP and Ernst & Young UK, LLP in various roles including serving as a Senior Manager in the firm's London based Capital Markets team. Mr. Gaudreau received his Bachelor of Science at the University of Maryland College Park.

Clay Scheitzach. Mr. Scheitzach has served as Executive Vice President, Secretary, and General Counsel of DriveTime since November 2017. Mr. Scheitzach also serves as Executive Vice President, Secretary, and General Counsel of GoFi, LLC, an affiliate of DriveTime. Mr. Scheitzach, served as a Senior Vice President, Assistant General Counsel, and Chief Compliance Officer for a large technology and business process services company, has more than 15 years' experience specializing in corporate law. Mr. Scheitzach received his Bachelor of Science at the University of Texas and his Master of Business Administration and Juris Doctorate from Texas Tech University.

Fred DuVal. Mr. DuVal was appointed as a Director in August 2023. Mr. DuVal is the president of DuVal and Associates, a senior advisor to Dentons Law, Chairman of Excelsior Mining, and member of the Arizona Board of Regents. Mr. DuVal has served in several political roles in the past, including Deputy Chief of Protocol under former President Clinton and senior aide to former Arizona Governor Babbitt where he was instrumental in the development and implementation of key legislation.

Susanne E. Ingold. Ms. Ingold was appointed as a Director in August 2023. Ms. Ingold has over 25 years of experience at Burch & Cracchiolo, providing expert counsel on workplace issues and representing clients before the Equal Employment Opportunity Commission and in state and federal courts. Additionally, Ms. Ingold serves as Co-Chair of the firm's Construction Defect-General Liability Practice Group, successfully defending businesses in diverse cases, including commercial and construction claims, insurance defense, and personal injury claims.

Donald J. Sanders. Mr. Sanders has served as a Director since June 2010. Mr. Sanders has worked in the consumer finance industry for 40 years and has held management positions with Korvettes Department Stores (private label credit business), Citicorp, and Commercial Credit Corporation. In 1990, Mr. Sanders co-founded and served as Chief Executive Officer of Credit and Risk Management Associates, Inc., a risk management and marketing consulting, data warehousing, and systems integration firm that was acquired by Fair, Isaac Companies in 1996. Mr. Sanders retired from Fair, Isaac in 2001, but continues to provide private consulting services as Deer Creek Consulting, LLC. Mr. Sanders also serves as a Senior Industry Advisor to Bridgeforce, Inc., a Delaware consulting firm. Mr. Sanders also served on the board of directors of Metris Companies, Inc., from 2004 to 2005. Mr. Sanders' extensive career focusing on credit scoring and risk modeling for the consumer finance industry, including as a chief executive and later as a consultant, gives him the industry knowledge to guide our board on a variety of matters.

Mark G. Sauder. Mr. Sauder was appointed as a Director of Bridgecrest in November 2018 and a Director of DTAG in March 2020. Mr. Sauder has extensive experience in the insurance, financial services, and automotive retail industries. Mr. Sauder has previously served as our CFO from 2002 to 2014 and as Executive Vice President from 2004 to 2014. From 2014 to 2019, Mr. Sauder has served as the President and Director of Puritan Life Insurance Company, formerly an affiliate of DriveTime. Mr. Sauder is currently the President and Director of BlueShore Insurance Company, an affiliate of DriveTime. Mr. Sauder is currently the CFO and a member of the board of directors of Verde Outdoor Media, LLC, an affiliate of DriveTime. Mr. Sauder graduated with a Bachelor of Science degree in accounting from Ball State University.

Gregg E. Tryhus. Mr. Tryhus has served as a Director since 2005. Mr. Tryhus is President and owner of Grayhawk Development, a company involved in land and golf development, real estate investment, and golf management. Master plan projects include Grayhawk, Whisper Rock, and Saguaro Bloom in Arizona, and Glenwild in Utah.

Board Composition

Our directors are elected annually to serve until the next annual meeting of shareholders, until their successors are duly elected and qualified, or until their earlier death, resignation, disqualification, or removal. Directors may be removed at any time for cause by the affirmative vote of the holders of a majority of the voting power then entitled to vote.

Our affiliate transactions committee is comprised of Mary Leigh Phillips, Scott Worthington, Fred DuVal, Donald J. Sanders, Gregg Tryhus, and Susanne E. Ingold. The affiliate transactions committee is responsible for reviewing any proposed material involvement with affiliates of DriveTime and its subsidiaries, reviewing the terms of any transaction documents, and determining whether it is advisable and in our best interest to enter into any proposed transaction documents and consummate the proposed affiliate transaction.

We have adopted a code of ethics that applies to all directors, officers, and employees of our company, including our Chief Executive Officers, Chief Financial Officer, or persons performing similar functions. In the event of an amendment to, or a waiver from, a provision of our Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer, or persons performing similar functions, we would disclose such information. No such event occurred during the year ended December 31, 2024.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

As of December 31, 2024, the outstanding shares of our common stock were beneficially owned 100.0% by Ernest C. Garcia II, our Executive Chairman, and the Garcia Family Trusts (collectively also referred to as "Mr. Garcia"). As of December 31, 2024, Mr. Garcia owned 100.0% of both DTAG and Bridgecrest.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

See *Note 11 — Related Party Transactions* to our consolidated financial statements included in this annual report for detailed information regarding our related party transactions.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Certified Public Accountants

Board of Directors and Shareholders
DriveTime Automotive Group, Inc.

Opinion
We have audited the consolidated financial statements of DriveTime Automotive Group, Inc. (a Delaware corporation) and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated 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 three years in the period ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

Report of Independent Certified Public Accountants (continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Supplemental Consolidating Balance Sheet as of December 31, 2024 and the Supplemental Consolidating Statement of Comprehensive Income for the year ended December 31, 2024 are presented for purposes of additional analysis, rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

/s/ GRANT THORNTON LLP
Phoenix, Arizona
March 31, 2025

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
(In thousands)

	December 31, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 24,323	$ 16,398
Restricted cash and investments held in trusts	407,690	374,715
Investments in marketable securities	23,774	20,413
Finance receivables measured at fair value (1)	4,969,941	4,201,281
Vehicle inventory (2)	480,555	408,159
Operating lease right-of-use assets (3)	138,117	134,613
Property and equipment, net	96,508	113,266
Deferred acquisition costs and other assets (4)	540,227	449,879
Shareholders' notes receivable	8,258	10,412
Total assets	$ 6,689,393	$ 5,729,136
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Payables and accrued expenses (5)	$ 400,086	$ 399,312
Operating lease liabilities (6)	141,817	140,458
Deferred revenue and refund reserves	1,022,717	882,687
Portfolio term financings	3,743,077	3,057,576
Portfolio warehouse facilities	511,008	400,277
Other debt facilities	—	7,930
Total liabilities	5,818,705	4,888,240
Commitments and contingencies (Note 14)		
DriveTime Automotive Group, Inc. shareholders' deficit:		
Common stock	—	—
Paid-in capital	995,036	795,036
Accumulated loss	(1,582,299)	(1,316,823)
DriveTime Automotive Group, Inc. shareholders' deficit	(587,263)	(521,787)
Bridgecrest Acceptance Corporation noncontrolling interest (7)	1,457,632	1,362,242
Accumulated other comprehensive income	319	441
Total shareholders' equity	870,688	840,896
Total liabilities & shareholders' equity	$ 6,689,393	$ 5,729,136

(1) Includes $170,188 and $44,859, respectively, of balances originated and purchased from related parties.
(2) Includes $1,782 and $1,112, respectively, associated with related parties.
(3) Includes $54,642 and $50,986, respectively, associated with related parties.
(4) Includes $443,062 and $376,483, respectively, associated with related parties.
(5) Includes $8,669 and $12,359, respectively, associated with related parties.
(6) Includes $55,529 and $52,241, respectively, associated with related parties.
(7) See *Note 2 — Significant Accounting Policies* for a discussion regarding the noncontrolling interest of Bridgecrest Acceptance Corporation.

See accompanying notes to the consolidated financial statements.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
(In thousands)

	Year Ended December 31,		
	2024	2023	2022
Revenue:			
Used vehicle sales revenue	$ 2,346,897	$ 2,110,608	$ 1,784,761
Ancillary product sales revenue	596,299	548,397	560,031
Interest income [(1)]	523,167	425,568	329,537
Servicing and other revenue [(2)]	196,662	161,993	134,045
Total revenue	3,663,025	3,246,566	2,808,374
Costs and expenses:			
Used vehicle cost of sales [(3)]	2,011,103	1,901,701	1,682,322
Ancillary product cost of sales [(4)]	395,128	327,252	295,702
Mark to fair value on finance receivables	276,764	276,617	74,885
Portfolio debt interest expense	233,407	156,642	86,589
Non-portfolio debt interest expense	2,444	2,828	1,838
Selling, general, and administrative expenses [(5) (6)]	641,450	592,361	566,326
Depreciation and amortization expense [(7)]	37,930	34,002	26,869
Total costs and expenses	3,598,226	3,291,403	2,734,531
Net income (loss) before income taxes	64,799	(44,837)	73,843
Income tax expense	23,975	24,490	34,589
Net income (loss)	$ 40,824	$ (69,327)	$ 39,254
Other comprehensive (loss) income	(122)	441	—
Comprehensive income (loss)	$ 40,702	$ (68,886)	$ 39,254
Net loss attributable to DriveTime Automotive Group, Inc.	$ (265,476)	$ (283,598)	$ (216,167)
Net income attributable to noncontrolling interest—Bridgecrest Acceptance Corporation [(8)]	306,300	214,271	255,421
Net income (loss)	$ 40,824	$ (69,327)	$ 39,254
Other comprehensive (loss) income attributable to noncontrolling interest —Bridgecrest Acceptance Corporation	(122)	441	—
Comprehensive income (loss)	$ 40,702	$ (68,886)	$ 39,254

(1) Includes $2,366, $2,402, and $1,208, respectively, associated with related parties.
(2) Includes $9,180, $13,802, and $10,019, respectively, associated with related parties.
(3) Includes $8,525, $3,603, and $1,193, respectively, associated with related parties.
(4) Includes $168,788, $150,013, and $165,138, respectively, associated with related parties.
(5) Includes $23,862, $21,260, and $20,403, respectively, associated with related parties.
(6) Includes $140,000, $99,488, and $88,366, respectively, associated with servicing costs.
(7) Includes $5,724, $3,383, and $3,026, respectively, associated with servicing costs.
(8) See *Note 2 — Significant Accounting Policies* for a discussion regarding the noncontrolling interest of Bridgecrest Acceptance Corporation.

See accompanying notes to the consolidated financial statements.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity
(In thousands)

	DriveTime Automotive Group, Inc.					
	Common Stock	Paid-in Capital	Accumulated Loss	Non-controlling Interest-Bridgecrest Acceptance Corporation (1)	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, December 31, 2021	$ —	$ 495,036	$ (817,058)	$ 1,533,540	$ —	$ 1,211,518
Net (loss) income	—	—	(216,167)	255,421	—	39,254
Contributions from shareholders	—	150,000	—	—	—	150,000
Distributions to shareholders	—	—	—	(368,919)	—	(368,919)
Balance, December 31, 2022	$ —	$ 645,036	$ (1,033,225)	$ 1,420,042	$ —	$ 1,031,853
Net (loss) income	—	—	(283,598)	214,271	—	(69,327)
Other comprehensive income	—	—	—	—	441	441
Contribution from shareholders	—	150,000	—	—	—	150,000
Distributions to shareholders	—	—	—	(272,071)	—	(272,071)
Balance, December 31, 2023	$ —	$ 795,036	$ (1,316,823)	$ 1,362,242	$ 441	$ 840,896
Net (loss) income	—	—	(265,476)	306,300	—	40,824
Other comprehensive loss	—	—	—	—	(122)	(122)
Contribution from shareholders	—	200,000	—	—	—	200,000
Distributions to shareholders	—	—	—	(210,910)	—	(210,910)
Balance, December 31, 2024	$ —	$ 995,036	$ (1,582,299)	$ 1,457,632	$ 319	$ 870,688

(1) See *Note 2 — Significant Accounting Policies* for a discussion regarding the noncontrolling interest of Bridgecrest Acceptance Corporation.

See accompanying notes to the consolidated financial statements.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2024	**2023**	**2022**
Cash Flows from Operating Activities:			
Net income (loss)	$ 40,824	$ (69,327)	$ 39,254
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Realized gain on investments in marketable securities	(270)	(85)	—
Interest income on finance receivables measured at fair value	(506,420)	(411,274)	(325,156)
Mark to fair value on finance receivables	276,764	276,617	74,885
Depreciation and amortization expense	37,930	34,002	26,869
Amortization of deferred financing costs	10,674	10,733	9,848
(Gain) loss on disposal of property and equipment	(6,126)	(155)	213
Impairment of property and equipment	—	—	971
Impairment of internally developed software	2,834	—	—
Purchase of finance receivables (1)	(174,740)	(51,240)	(219)
Originations of finance receivables	(2,925,914)	(2,570,928)	(2,118,977)
Collections and recoveries on finance receivables	2,561,650	2,311,662	2,369,576
Changes in assets and liabilities:			
Vehicle inventory (2)	(72,396)	52,225	8,799
Operating lease right-of-use assets (3)	(3,504)	10,486	16,570
Deferred acquisition costs and other assets (4)	(90,470)	18,460	(76,264)
Payables and other accrued expenses (5)	148	59,240	62,480
Operating lease liabilities (6)	1,359	(12,614)	(18,083)
Deferred revenue and refund reserves	140,028	17,812	24,633
Net cash (used in) provided by operating activities	(707,629)	(324,386)	95,399
Cash Flows from Investing Activities:			
Purchases of marketable securities	(42,356)	(40,303)	—
Sale of marketable securities	36,351	20,531	—
Reclassification of investments in marketable securities to cash and cash equivalents	2,914	—	—
Proceeds from disposal of property and equipment	19,102	3,067	1,940
Purchase of property and equipment	(20,836)	(15,550)	(33,427)
Capitalization of internally developed software	(15,518)	(19,402)	(18,269)
Proceeds from shareholders' notes receivable	2,154	2,154	2,154
Net cash used in investing activities	(18,189)	(49,503)	(47,602)

(1) Includes $(123,500), $(51,021), and $(219), respectively, associated with related parties.
(2) Includes $670, $424, and $0, respectively associated with related parties.
(3) Includes $3,656, $(7,559), and $(14,907), respectively, associated with related parties.
(4) Includes $66,579, $(35,739), and $54,334, respectively, associated with related parties.
(5) Includes $(3,690), $(2,885), and $1,212, respectively, associated with related parties.
(6) Includes $3,288, $(7,902), and $(15,123), respectively, associated with related parties.

See accompanying notes to the consolidated financial statements.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In thousands)

	Years ended December 31,		
	2024	2023	2022
Cash Flows from Financing Activities:			
Proceeds from portfolio term financings	$ 2,465,721	$ 2,077,950	$ 1,168,510
Repayment of portfolio term financings	(1,776,553)	(1,574,347)	(1,444,767)
Proceeds from portfolio warehouse facilities	2,560,500	2,101,000	1,251,000
Repayment of portfolio warehouse facilities	(2,449,500)	(2,087,500)	(862,000)
Proceeds from other debt facilities	60,965	—	—
Repayment of other debt facilities	(68,906)	(962)	(962)
Payment of debt issuance costs	(14,599)	(14,218)	(8,322)
Contributions from shareholders	200,000	150,000	150,000
Distributions to shareholders	(210,910)	(272,071)	(368,919)
Net cash provided by (used in) financing activities	766,718	379,852	(115,460)
Net increase (decrease) in cash and cash equivalents and restricted cash and investments held in trust	40,900	5,963	(67,663)
Cash and cash equivalents and restricted cash and investments held in trust, beginning of period	391,113	385,150	452,813
Cash and cash equivalents and restricted cash and investments held in trust, end of period	$ 432,013	$ 391,113	$ 385,150
Reconciliation of cash and cash equivalents and restricted cash and investments held in trust			
Cash and cash equivalents at beginning of period	16,398	44,146	118,884
Restricted cash and investments held in trust at beginning of period	374,715	341,004	333,929
Cash and cash equivalents and restricted cash and investments held in trust, beginning of period	$ 391,113	$ 385,150	$ 452,813
Cash and cash equivalents at end of period	24,323	16,398	44,146
Restricted cash and investments held in trust at end of period	407,690	374,715	341,004
Cash and cash equivalents and restricted cash and investments held in trust, end of period	$ 432,013	$ 391,113	$ 385,150
Supplemental Cash Flows Information:			
Interest paid	$ 227,416	$ 152,418	$ 79,736
Income taxes paid	$ 36,149	$ 20,049	$ 13,632
Non-Cash Investing and Financing Activities:			
Disposal of fully depreciated property and equipment	$ 3,163	$ 55	$ 1,170
Capital expenditures included in payables and accrued expenses	$ 628	$ 1,444	$ 1,897
Reclassification of portfolio warehouse facilities deferred financing fees from portfolio warehouse facilities to deferred acquisition costs and other assets	$ —	$ 366	$ 1,871
Reclassification of inventory facility deferred financing fees from inventory and other debt facilities to deferred acquisition costs and other assets	$ —	$ 321	$ 181

See accompanying notes to the consolidated financial statements.

NOTE 1 — DESCRIPTION OF BUSINESS AND OWNERSHIP

Description of Business

DriveTime Automotive Group, Inc. ("DTAG") is one of the largest used vehicle dealership enterprises based on total unit volume. DTAG's consolidated sister company, Bridgecrest Acceptance Corporation ("Bridgecrest" and, collectively with DTAG, referred to herein as the "Company") provides auto financing and loan servicing for substantially all vehicles sold by DTAG as well as third-party loan servicing. The Company provides customers with a comprehensive end-to-end solution for their automotive needs, including the sale, financing, and repair of their vehicles. Auto financing is provided through retail installment contracts (also referred to herein as "loans" or "finance receivables"). The Company offers fully optional value-add extended vehicle service contracts (“VSC”), guaranteed asset protection (“GAP”), and GPS monitoring subscription (“GPS”) to its customers. Bridgecrest, through its wholly-owned subsidiary SilverRock Group, Inc. ("SilverRock"), offers optional extended vehicle service contracts and other ancillary products to customers of a related party ("SilverRock Products"). In addition, SilverRock administers the Company's VSC, GAP, and GPS products, SilverRock Products, the Company's vehicle limited warranty ("DriveCare® Limited Warranty"), as well as the vehicle limited warranty and pre-sale vehicle repairs of a related party, collectively referred to as "Ancillary Products".

As of December 31, 2024, the Company operated 149 dealerships and 17 reconditioning centers located in 87 designated marketing areas (each a "DMA") across 30 states. The Company primarily operates two loan servicing centers, in addition to three offshore locations, which serve the Company's customers nationwide. Financing is an important component of the Company's product offering since many of the Company's customers may have difficulty obtaining financing to acquire a vehicle from traditional lending sources. The Company funds its finance receivables portfolio primarily through cash flows from operations, portfolio warehouse facilities and term securitizations.

Ownership

As of December 31, 2024 and 2023, DTAG and Bridgecrest are sister companies operating collectively under common control and Bridgecrest is consolidated into DTAG for financial reporting purposes.

As of December 31, 2024 and 2023, the shareholders of DTAG and Bridgecrest were Ernest C. Garcia II (Executive Chairman of DTAG), and the Garcia Family Trusts (collectively, also referred to herein as "Mr. Garcia"). As of December 31, 2024 and 2023, Mr. Garcia owned 100% of both DTAG and Bridgecrest.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and those of its wholly-owned and controlled subsidiaries, including special purpose entities ("SPEs"), which are considered variable interest entities ("VIEs") as described below. The Company consolidates VIEs for which it is deemed the primary beneficiary. The portion of equity in consolidated subsidiaries that is not attributable, directly or indirectly, to the Company is presented as noncontrolling interests. All intercompany balances and transactions have been eliminated in consolidation.

Consolidation of Bridgecrest

As of December 31, 2024 and 2023, the Company has determined that Bridgecrest is a VIE and DTAG is the primary beneficiary of Bridgecrest. The Company determined that DTAG is the primary beneficiary of Bridgecrest because DTAG has both the power to direct the activities of Bridgecrest that most significantly impact Bridgecrest's economic performance and a potentially significant variable interest that carries with it the obligation to absorb the losses or the right to receive benefits of Bridgecrest. DTAG has the power to direct the activities of Bridgecrest because DTAG originates and sells 100% of its loans to Bridgecrest, which Bridgecrest is required to purchase. Additionally, Bridgecrest was specifically created and designed by DTAG to obtain third-party financing for DTAG's originations. DTAG also has potentially significant variable interests in the form of debt financing and certain guarantees between the two entities, all of which carry the obligation to absorb losses or the right to receive benefits of Bridgecrest.

Total assets of Bridgecrest, consolidated into DTAG as of December 31, 2024 and 2023, are comprised primarily of finance receivables measured at fair value and restricted cash and investments held in trusts. Total liabilities of Bridgecrest, consolidated into DTAG, are comprised primarily of portfolio term financings, deferred revenue and refund reserves, and portfolio warehouse facilities.

Total revenues of Bridgecrest, consolidated into DTAG, were $1.1 billion, $917.4 million, and $799.9 million for the years ended December 31, 2024, 2023, and 2022, respectively, and comprised primarily of (i) interest income of $523.2 million, $425.6 million, and $329.5 million, respectively, (ii) ancillary revenue of $348.5 million, $322.9 million, and $332.5 million, respectively, and (iii) servicing and other revenue of $206.6 million, $168.9 million, and $137.8 million, respectively. Bridgecrest expenses, consolidated into DTAG, consisted primarily of the following for the years ended December 31, 2024, 2023, and 2022: (i) selling, general, and administrative expenses of $370.5 million, $339.0 million, and $313.9 million, respectively, and (ii) interest expense of $199.6 million, $123.6 million, and $86.9 million, respectively.

The following table presents a summary of the assets and liabilities of Bridgecrest before giving effect to the elimination of intercompany transactions that are consolidated into DTAG as of December 31, 2024 and 2023 in the accompanying consolidated balance sheets (in thousands):

	Bridgecrest	
	December 31, 2024	**December 31, 2023**
ASSETS		
Cash and cash equivalents	$ 17,108	$ 10,375
Restricted cash and investments held in trusts	406,716	372,487
Investments in marketable securities	23,774	20,413
Finance receivables measured at fair value [(1)]	4,969,941	4,201,281
Operating lease right-of-use assets	18,561	14,830
Property and equipment, net	23,706	34,864
Deferred acquisition costs and other assets [(2)]	1,123,702	979,674
Shareholders' notes receivable	8,258	10,412
Total assets	$ 6,591,766	$ 5,644,336
LIABILITIES AND SHAREHOLDERS' EQUITY		
Payables and other accrued expenses	$ 224,045	$ 243,289
Operating lease liabilities	19,644	16,438
Deferred revenue and refund reserves	636,041	556,143
Portfolio term financings [(1)]	3,743,077	3,057,576
Portfolio warehouse facilities	511,008	400,277
Inventory and other debt facilities	—	7,930
Total liabilities	$ 5,133,815	$ 4,281,653
Bridgecrest Acceptance Corporation noncontrolling interest	1,457,632	1,362,242
Accumulated other comprehensive income	319	441
Total shareholders' equity	1,457,951	1,362,683
Total liabilities & shareholders' equity	$ 6,591,766	$ 5,644,336

(1) Includes finance receivables measured at fair value of approximately $4.1 billion and $3.2 billion and portfolio term financings of approximately $3.7 billion and $3.1 billion as of December 31, 2024 and December 31, 2023, respectively, related to SPEs consolidated as VIEs by the Company.

(2) Includes $541.2 million and $476.3 million as of December 31, 2024 and December 31, 2023, respectively, of intercompany receivables from DriveTime Automotive Group, Inc.

Consolidation of Bridgecrest SPEs

Included in the consolidated financial statements as of December 31, 2024 and 2023, are SPEs of Bridgecrest, which are all bankruptcy remote and separate legal entities formed in conjunction with the Company's securitizations, portfolio warehouse facilities, and mortgage note payable transactions. The Company has determined that these SPEs are VIEs and that Bridgecrest is the primary beneficiary of each SPE. Based on the Company's assessment, Bridgecrest was deemed to be the primary beneficiary of these SPEs because Bridgecrest has both the power to direct the activities of the SPEs that most significantly impact the SPEs' economic performance and a potentially significant variable interest that carries with it the obligation to absorb the losses or the right to receive benefits of these SPEs. The liabilities of each SPE are settled using the corresponding assets of the SPE and creditors of the SPEs generally do not have recourse to the general credit of Bridgecrest, except through servicing performance guarantees, where applicable.

Noncontrolling Interest

Since Bridgecrest is consolidated as of December 31, 2024 and 2023, for financial reporting purposes, the Company is required to separately present the noncontrolling equity interest of Bridgecrest on the consolidated balance sheets, consolidated statements of comprehensive income, and consolidated statements of shareholders' equity for the periods presented. The noncontrolling interest represents Bridgecrest's portion of equity and net income for the periods presented. There were no third-party interests in Bridgecrest as of December 31, 2024 and 2023.

Supplier finance programs

The Company has agreements with certain financial institutions who may act as third-party finance providers to satisfy payment requirements to our vehicle inventory suppliers ("Supplier Finance Programs"). The Company has lines of credit that range from $4.5 million to $7.5 million per agreement as part of its Supplier Finance Programs. The terms are payable once ownership of each vehicle is transferred to and received by the Company. The outstanding balance that remained unpaid by the Company to its Supplier Finance Programs as of December 31, 2024 and 2023 was $2.7 million and $2.4 million, respectively, which are included in payables and accrued expenses in the accompanying consolidated balance sheets.

The following summarizes the Company's outstanding obligations under its Supplier Finance Programs as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Obligations outstanding, beginning of year	$ 2,386	$ 1,632
Amounts invoiced during the year	(58,528)	(49,079)
Amounts paid during the year	58,792	49,833
Obligations outstanding, end of year	$ 2,650	$ 2,386

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amount of assets and liabilities. Certain accounting estimates involve significant judgments, assumptions, and estimates by management that may have a material impact on the carrying value of certain assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of income and expenses during the reporting period which management considers to be critical accounting estimates. The judgments, assumptions, and estimates used by management are based on historical experience, management's experience, market conditions, and other factors, which are believed to be reasonable under the circumstances. Because of the nature of the judgments and assumptions made by management, actual results could differ materially from these judgments and estimates, which could have a material impact on the carrying values of the Company's assets and liabilities, the results of operations, and the accompanying footnotes.

Significant items subject to estimates and assumptions include the revenue recognition pattern for the Company's Ancillary Products, the reserve for Ancillary Product refunds, inventory valuation, fair value measurements, which includes the fair value measurement of the Company's finance receivables, deferred tax asset valuation allowance, certain legal reserves inclusive of legal settlements, if applicable, and the Company's reserve for sales returns. Estimates used in deriving these amounts are described in the footnotes herein. Actual results could differ from these estimates.

Cash & Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company maintains cash in excess of the amounts insured by the federal government with various financial institutions. The Company has not experienced any losses with these financial institutions and maintains credit risk within these institutions.

Restricted Cash & Investments Held in Trust

Restricted Cash

Restricted cash primarily consists of cash collections on loans held in securitization trusts and collections on loans pledged to portfolio warehouse facilities that have not yet been submitted to the trustee to which the loans are pledged as well as cash collections on behalf of third-party loan owners.

Investments Held in Trust

The Company maintains cash reserve accounts as a form of credit enhancement for securitizations. At the time loans are transferred to a trust, a portion of the proceeds from the sale of loans are deposited into a reserve account that is pledged to the trusts. The Company may be required to make additional deposits to reserve accounts from collections on the loans to fund the reserve account to the required target percentage. Balances in the reserve accounts totaled $141.6 million and $120.8 million as of December 31, 2024 and 2023, respectively.

Investments held in trust also include collections related to loans held in securitization trusts, portfolio warehouse financings, and portfolio term residual financings which have been collected from customers and submitted to the trustee but have not yet been paid to the lenders.

Investments in Marketable Securities

Through its captive insurance company, the Company's investments in marketable securities primarily include fixed maturities such as corporate bonds, asset backed securities, money market funds, and U.S. Government securities. These investments are classified as available-for-sale ("AFS") and are carried at fair value. The difference between fair value and amortized cost is reflected in shareholders' equity as a component of accumulated other comprehensive income. As of December 31, 2024 and 2023, the Company's entire portfolio of fixed maturities was classified as AFS as investment positions will periodically require liquidation for funding of claims and general operations.

Finance Receivables Measured at Fair Value

Under the fair value method of accounting, the fair value of finance receivables is based on the exit price an entity would receive to sell an asset in an orderly transaction between market participants at the measurement date. The Company measures the fair value of its finance receivables by using an internal valuation model. The model projects expected future net cash flows to be collected over the life of the loan based on historical and market data, including expected principal and interest payments as well as forecasted recoveries in the event of loan default. The expected future net cash flows are discounted to their present value using a discount rate based on a combination of market inputs and the Company's own assumptions regarding the appropriate rate of return that market participants would require for similar or like transactions in circumstances where relevant market inputs cannot be obtained. See *Note 5 — Fair Value of Financial Instruments* for further disclosures related to the fair value measurement of the Company's finance receivables. The Company evaluates the fair value of its finance receivables at the close of each measurement period with changes in the fair value measurement period over period included in mark to fair value on finance receivables in the accompanying consolidated statements of comprehensive income.

Vehicle Inventory

Vehicle inventory consists of used vehicles and is stated at the lower of cost or net realizable value. Vehicle inventory cost is determined by specific identification. Direct and indirect vehicle reconditioning costs, such as parts, labor, and overhead costs incurred at reconditioning centers, and transportation costs to transport vehicles to the Company's reconditioning centers and dealerships are capitalized as a component of inventory cost.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the accompanying consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate specific to the asset class based on the information available at commencement date in determining the present value of lease payments. The Company also has lease agreements with lease and non-lease components, such as occupancy and maintenance costs including real estate taxes, insurance and utility costs, which are generally accounted for separately. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Property and Equipment

Property and equipment consists of land, buildings, leasehold improvements, furniture, software and repairs and maintenance costs that extend the life of an asset. Property and equipment is stated at cost and is presented net of accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which range from five years for equipment, five years for furniture, three years for software, one to seven years for building improvements, and 30 years for buildings. Leasehold improvements are depreciated using the straight-line method over the lesser of the lease term or the estimated useful lives of the related improvements.

The Company capitalizes direct costs of materials and services consumed in developing or obtaining internal use software. The Company also capitalizes payroll and payroll-related costs for employees who are directly associated with and who devote time to the development of software products for internal use, to the extent of the time spent directly on the project. Capitalization of costs begins during the development stage and ends when the software is available for general use. For the years ended December 31, 2024, 2023, and 2022, the Company capitalized $17.5 million, $17.9 million, and $13.4 million, respectively, of payroll and payroll-related costs for employee time associated with the development of software products for internal use. Amortization of these costs is computed using the straight-line method over a three-year period.

Deferred Financing Costs

Costs related to obtaining debt financing for the Company's securitization debt are capitalized and amortized over the term of the related debt using the effective interest method. Costs related to obtaining all other debt financing are capitalized and amortized over the term of the related debt. Deferred financing costs are presented in the accompanying consolidated balance sheets as a direct reduction to the carrying amount of the respective debt. Amortization of debt issuance costs are recorded as a component of interest expense and totaled $10.7 million, $10.7 million, and $9.8 million for the years ended December 31, 2024, 2023, and 2022, respectively.

Revenue Recognition—Used Vehicles and Ancillary Products

Revenue is primarily generated through the sale of used vehicles and optional Ancillary Products. Revenue is recognized in an amount that reflects the total consideration to which the entity expects to be entitled once the entity has satisfied its performance obligations. The Company also records a reserve for estimated used vehicle sale returns based on historical experience and trends and a related asset for the right to recover returned used vehicles which is included in inventory in the accompanying consolidated balance sheets. Items subject to estimates and assumptions by the Company include the satisfaction of performance obligations related to ancillary product sales revenue and the standalone transaction price which are further described for each revenue component below. Additionally, all sales tax collected on behalf of governmental authorities are excluded from the sales price and not recognized as revenue.

As the majority of DTAG customers obtain financing for the purchase of a used vehicle and optional Ancillary Products through a retail installment sales contract, customers pay monthly equivalent payments over the term of their loan. As of December 31, 2024 and 2023, the weighted average loan age was 16.8 and 18.3 months, respectively.

Used vehicle sales revenue

The Company considers the sale of the used vehicle to be a separate performance obligation as it offers a distinct benefit to the customer and the promise to transfer the asset is clearly distinct in the contractual terms. The Company determined that the standalone transaction price for the vehicle approximates the contractually stated price for the vehicle. The Company also establishes a reserve for expected sales returns which reduces the amount of revenue that will be recognized.

As part of the sale of a used vehicle, the Company charges the customer a non-refundable document fee and the revenue is recognized at the time of sale. This fee is charged to compensate the Company for costs incurred in setting up the contract and other administrative tasks related to the sale of a vehicle, including transfer of title.

Revenue from the sale of used vehicles, including document fees, is recognized when financing, if applicable, has been approved, the customer signs the sales contract, the agreed-upon down payment or purchase price has been received and the customer takes possession of the used vehicle.

Ancillary product sales revenue

The Company considers each of the Ancillary Products to be a separate performance obligation as each Ancillary Product offers a distinct benefit to the customer and each of the performance obligations is stated within their individual contractual terms. Each Ancillary Product contract may be canceled at any time during the contractual period either by the customer or upon a charge off event. When the customer's Ancillary Product is canceled prior to the end of the contractual service period, a pro-rated refund of the Ancillary Product sales price is applied to the outstanding balance of the customer's loan principal balance or refunded to the customer if the customer has fully repaid their loan, if applicable. At the time of sale, the Company estimates the amount of the Ancillary Product sales price that will be refunded upon cancellation and records a refund reserve liability as further discussed in *Note 9 — Refund Reserves*.

VSC. VSC is a service contract that covers the cost of repairs for covered parts and components. The Company determined that the standalone transaction price for the VSC product approximates the contractually stated price, which is deferred at the point of sale. The Company also establishes a reserve for expected sales returns and cancellations which reduces the amount of revenue that will be recognized. As the Company satisfies its performance obligation for the VSC over time, the VSC deferred revenue is recognized into ancillary product sales revenue over a pattern consistent with service repair claims. These amounts will be recognized as ancillary product sales revenue as the Company continues to satisfy its performance obligations. The VSC sold to DTAG customers is a 60 month or 50,000 mile term and is expected to be recognized over the next five years, with the majority of revenue recognized within the first 9 months of sale. Certain SilverRock Products have mileage caps which range from 12,000 to 72,000 miles and terms which range from 12 to 60 months and are expected to be recognized over the next one to four years with the majority of revenue recognized within the first 5 to 45 months.

GAP. In the event of a total loss, GAP covers the difference between the balance owed on the loan of the vehicle less insurance proceeds. The Company determined that the standalone transaction price for the GAP product approximates the contractually stated price, which is deferred at the point of sale. The Company also establishes a reserve for expected sales returns and cancellations which reduces the amount of revenue that will be recognized. As the Company satisfies its performance obligation for the GAP product, the GAP deferred revenue is recognized into ancillary product sales revenue over a pattern consistent with estimated GAP product claims. These amounts will be recognized as ancillary product sales revenue as the Company continues to satisfy its performance obligations, which is expected to occur over the next six years with the majority of revenue recognized within the first 18 months of sale.

GPS. The Company offers a separately priced GPS monitoring subscription to its customers which provides the customer with the ability to track the vehicle's location, mileage and speed, create geo fences, as well as other monitoring features such as battery health status. The Company determined that the standalone transaction price for the GPS product approximates the contractually stated price, which is deferred at the point of sale. The Company also establishes a reserve for expected sales returns and cancellations which reduces the amount of revenue that will be recognized. As the Company satisfies its performance obligation over the contractual term, the GPS deferred revenue is recognized into ancillary product sales revenue over the anticipated life of the subscription. These amounts will be recognized as ancillary product sales revenue as the Company continues to satisfy its performance obligations, which is expected to occur over the next three years with the majority of revenue recognized within the first 15 months of sale.

Limited warranty. SilverRock administers the vehicle limited warranty of a related party. Through the administration of this product, SilverRock receives an administrative fee, which it recognizes over the life of the limited warranty.

Pre-sale vehicle repairs. SilverRock administers the pre-sale vehicle repairs of a related party. Through the administration of this product, SilverRock receives an administrative fee, which it recognizes upon completion of the repairs.

Interest Income

Interest income consists of interest income on its finance receivables, interest earned on investments held in trust, interest earned on the shareholders' notes receivable, as defined and further discussed in *Note 11 — Related Party Transactions*.

Servicing and other revenue

Servicing and other revenue primarily consists of servicing revenue generated from servicing finance receivables owned by third parties and related parties. Servicing revenue is accrued for and recognized monthly as earned based on contractual servicing rates. See *Note 11 — Related Party Transactions* for further discussion on related party finance receivables servicing transactions.

Cost of Sales—Used Vehicles and Ancillary Products

Used vehicle cost of sales

Used vehicle cost of sales includes the cost to acquire vehicles and the reconditioning and transportation costs associated with preparing the vehicles for resale. Direct and indirect vehicle reconditioning costs consist of parts, labor, and overhead costs incurred at reconditioning centers that are allocated through standard costing. Transportation costs consist of the costs incurred to transport the vehicles to the Company's reconditioning centers and dealerships.

Ancillary product cost of sales

The cost of Ancillary Products includes warranty expenses related to separately priced VSC contracts, GPS servicing costs, GAP claims, and commissions paid to a related party and other third parties, which are recorded to cost of sales when incurred.

Accounting for Sales of Loans

The Company accounts for sales of its loans associated with its securitizations and portfolio warehouse facilities as further discussed below.

Securitizations

The Company periodically sells loans originated at Company dealerships to bankruptcy-remote securitization SPEs, which, in turn, transfer the loans to separate trusts (the "Trusts") that issue notes and certificates collateralized by these loans. The notes (or "asset-backed securities") are sold to lenders, and the Company retains the residual certificates or pledges the residual certificates to other residual facility SPEs. The Company continues to service all securitized loans. The Company has determined that the Trusts are VIEs and that Bridgecrest is the primary beneficiary of those Trusts. Therefore, loans included in the securitization transactions are recorded as finance receivables and the asset-backed securities that are issued by the Trusts are recorded as a component of portfolio term financings in the accompanying consolidated balance sheets.

Retained bonds

The Company periodically retains certain classes of issued bonds ("Retained Bonds") from its securitizations. The Company does not recognize an investment asset or portfolio term financing related to the Retained Bonds, as they are eliminated upon consolidation in the accompanying consolidated balance sheets. Additionally, the Company does not recognize interest income or portfolio debt interest expense related to the Retained Bonds, as they are eliminated upon consolidation in the accompanying consolidated statements of comprehensive income. The Company periodically sells its Retained Bonds. If the Retained Bonds are sold above or below par value, the Company recognizes a premium or discount as a reduction or an increase, respectively, to portfolio term financings in the accompanying consolidated balance sheets. The premium or discount is amortized or accreted, respectively, using the effective interest rate method, which is included in portfolio debt interest expense in the accompanying consolidated statements comprehensive income.

Portfolio warehouse facilities

The Company utilizes portfolio warehouse facilities in order to fund finance receivable originations. Loan originations are pledged to the portfolio warehouse lenders to create a borrowing base. The pledge of loan originations as collateral is accomplished through a transfer from Bridgecrest to an SPE formed for each portfolio warehouse facility. Although these transfers are treated as a true sale for legal purposes, the Company has determined that these SPEs are VIEs and that Bridgecrest is the primary beneficiary. Therefore, finance receivables pledged to the SPEs are recorded as finance receivables, and the associated portfolio warehouse facilities are recorded as components of portfolio term financing in the accompanying consolidated balance sheets.

Advertising

Advertising production costs are prepaid and expensed once the media is first aired. All other advertising costs are expensed as incurred. For the years ended December 31, 2024, 2023, and 2022, the Company recognized $114.4 million, $107.4 million, and $105.5 million, respectively, of advertising expenses, which are included in selling, general and administrative expenses in the accompanying consolidated statements of comprehensive income.

Income Taxes

The consolidated financial statements consist of financial and operating data of DTAG, Bridgecrest, and their wholly-owned subsidiaries. DTAG and Bridgecrest are both S corporations. The consolidated provision for income taxes relates to certain state taxes assessed to DTAG and Bridgecrest on a standalone basis, as well as federal and state income taxes related to the Company's C corporation subsidiaries. In general, income or losses of an S corporation and partnership flow through to the individual shareholders, who report such income or loss on their individual income tax returns.

Impairment of Long-Lived Assets

The Company owns four dealership facilities and certain property and equipment at leased locations, which include dealerships, reconditioning centers, loan servicing centers, and the Company's corporate offices. Additionally, leased locations are held as right-of-use assets. The Company also internally develops software and capitalizes it as property and equipment. These long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of would be reported at the lower of the carrying amount or fair value less costs to sell and would no longer be depreciated. As of the year ended December 31, 2024, the impairment of long-lived assets was $2.8 million, and there were no indications of impairment that had a material impact to these assets as of December 31, 2023.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other accounting standard setting bodies, which the Company may adopt as of the specified date required by each standard. The Company continues to evaluate the impact of recently issued standards that are not yet effective to determine whether they will have a material impact on the Company's consolidated financial statements upon adoption.

Adoption of New Accounting Standards

Enhanced income tax disclosures. The FASB issued ASU 2023-09 - Income Taxes (Topic 740): *Improvements to Income Tax Disclosures,* which requires entities to provide more detailed and disaggregate certain information on income tax disclosures. The guidance would require entities to disclose percentages and amounts in the rate reconciliation table on an annual basis, along with certain qualitative disclosures. Additionally, the update requires entities to disaggregate annual income taxes paid by federal, state, and foreign taxes, as well as by jurisdictions exceeding a certain quantitative threshold. The guidance is effective for fiscal years beginning after December 15, 2024. The Company plans to implement the amendment for the fiscal year beginning January 1, 2025. The Company is evaluating the impact the amendment will have on the consolidated financial statements upon adoption.

Income statement expense disaggregation. In July 2023, the FASB issued proposed ASU Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): *Disaggregation of Income Statement Expenses*. The proposed ASU would require interim and annual detailed disclosures and disaggregation in the notes to the financial statements of specific categories underlying certain expense captions, such as inventory and manufacturing, employee compensation, and depreciation. The FASB has tentatively decided that the new guidance would be effective for fiscal years beginning after December 15, 2026. The Company is evaluating the impact the proposed amendment will have on the consolidated financial statements upon adoption.

NOTE 3 — RESTRICTED CASH AND INVESTMENTS HELD IN TRUSTS

The Company maintains various restricted cash accounts and balances held in trusts as collateral under the Company's debt agreements. The Company is permitted to invest funds in these accounts in short-term, high quality liquid investments including, but not limited to, certificates of deposit, commercial paper, and money market funds.

The following table reflects a summary of restricted cash and investments held in trusts as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Restricted cash	$ 75,181	$ 105,200
Investments held in trusts	332,509	269,515
Restricted cash and investments held in trusts	$ 407,690	$ 374,715

NOTE 4 — INVESTMENTS IN MARKETABLE SECURITIES

Investment income

Investment income from the following investment classes was as follows for the years ended December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Cash, cash equivalents, and short-term investments	$ 90	$ 312
Debt securities	1,221	223
Investment income	$ 1,311	$ 535

Marketable securities

The following is a summary of marketable securities as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Available-for-sale securities	$ 23,774	$ 20,413
Total marketable securities	$ 23,774	$ 20,413

Available-for-sale securities

The amortized cost and fair value of the Company's AFS securities as of December 31, 2024 and 2023 are summarized as follows (in thousands):

	December 31, 2024		
	Amortized Cost	Unrealized Gains	Fair Value
Corporate bonds	$ 23,370	$ 404	$ 23,774
Total fixed maturity AFS securities	$ 23,370	$ 404	$ 23,774

	December 31, 2023		
	Amortized Cost	Unrealized Gains	Fair Value
Corporate bonds	$ 13,140	$ 552	$ 13,692
Money market fund	797	—	797
U.S. Government securities	5,920	4	5,924
Total fixed maturity AFS securities	$ 19,857	$ 556	$ 20,413

As of December 31, 2024 and 2023, fixed maturity AFS securities by contractual maturity are as follows (in thousands):

	December 31, 2024	
	Amortized Cost	Fair Value
Due in one year or less	$ 321	$ 325
Due after one year through five years	16,340	16,690
Due after five years through ten years	4,228	4,290
Due after ten years	2,481	2,469
	$ 23,370	$ 23,774

	December 31, 2023	
	Amortized Cost	Fair Value
Due in one year or less	$ 6,717	$ 6,720
Due after one year through five years	7,052	7,290
Due after five years through ten years	6,052	6,364
Due after ten years	36	39
	$ 19,857	$ 20,413

NOTE 5 — FAIR VALUE OF FINANCIAL INSTRUMENTS

GAAP defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. GAAP emphasizes that fair value is intended to be a market-based measurement, as opposed to a transaction-specific measurement.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, various techniques and assumptions can be used to estimate the fair value. Fair values of financial instruments are based on estimates using quoted market prices, discounted cash flows, or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and the estimated timing and amount of future cash flows. Therefore, the estimates of fair value may differ substantially from amounts that ultimately may be realized or paid at settlement or maturity of the financial instruments and those differences may be material. Accordingly, the aggregate fair value amounts presented do not represent the Company's underlying institutional value.

When assessing the inputs used in calculating the fair value of the Company's consolidated financial instruments, the Company uses a three tier hierarchy. This hierarchy indicates to what extent the inputs used in the Company's calculations are observable in the market. The different levels of the hierarchy are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2: Other than quoted prices that are observable in the market for the asset or liability, either directly or indirectly.
Level 3: Inputs are unobservable and reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The Company does not transfer the fair value of its finance receivables measured at fair value between hierarchy levels.

Limitations

Fair values of financial instruments are based on relevant market information and information about the financial instrument. They are subjective in nature and involve uncertainties and matters of judgment and, therefore, cannot be determined with ultimate precision. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular instrument. Changes in assumptions could significantly affect these estimates. Because the fair value is estimated as of each balance sheet date presented, the amounts that will actually be realized or paid in settlement of the instruments could be significantly different.

In accordance with the fair value hierarchy described above, the following tables present the carrying value and estimated fair value of the Company's financial instruments that are required to be measured at fair value on a recurring basis or disclosed at fair value as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024			
	Carrying Value	Level 1	Level 2	Level 3
Assets				
Marketable securities	$ 23,774	$ —	$ 23,774	$ —
Finance receivables measured at fair value	4,969,941	—	—	4,969,941
Shareholders' notes receivable	8,258	—	—	8,222
Liabilities (1)				
Securitization debt	$ 3,762,679	$ —	$ 3,779,241	$ —

(1) Excludes net deferred financing costs.

	December 31, 2023			
	Carrying Value	Level 1	Level 2	Level 3
Assets				
Marketable securities	$ 20,413	$ 6,721	$ 13,692	$ —
Finance receivables measured at fair value	4,201,281	—	—	4,201,281
Shareholders' notes receivable	10,412	—	—	10,475
Liabilities (1)				
Securitization debt	$ 3,074,154	$ —	$ 3,055,499	$ —
Mortgage note payable (2)	7,941	—	—	8,164

(1) Excludes net deferred financing costs.
(2) Mortgage note payable is included in other debt facilities in the accompanying consolidated balance sheets.

As of December 31, 2024 and 2023, financial instruments classified as Level 3 that are measured and carried at fair value on a recurring basis in the accompanying consolidated financial statements include the Company's finance receivables measured at fair value.

The following table presents additional information about financial instruments classified as Level 3 that are measured at fair value on a recurring basis for the years ended December 31, 2024 and 2023 (in thousands):

	Year Ended December 31,	
	2024	**2023**
Finance receivables measured at fair value, beginning of period	$ 4,201,281	$ 3,756,118
Originations	2,925,914	2,570,928
Purchase of finance receivables	174,740	51,240
Payments related to finance receivables	(2,561,650)	(2,311,662)
Interest income (1)	506,420	411,274
Mark to fair value on finance receivables (2)	(276,764)	(276,617)
Finance receivables measured at fair value, end of period	$ 4,969,941	$ 4,201,281

(1) Includes only interest income related to finance receivables measured at fair value. See *Note 2 — Significant Accounting Policies* for further discussion.

(2) For the years ended December 31, 2024 and 2023, the mark to fair value on finance receivables is inclusive of credit risk changes in the amounts of $394.9 million and $330.7 million, which decreases the expected net cash flows, respectively. These credit risk changes do not include any mark to fair value impact resulting from changes to discount rates.

The following table provides certain qualitative information about the Company's fair value measurement inputs as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024			
	Fair Value	**Unobservable Inputs**	**Range of Inputs**	**Weighted Average of Inputs**
Finance receivables measured at fair value	$ 4,969,941	Discount rate	10.3%-10.3%	10.3 %
		Remaining cumulative net losses (1)	21.7%-35.9%	31.8 %
		Remaining weighted average life (years) (2)	1.0-2.3	1.9

	December 31, 2023			
	Fair Value	**Unobservable Inputs**	**Range of Inputs**	**Weighted Average of Inputs**
Finance receivables measured at fair value	$ 4,201,281	Discount rate	11.8%-11.8%	11.8 %
		Remaining cumulative net losses (1)	19.7%-33.2%	29.7 %
		Remaining weighted average life (years) (2)	0.7-2.3	1.8

(1) Represents the weighted average of the future forecasted remaining cumulative net losses as a percentage of the principal balance, weighted by origination month principal balance.

(2) Represents the weighted average of the future forecasted principal balances divided by the principal balance, weighted by origination month principal balance.

As of December 31, 2024, and 2023, the aggregate fair value of loans that are active and less than 90 days past due was $4.6 billion and $3.9 billion, respectively, and the aggregate unpaid loan principal balance of such loans was $5.6 billion and $4.8 billion, respectively. As of December 31, 2024 and 2023, the aggregate fair value of loans that are active and 90 days or more past due was $166.8 million and $106.4 million, respectively, and the aggregate unpaid loan principal balance of such loans was $321.4 million and $238.0 million, respectively. As of December 31, 2024 and 2023, the aggregate fair value of all loans previously charged off was $251.4 million and $149.0 million, respectively, and the remaining aggregate net charged off loan principal balance of such loans was $2.3 billion and $2.3 billion, respectively. At times, the Company’s customers may experience financial or other difficulties. In response, the Company may grant an extension of the customer’s loan term, which can range between one to four months. As of December 31, 2024 and 2023, 26.4%% and 22.1%%, respectively, of loan principal balances had received an extension of their term.

Concentration of Credit Risk

The following table reflects a summary of the Company's loan principal balances within the Company's finance receivables portfolio concentration by state as of December 31, 2024 and 2023 (dollar amounts in thousands):

December 31, 2024			December 31, 2023		
State	**Percent of Portfolio**	**Loan Principal**	**State**	**Percent of Portfolio**	**Loan Principal**
Texas	14.3 %	$ 848,006	Florida	14.6 %	$ 730,511
Florida	14.0 %	830,215	Texas	14.5 %	725,507
Georgia	8.9 %	527,780	Georgia	9.6 %	480,336
North Carolina	6.3 %	373,597	North Carolina	6.1 %	305,213
California	5.9 %	349,876	California	5.9 %	295,206
All others (1)	50.6 %	3,000,635	All others (2)	49.3 %	2,466,726
	100.0 %	5,930,109		100.0 %	5,003,499

(1) Consists of 26 additional states where the portfolio concentration per state is at or below 4.8%.
(2) Consists of 25 additional states where the portfolio concentration per state is at or below 4.7%.

Valuation methodologies

The Company considers the carrying value of its cash and cash equivalents, restricted cash, investments held in trusts, accounts payable, and accrued expenses to approximate fair value due to their short term nature.

Marketable securities

The Company uses unadjusted quoted prices in active markets for identical assets and quoted prices for identical or similar assets in markets that are not active. These financial assets are either classified as Level 1 or Level 2 investments.

Finance receivables measured at fair value

The Company measures the fair value of its finance receivables by using an internal valuation model. The model projects expected future net cash flows to be collected over the life of the loan, including expected principal and interest payments as well as forecasted recoveries in the event of loan default. The expected future net cash flows are discounted to their present value based on a combination of market inputs and the Company's own assumptions regarding the appropriate rate of return that market participants would require for similar and like transactions in circumstances where relevant market inputs cannot be obtained. Unobservable inputs reflect the Company's assumptions about the factors that market participants use in pricing similar receivables and are based on the best information available in the circumstance. They include inputs such as a market participant's required rate of return, the magnitude and timing of net charge-offs, and the average remaining life of the portfolio of finance receivables. Significant changes in any of these inputs would have a significant impact on the Company's fair value measurement. These financial assets are classified as Level 3.

Shareholders' notes receivable

The fair value of the shareholders' notes receivable was determined by using a discount rate model with a market-determined discount rate of 8.1%. The fair value of the Company's shareholders' notes receivable is classified as Level 3.

Portfolio term financings

The fair value of securitization debt was determined by using quoted prices for identical or similar assets in markets that are not active. This financial liability is classified as Level 2.

Portfolio warehouse facilities

The portfolio warehouse facilities are short term in nature and the interest rate adjusts in conjunction with certain benchmark interest rates. As the facilities contain a floating market rate of interest, the Company believes the fair value of these facilities approximate carrying value. The fair value of the Company's portfolio warehouse facilities is classified as Level 2.

Mortgage note payable

In August 2024, the Company sold the building in Mesa, Arizona secured by the mortgage note payable. The mortgage note payable had an outstanding balance of $7.3 million at the time of sale, which was fully paid off as part of the transaction. The fair value of the Company's mortgage note payable as of December 31, 2023 was classified as Level 3.

NOTE 6 — LEASES

The Company leases many of the properties where its dealerships and reconditioning centers are located, as well as loan servicing and other operational centers, the Company's corporate office, aircraft, and certain other office/computer equipment from unrelated and related parties under various operating leases that expire through December 2034. Leases with an initial term of 12 months or less are not recorded on the accompanying consolidated balance sheets as a right-of-use asset and lease liability. The Company recognizes lease expense on a straight-line basis over the length of the lease term.

Most leases, which primarily consist of our dealerships, typically have one to ten year terms and are classified as operating leases. Many of the Company's leases include one or more options to renew, with renewal terms from one to ten years, some of which include options to terminate the leases within one year. The exercise of lease renewal options are at the Company's sole discretion and are excluded from the calculation of the right-of-use asset and lease liability until such time that the Company determines that it is reasonably certain that the option will be exercised.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Certain of the Company's lease agreements include lease payments that adjust periodically for inflation. The Company's lease payments do not include payments adjusted for future changes in inflation and are considered variable lease costs in the period in which the increase in payment has occurred. The Company also leases and subleases certain of its dealerships and reconditioning centers from and to related parties, respectively. See *Note 11 — Related Party Transactions* for further details on subleasing arrangements. As of December 31, 2024 and 2023, the Company's subleasing arrangements did not have a material impact on its measurement of operating lease right-of-use assets or operating lease liabilities.

Lease expense only had one component, which consisted of operating lease costs of $48.3 million and $47.7 million for the years ended December 31, 2024 and 2023, respectively. Short term lease costs, for leases with an initial term of one year or less were $0.6 million for both years ended December 31, 2024 and 2023. Variable lease costs were $0.8 million and $0.7 million for the years ended December 31, 2024 and 2023. Operating lease costs, short term lease costs, and any variable lease income or costs are included in selling, general, and administrative expenses in the accompanying consolidated statements of comprehensive income.

Supplemental cash flow information related to leases was as follows for the years ended December 31, 2024 and 2023 (in thousands):

	Year ended December 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 42,927	$ 41,633

Supplemental balance sheet information related to leases was as follows as of December 31, 2024 and 2023 (in thousands, except lease term and discount rate):

	December 31, 2024	December 31, 2023
Operating lease right-of-use assets	$ 138,117	$ 134,613
Operating lease liabilities	$ 141,817	$ 140,458
Weighted average remaining operating lease term (months)	48.8	51.2
Weighted average operating lease discount rate	5.2 %	4.5 %

Maturities of lease liabilities as of December 31, 2024 were as follows (in thousands):

	Related Party [1]	Non-Related Party	Total
2025	$ 19,117	$ 29,812	$ 48,929
2026	14,536	24,611	39,147
2027	13,236	18,421	31,657
2028	9,087	11,796	20,883
2029	2,976	6,605	9,581
Thereafter	3,486	4,606	8,092
Total lease payments	$ 62,438	$ 95,851	$ 158,289
Less: imputed interest	6,909	9,563	16,472
Total	$ 55,529	$ 86,288	$ 141,817

(1) See *Note 11 — Related Party Transactions* for further details on leasing arrangements.

NOTE 7 — PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Land	$ 3,176	$ 7,147
Buildings and improvements	203,788	215,071
Equipment	91,573	89,454
Furniture	29,667	31,430
Software	145,191	126,547
Total property and equipment	473,395	469,649
Less: accumulated depreciation and amortization	376,887	356,383
Property and equipment, net	$ 96,508	$ 113,266

Depreciation and Amortization Expense

Total depreciation and amortization expense related to property and equipment for the years ended December 31, 2024, 2023, and 2022 was $37.9 million, $34.0 million, and $26.9 million, respectively, which is included in depreciation and amortization expense in the accompanying consolidated statements of comprehensive income.

NOTE 8 — DEFERRED REVENUE

Deferred revenue primarily represents the Company's estimate of the remaining unearned revenue balance from the Company's Ancillary Products.

The following table reflects the changes in deferred revenue during the years ended December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Deferred revenue, beginning of period	$ 702,263	$ 703,027
Revenue deferred in period [1]	704,269	547,633
Revenue recognized in period	(596,264)	(548,397)
Deferred revenue, end of period	$ 810,268	$ 702,263

(1) Inclusive of $4.2 million and $(2.2) million, respectively, of refund reserve rate changes as of December 31, 2024 and 2023.

The following table reflects the revenue recognized in the period, by product, for the years ended December 31, 2024, 2023, and 2022 (in thousands):

	Year ended December 31,		
	2024	2023	2022
VSC	$ 493,536	$ 457,278	$ 463,423
GAP	58,248	50,573	54,486
GPS	44,480	40,546	42,122
Revenue recognized in the period	$ 596,264	$ 548,397	$ 560,031

Of the Ancillary Product deferred revenue recognized for the years ended December 31, 2024, 2023, and 2022, the following table reflects the amount included in deferred revenue at the beginning of the period, by product (in thousands):

	Year ended December 31,		
	2024	2023	2022
VSC	$ 312,171	$ 296,738	$ 285,765
GAP	46,528	42,361	48,084
GPS	33,126	31,431	33,259
Beginning period ancillary product deferred revenue recognized during the period	$ 391,825	$ 370,530	$ 367,108

The following table reflects the amount of revenue expected to be recognized in the future, by product, as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
VSC (1)	$ 637,377	$ 550,874
GAP	111,239	98,209
GPS	61,652	53,180
Deferred revenue, end of period	$ 810,268	$ 702,263

(1) Inclusive of $2.6 million and $2.0 million, respectively, of administrative fees related to the administration of the vehicle limited warranty of a related party as of December 31, 2024 and 2023.

NOTE 9 — REFUND RESERVES

Refund reserves primarily represent the Company's estimate of pro-rated amounts that will be refunded to customers upon cancellation of Ancillary Products prior to the end of the contractual service period. The refund reserves are estimated at the point of sale and reduce the amount of revenue that will be recognized for the Ancillary Products. When the customer's Ancillary Product is canceled prior to the end of the contractual service period, a pro-rated refund is applied to the outstanding principal balance of the customer's principal loan balance or refunded to the customer if the customer has fully repaid their loan, if applicable, based on remaining time in the contract for GPS and GAP or remaining time based on vehicle mileage limits for VSC. The Company periodically reviews its refund reserve estimate and recognizes changes in estimates including adjustments between refund reserve and deferred revenue, prospectively. As of December 31, 2024 and 2023, refund reserves were $212.4 million and $180.4 million, respectively, which are included in deferred revenue and refund reserves in the accompanying consolidated balance sheets.

The following table reflects the changes in refund reserves during the years ended December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Refund reserves, beginning of period	$ 180,424	$ 161,848
Additions to refund reserves (1)	177,944	156,622
Cancellations	(145,919)	(138,046)
Refund reserves, end of period	$ 212,449	$ 180,424

(1) Inclusive of $(4.5) million and $7.4 million, respectively, of refund reserve rate changes as of December 31, 2024 and 2023.

NOTE 10 — DEBT OBLIGATIONS

Portfolio term financings

The following table reflects a summary of portfolio term financings as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Securitization debt	$ 3,762,679	$ 3,074,154
Deferred financing costs, net	(19,602)	(16,578)
Total portfolio term financings	$ 3,743,077	$ 3,057,576

Securitization debt

The following table reflects a summary of the Company's securitization transactions with outstanding balances as of December 31, 2024 and 2023 (dollar amounts in thousands):

	December 31, 2024				December 31, 2023			
Securitization Transaction	Debt Balance	Loan Principal Pledged	Cash Reserve	Interest Rate (1)	Debt Balance	Loan Principal Pledged	Cash Reserve	Interest Rate (1)
2019-4	$ —	$ —	$ —	—%	$ 48,659	$ 61,294	$ 7,795	2.8%
2020-1	—	—	—	—%	67,642	79,217	7,500	2.5%
2020-2	—	—	—	—%	62,125	77,686	9,000	3.6%
2020-3	36,998	47,907	6,750	1.5%	80,383	98,959	6,750	1.5%
2021-1	44,370	53,189	6,000	1.0%	87,695	102,243	6,000	1.0%
2021-2	70,128	81,136	7,500	1.3%	130,149	149,574	7,500	1.3%
2021-3	107,557	119,334	8,250	1.0%	184,975	206,179	8,250	1.0%
2021-4	88,730	99,322	6,000	1.5%	149,168	167,429	6,000	1.5%
2022-1	104,314	116,326	6,434	3.1%	177,242	197,793	6,434	3.1%
2022-2	116,764	138,315	6,826	4.6%	176,963	231,899	6,826	4.6%
2022-3	164,589	200,374	7,500	7.7%	240,800	325,127	7,500	7.7%
2023-1	266,440	330,938	10,755	6.6%	366,310	522,709	10,755	6.6%
2023-2	246,027	326,185	9,440	6.6%	396,234	498,332	9,440	6.6%
2023-3	254,783	336,349	8,375	7.0%	383,520	490,122	8,375	7.0%
BLAST 2023-1	347,352	467,553	10,500	7.6%	522,289	665,982	10,500	7.6%
BLAST 2024-1	378,336	510,168	10,500	6.1%	—	—	—	—%
BLAST 2024-2	429,231	566,097	10,500	6.4%	—	—	—	—%
BLAST 2024-3	514,924	691,443	12,000	6.0%	—	—	—	—%
BLAST 2024-4	592,136	756,816	12,000	5.3%	—	—	—	—%
	$ 3,762,679	$ 4,841,452	$ 139,330		$ 3,074,154	$ 3,874,545	$ 118,625	

(1) These rates represent the original duration weighted average rates of the asset-backed securities issued and retained.

Asset-backed securities outstanding are secured by the underlying pools of finance receivables and cash reserves. Asset-backed securities outstanding have interest payable monthly at the fixed rate for each respective tranche within the securitization transaction with an outstanding note balance.

Individual trusts are not cross-collateralized or cross-defaulted. Additionally, the Company has the option to purchase the remaining loans in a trust when the remaining principal balances of the loans reach 10% of their original securitized principal balance.

Retained bonds

During the year ended December 31, 2024, the Company sold certain Retained Bonds with a cumulative par value of $89.1 million, for proceeds of $94.1 million, resulting in a premium of $5.0 million, which is included in portfolio term financings in the accompanying consolidated balance sheets. The Company did not sell any Retained Bonds during the year ended December 31, 2023. As of December 31, 2024 and 2023, the Company held Retained Bonds with a par value of $286.3 million and $192.4 million, respectively.

Portfolio warehouse facilities

The following tables reflect a summary of portfolio warehouse facilities as of December 31, 2024 and 2023 (dollar amounts in thousands):

	December 31, 2024			
	Amount Outstanding	Facility Amount	Collateral (1)	Commitment Expiration Date
DT Warehouse, LLC facility	$ 54,000	$ 300,000	$ 78,421	Feb 2026
DT Warehouse V, LLC facility	152,500	300,000	229,436	Dec 2026
DT Warehouse VII, LLC facility	139,500	300,000	205,654	Jul 2026
Bridgecrest Warehouse I, LLC facility	167,500	300,000	234,944	Aug 2026
	513,500	$ 1,200,000	$ 748,455	
Deferred financing costs, net	(2,492)			
Total portfolio warehouse facilities	$ 511,008			

	December 31, 2023			
	Amount Outstanding	Facility Amount	Collateral (1)	Commitment Expiration Date
DT Warehouse, LLC facility	$ 84,000	$ 300,000	$ 133,442	Oct 2024
DT Warehouse V, LLC facility	120,500	300,000	196,413	Dec 2025
DT Warehouse VII, LLC facility	105,500	300,000	161,701	May 2025
Bridgecrest Warehouse I, LLC facility	92,500	200,000	135,003	Jun 2025
	402,500	$ 1,100,000	$ 626,559	
Deferred financing costs, net	(2,223)			
Total portfolio warehouse facilities	$ 400,277			

(1) Collateral represents the unpaid principal pools of finance receivables pledged to each facility.

The weighted average interest rate on portfolio warehouse facilities was 6.3% and 7.3% as of December 31, 2024 and 2023, respectively.

DT Warehouse, LLC facility

In March 2024, the Company entered into an amendment to the portfolio warehouse facility, which extended the commitment expiration date to February 2026. If the facility is not repaid on the commitment date, there is a term-out feature, which may result in a step-up of the interest rate, with any remaining balance paid down based on the amortization of the underlying collateral.

DT Warehouse V, LLC facility

In December 2024, the Company entered into an amendment to the portfolio warehouse facility, which extended the commitment expiration date to December 2026 and changed the interest rate. If the facility is not repaid on the commitment date, there is a term-out feature, which may result in a step-up of the interest rate, with any remaining balance paid down based on the amortization of the underlying collateral.

DT Warehouse VII, LLC facility

In July 2024, the Company entered into an amendment to the portfolio warehouse facility, which resulted in an extension to the commitment expiration date to July 2026. If the facility is not repaid on the commitment date, there is a term-out feature, which may result in a step-up of the interest rate, with any remaining balance paid down based on the amortization of the underlying collateral.

Bridgecrest Warehouse I, LLC facility

In August 2024, the Company entered into an amendment to the portfolio warehouse facility, which increased the facility amount to $300.0 million and extended the commitment expiration date to August 2026. If the facility is not repaid on the commitment date, there is a term-out feature, which may result in a step-up of the interest rate, with any remaining balance paid down based on the amortization of the underlying collateral.

Collateral

Certain finance receivables are pledged as collateral to each of the portfolio warehouse facilities for the benefit of the lenders to secure the debt and to provide cash flows for warehouse expenses and debt repayment in the event of default. These facilities contain a borrowing base which requires the Company to pledge finance receivables in excess of the amounts which the Company can borrow under the facilities. The Company's portfolio warehouse facilities provide the lenders the ability to reduce advance rates based on certain performance measures of the Company's finance receivable portfolio. The aggregate balance of finance receivables is presented on the Company's consolidated balance sheets included herein, and the Company does not separately classify those assets pledged as collateral.

Financial covenants

The Company is required to comply with certain financial covenants for each portfolio warehouse facility. As of December 31, 2024, the Company was in compliance with all financial covenants of these facilities.

Other debt facilities

Revolving inventory facility

The Company has a revolving inventory facility with a commitment amount of $350.0 million and a commitment expiration date of May 2025. The facility is secured by certain vehicles in the Company's vehicle inventory. The interest rate on the revolving inventory facility was 7.8% and 8.8% as of December 31, 2024 and 2023, respectively. As of both years ended December 31, 2024 and 2023, the Company did not have an outstanding balance with the facility, excluding net deferred financing costs of $0.3 million. As of December 31, 2024, the Company was in compliance with all financial covenants of this facility.

Mortgage note payable

In August 2024, the Company sold the building in Mesa, Arizona secured by a mortgage note payable. As of December 31, 2023, the mortgage note payable had an outstanding balance of $7.9 million. The mortgage note payable had an outstanding balance of $7.3 million at the time of sale, which was fully paid off as part of the transaction.

Future minimum principal payments

The following table represents the future minimum principal payments required under our debt obligations as of December 31, 2024 (in thousands):

	Payments by Period						
	December 31, 2024						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 Years
Securitizations (1)	$ 3,762,679	$ 1,470,622	$ 1,056,220	$ 655,099	$ 440,674	$ 121,250	$ 18,814
Portfolio warehouse facilities (2)	513,500	—	513,500	—	—	—	—
Total (3)	$ 4,276,179	$ 1,470,622	$ 1,569,720	$ 655,099	$ 440,674	$ 121,250	$ 18,814

(1) Securitization obligations do not have a contractual termination date. Therefore, all collections on the contracts collateralizing the securities are used to repay the asset-backed security holders based on an expected amortization of the securities and does not include the exercise of call options.

(2) On the expiration date of the facilities, the amount outstanding at termination is not due and payable immediately. The table above assumes principal and interest payments will be made over the normal course of business, which will result in a final principal payment at the commitment date, resulting in no term-out.

(3) Total contractual obligations exclude future interest payment obligations**.**

NOTE 11 — RELATED PARTY TRANSACTIONS

Relationship with Verde Investments, Inc. and affiliates

Verde Investments, Inc. and affiliates (collectively, "Verde") is an Arizona corporation that is wholly-owned by Mr. Garcia. Mr. Garcia is the principal shareholder, president and director of Verde. Transactions between the Company and Verde are described below.

During the years ended December 31, 2024, 2023, and 2022, the Company recorded related party operating expenses related to Verde as follows, which are included in selling, general, and administrative expenses in the accompanying consolidated statements of comprehensive income (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Lease expense	26,465	24,067	24,036
Sublease income	(171)	(167)	(165)
Selling, general, and administrative expenses	1,067	1,020	870
Reimbursement of selling, general, and administrative expenses	(1,067)	(1,020)	(870)
Total related party operating expenses	$ 26,294	$ 23,900	$ 23,871

Lease agreements

Included in lease expense are costs of operating leases with Verde for certain dealerships, reconditioning centers, loan servicing centers and the Company's corporate headquarters in Tempe, Arizona, which the Company operates and Verde owns, as well as leases with Verde for aircraft. As of December 31, 2024, the maturity years of these related party leases range from 2025 to 2034. Future minimum lease payments required under related party leases, including aircraft leases discussed below, are disclosed in *Note 6 — Leases*.

The following table reflects a summary of the property lease activity with Verde for the years ended December 31, 2024, 2023, and 2022:

	Year Ended December 31,		
	2024	2023	2022
Number of properties leased with Verde, beginning of period	37	37	37
Property lease additions	1	—	—
Property lease terminations	—	—	—
Number of properties leased with Verde, end of period	38	37	37

The Company has two aircraft operating lease agreements with Verde under which the Company agrees to pay cumulative monthly lease payments of $550,000 plus taxes and is responsible for paying all operating costs and repairs and maintenance related to the aircraft. The aircraft leases expire on December 2025 and December 2027.

The Company has a Time Share Agreement (the "Time Share Agreement") with Verde, Carvana Group LLC, Oreno Holdings, LLC, an affiliated company ("Oreno"), GoFi, LLC ("GoFi"), and other private parties (collectively the "Lessees") related to the two aircraft. The Time Share Agreement provides for the ability of the Lessees to lease the aircraft and related flight crews from the Company on a time sharing basis. For each flight under the Time Share Agreement, the Lessee is required to reimburse the Company for the actual direct expenses, as defined in the Time Share Agreement, for the specific flight, as well as the amount of federal excise tax imposed by the Internal Revenue Service (the "IRS") which is remitted by the Company. The Time Share Agreement provides for a one-year term, with an annual auto-renewal feature, and may be canceled by any party upon notice.

The following table reflects a summary of expense reimbursements related to the Time Share Agreement for the years ended December 31, 2024, 2023, and 2022, which are included as a reduction to aircraft operating and lease expense in the table above (in thousands):

	Year Ended December 31,		
Related Parties	2024	2023	2022
Verde	$ 296	$ 442	$ 436
Carvana	692	468	706
Other	725	470	333
Total expense reimbursements	$ 1,713	$ 1,380	$ 1,475

Property sublease agreement

The Company subleases a portion of its corporate headquarters to Verde. The sublease provides for a continuous term until terminated by either party upon notice.

Shareholders' notes receivable

Bridgecrest has three notes receivable with Bridgecrest shareholders. The notes receivable have an expiration date of December 2028. As of December 31, 2024 and 2023, the amounts outstanding under the shareholders' notes receivable were $8.3 million and $10.4 million, respectively.

As of December 31, 2024, 2023, and 2022, effective interest rates were 7.92%, 8.59%, and 6.95%, respectively. For the years ended December 31, 2024, 2023 and 2022, the Company recorded $0.8 million, $0.9 million, and $0.6 million, respectively, in interest income related to these notes, which are included in interest income in the accompanying consolidated statements of comprehensive income.

Relationship and associated transactions with GoFi, LLC

GoFi, a subsidiary of Go Capital Holdings, LLC, is an indirect auto finance company and is beneficially owned by the Company's shareholders. Transactions between and associated with GoFi and the Company are described below.

Finance receivables purchased

The Company has a purchase agreement with GoFi that allows the Company to purchase receivables from GoFi. During the years ended December 31, 2024, 2023, and 2022, Bridgecrest purchased $174.7 million, $51.2 million, and $0.2 million, respectively, of finance receivables.

GoFi servicing agreement

The Company has a servicing agreement with GoFi pursuant to which the Company agrees to perform certain servicing and collections activities with respect to finance receivables GoFi owns. During the years ended December 31, 2024, servicing income was $0.1 million, and during both years ended December 2023 and 2022, servicing income was de minimis, which are included in servicing and other revenue in the accompanying consolidated statements of comprehensive income.

GoFi shared services

The Company provides certain agreed upon administrative services to GoFi. During the years ended December 31, 2024, 2023, and 2022, the Company recorded shared services fees of $9.3 million, $5.8 million, and $10.3 million, respectively, which are included as a reduction to selling, general, and administrative expenses in the accompanying consolidated statements of comprehensive income.

As of December 31, 2024 and 2023, the Company had $2.1 million and $1.3 million, respectively, of receivables due from GoFi related to its shared services fees, which are included in deferred acquisition costs and other assets in the accompanying consolidated balance sheets.

Relationship with Carvana

The Company's shareholders have a controlling interest in Carvana Co., which controls Carvana Group, LLC and collectively they are known as ("Carvana"), an e-commerce platform for buying and selling used cars. Transactions between Carvana and the Company are described below.

Carvana servicing agreement

The Company has a servicing agreement with Carvana pursuant to which the Company has agreed to perform certain servicing and collections activities with respect to finance receivables Carvana owns after origination and before the sale of the finance receivables to third parties. For the years ended December 31, 2024, 2023 and 2022, the Company recorded $9.0 million, $13.8 million, and $10.0 million in servicing revenue associated with this agreement, which are included in servicing and other revenue in the accompanying consolidated statements of comprehensive income.

The Company remits payments daily to Carvana with a one to two day processing period. As of December 31, 2024 and 2023, the Company had $1.5 million and $3.2 million, respectively, of collections payable to Carvana.

Guaranty of lease

The Company is the guarantor for Carvana on a lease for certain real property and improvements, beginning July 2015, for an initial term of 10 years, subject to extension options.

Sublease income

The Company has sublease agreements in place with Carvana for certain reconditioning centers. The lease terms vary between three and eight years, subject to extension options. The Company had a sublease agreement with Carvana for their former corporate headquarters in Tempe, Arizona that ended in 2024.

For the years ended December 31, 2024, 2023, and 2022, the Company recognized total property sublease income for these lease agreements of $2.4 million, $2.6 million, and $3.5 million, respectively, which are included as a reduction to selling, general, and administrative expenses in the accompanying consolidated statements of comprehensive income. As of December 31, 2024, the Company expects to recognize $12.8 million of future property sublease income through 2030.

Reimbursement of selling, general, and administrative expenses

As of December 31, 2024 and 2023, the Company had $6.1 million and $2.9 million, respectively, of receivables due from Carvana related to its servicing and property lease agreements, which are included in deferred acquisition costs and other assets in the accompanying consolidated balance sheets.

Intellectual property license agreement

The Company has a cross-license agreement with Carvana that governs the rights of certain intellectual property owned by the Company and the rights of certain intellectual property owned by Carvana. The license agreement provides for a perpetual term and may be canceled by the Company or Carvana with notice. There is no consideration associated with this agreement.

Tax receivable agreement

The Company has a tax receivable agreement with Carvana where the Company is a former LLC Unitholder entitled to receive payments from Carvana related to Carvana's realized cash savings from U.S. federal, state, or local taxes. The Company anticipates receiving payment in 2025 related to Carvana's final 2023 tax filing. As of December 31, 2024, the determined amount the Company expects to receive is $1.5 million with an additional $0.3 million in imputed interest. The Company could receive payments in the future related to past or future tax filings, however the amounts cannot be reasonably estimated at the reporting date.

Master dealer agreement between SilverRock and Carvana

SilverRock offers certain products that are primarily marketed and sold through Carvana pursuant to a master dealer agreement whereby Carvana sells SilverRock Products that SilverRock is obligated by and subsequently administers. Transactions pursuant to the master dealer agreement between Carvana and SilverRock are described below. Additionally, SilverRock administers the vehicle limited warranty of Carvana and Carvana's pre-sale vehicle repairs.

Premiums and other receivables. As of December 31, 2024 and 2023, related premiums and other receivables included $20.9 million and $15.3 million, respectively, of amounts due from Carvana for ancillary product contracts written or financed during the year. Receivables from Carvana are generally settled on a monthly or more frequent basis and are included in deferred acquisition costs and other assets in the accompanying consolidated balance sheets.

Deferred acquisition costs. Certain commissions are paid by SilverRock to Carvana in conjunction with Carvana selling SilverRock Products, which are deferred as a cost of acquiring the contract. The deferred acquisition cost, or commission paid, net of expected cancellations, is amortized to expense over the estimated life of the underlying customer contract in the same pattern as the revenue on SilverRock Products is recognized. During the years ended December 31, 2024, 2023, and 2022, the Company paid Carvana $205.3 million, $148.5 million, and $183.5 million, respectively, in commissions which are included in deferred acquisition costs and other assets in the accompanying consolidated balance sheets. For the years ended December 31, 2024, 2023, and 2022, deferred acquisition expenses were $166.4 million, $150.0 million, and $148.5 million, respectively, which are included in ancillary product cost of sales in the accompanying consolidated statements of comprehensive income.

Retrospective expense. The Company has a provider agreement with Carvana that outlines their mutual agreement for the sale of SilverRock Products. The provider agreement allows Carvana to receive payments for excess reserves as part of a retrospective program that provides for return for excess reserves to be paid generally on a quarterly basis to Carvana based on the performance of certain ancillary products. Since these returns for excess reserves are not fixed and determinable at the time the customer contract is sold, estimated costs are accrued monthly based on calculations of eligible profit participation payments. There was no retrospective expense during the years ended December 31, 2024 and 2023. For the year ended December 31, 2022, retrospective expense totaled $11.7 million, which is included in ancillary product cost of sales in the accompanying consolidated statements of comprehensive income. There were no amounts owed by the Company to Carvana pursuant to the retrospective program during the year ended December 31, 2024, and the Company paid $0.1 million during the year ended December 31, 2023, which are included in ancillary product cost of sales in the accompanying consolidated statements of comprehensive income. As of December 31, 2024, the Company did not owe any payables or accrued expenses of estimated profit participation to Carvana, and as of December 31, 2023, the Company owed $2.1 million of payables and accrued expenses of estimated profit participation payable to Carvana.

Pre-sale vehicle repairs revenue. The Company administers certain pre-sale vehicle repairs for Carvana. Pre-sale vehicle repair revenue was $0.5 million, $0.4 million, and de minimis for the years ended December 31, 2024, 2023, and 2022, respectively, which are included in ancillary product sales revenue in the accompanying consolidated statements of comprehensive income.

Purchase of wholesale vehicles

The Company purchases wholesale vehicles from Carvana through online auctions that are managed by an unrelated third-party. During the years ended December 31, 2024, 2023, and 2022, the Company purchased approximately $12.5 million, $10.5 million, and $29.6 million, respectively, of inventory from Carvana.

Carvana owns a physical auction business ("Adesa"), through which the Company purchases vehicles and pays buyer fees for each transaction. During the years ended December 31, 2024, 2023 and 2022, the Company paid $4.9 million, $3.6 million, and $3.4 million, respectively, in fees, of which, $4.7 million, $3.5 million, and $1.2 million, respectively, are included in used vehicle cost of sales in the accompanying consolidated statements of comprehensive income. As of December 31, 2024 and 2023, $1.1 million and $0.8 million, respectively, are included in inventory in the accompanying consolidated balance sheets.

Reconditioning service agreement

In September 2023, the Company entered into an agreement with Adesa, through which Adesa may recondition certain vehicles purchased by the Company at their auction on-site service center ("Reconditioning Service Agreement") in accordance with the Company's standards. The terms of the Reconditioning Service Agreement provide for a one-year term, with an annual auto-renewal feature, and may be canceled by either party with notice.

During the years ended December 31, 2024 and 2023, the Company paid $4.5 million and $0.4 million. respectively, of vehicle reconditioning costs related to the Reconditioning Service Agreement, of which, $3.8 million and $0.1 million, are included in used vehicle cost of sales in the accompanying consolidated statements of comprehensive income. As of December 31, 2024 and 2023, $0.7 million and $0.3 million, respectively, of vehicle reconditioning costs paid are included in inventory in the accompanying consolidated balance sheets. As of December 31, 2024 and 2023, Adesa held $5.3 million and $8.4 million, respectively, of the Company's inventory.

Relationship with BlueShore

BlueShore Insurance Company, a property and casualty insurance company domiciled in Texas ("BlueShore"), is wholly-owned by Verde. Transactions between BlueShore and the Company are described below.

Producer agreement

The Company has a producer agreement with BlueShore, associated with certain Ancillary Products. The producer agreement returns all excess reserves back to the Company (the producer of these Ancillary Products) and compensates the Company with interest as a result of BlueShore holding the reserve funds for the duration of the insured contract for these Ancillary Products. These reserve funds held by BlueShore are for the purpose of funding the payment of claims under the insured contracts. During the years ended December 31, 2024, 2023, and 2022, the Company received $1.6 million, $1.5 million, and $0.6 million, respectively, in interest income related to the holding of these reserve funds, which are included in interest income in the accompanying consolidated statements of comprehensive income. As of December 31, 2024 and 2023, the Company recognized an asset in the amount of $121.6 million and $103.8 million, respectively, for the funds held by BlueShore, which are included in deferred acquisition costs and other assets in the accompanying consolidated balance sheets.

Deferred acquisition costs

Certain products sold by SilverRock require the contractual liability arising under those products to be insured with an authorized insurance company to satisfy applicable financial security requirements of the product issuers. SilverRock makes payments to BlueShore, which are then deferred as a cost of acquiring the contract in order to satisfy this requirement. The deferred acquisition cost is amortized to expense over the estimated life of the underlying customer contracts. During the years ended December 31, 2024, 2023, and 2022, the Company paid BlueShore $6.4 million, $4.8 million, and $6.5 million, respectively, in contractual liability payments, which are included in deferred acquisition costs and other assets in the accompanying consolidated balance sheets. For the years ended December 31, 2024, 2023, and 2022 deferred acquisition expenses related to BlueShore were $4.5 million, $4.6 million, and $4.9 million, respectively, which are included in ancillary product cost of sales in the accompanying consolidated statements of comprehensive income.

Accrued expenses due to BlueShore

The Company is obligated to remit a portion of its premiums for certain ancillary products to BlueShore for contracts that require contractual liability insurance. As of December 31, 2024 and 2023, payables and accrued expenses included $7.2 million and $4.6 million, respectively, of contractual liability premiums and reserves payable to BlueShore.

Finance receivables — related parties

The Company offers its employees financing related to the purchase of used vehicles and optional Ancillary Products. The outstanding loan principal balances to employees was $5.8 million and $4.2 million as of the years ended December 31, 2024 and 2023.

NOTE 12 — INCOME TAXES

As of December 31, 2024 and 2023, the consolidated financial statements consist of financial and operating data of DTAG and Bridgecrest and their subsidiaries and other affiliated entities. DTAG and Bridgecrest are S Corporations and are treated as flow-through entities for federal income tax purposes. As a result, the shareholders of the Company receive allocations of both the income and losses generated by the business. Also included in the consolidated financial statements of DTAG and Bridgecrest are two C Corporation groups; Drake Property and Casualty Insurance, Co. ("Drake"), a wholly-owned subsidiary of DTAG, and SilverRock and subsidiaries, a wholly-owned subsidiary of Bridgecrest.

As of December 31, 2024, DTAG has generated state income tax net operating losses ("NOLs") of $43.6 million and $43.1 million in California and Tennessee, respectively. The California and Tennessee NOLs generally expire between 2029 and 2043. As of December 31, 2024, Drake has generated approximately $0.6 million of federal income tax NOLs, which expire between 2036 and 2043. For the years ended December 31, 2024 and 2023, Drake recorded a full valuation allowance of $0.1 million and $0.2 million, respectively, against its deferred tax assets ("DTAs"). As of December 31, 2024, SilverRock and its subsidiaries did not have any federal tax NOLs. As of December 31, 2024, SilverRock and its subsidiaries have generated $99.4 million of state income tax NOLs, which generally expire between 2030 and 2036. SilverRock files combined and separate state income returns for its subsidiaries depending on the jurisdiction.

As of December 31, 2024, DTAG has recorded a net DTA of $3.2 million, which includes a valuation allowance of $4.7 million on certain NOLs to offset the potential tax benefits that may not be realized in the future. The carrying amount of the valuation allowance is evaluated at each reporting period and adjusted as necessary to reflect management's best estimate of the amount of NOLs that are more likely than not to be realized. The assessment is based on various factors, including the Company's historical and projected taxable income, available tax planning strategies, and the expiration dates of the net operating losses. As of December 31, 2024, the Company considers it more likely than not that it will not have sufficient taxable income in the future in order to realize these DTAs. The Company has recorded a full valuation allowance against these NOLs. The Company's DTAs are included in deferred acquisition costs and other assets and deferred tax liabilities are included in payables and accrued expenses in the accompanying consolidated balance sheets.

The following table reflects a reconciliation between expected taxes computed at the federal statutory rate of 21.0% and the effective tax rate on income before income taxes (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Computed "expected" income tax expense (benefit)	$ 13,608	$ (10,240)	$ 15,239
Non C Corporation expense	6,341	38,015	14,896
Entity level state income tax expense (benefit)	2,114	(5,388)	4,427
Change in valuation allowance	2,528	2,103	(53)
Other (benefit) expense, net	(616)	—	80
Provision for income taxes	$ 23,975	$ 24,490	$ 34,589

Components of income tax expense are as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Current expense:			
Federal	$ 13,998	$ 31,609	$ 3,108
State	1,322	2,226	2,446
Deferred expense (benefit):			
Federal	5,287	(3,830)	26,975
State	3,368	(5,515)	2,060
Total	$ 23,975	$ 24,490	$ 34,589

Deferred income tax assets and liabilities are as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Deferred tax assets:		
Loss carryforwards U.S. - Federal/States	$ 9,503	$ 7,159
Accrued liabilities, reserves, and other expenses	1,856	1,627
Operating lease liabilities	25	31
Interest income	8,458	5,198
Depreciation and amortization	1,381	362
Other items	554	751
Deferred revenue	25,273	22,670
Total gross deferred tax assets	47,050	37,798
Valuation allowance	(4,794)	(2,266)
Deferred tax assets, net of valuation allowance	$ 42,256	$ 35,532
Deferred tax liabilities:		
Intercompany sale of loans	(3,084)	(2,062)
Mark to fair value on finance receivables	(11,875)	(6,761)
Deferred acquisition costs	(79,744)	(70,586)
Other items	(831)	(782)
Net deferred tax liabilities, net of valuation allowance	$ (53,278)	$ (44,659)

The Company's two S Corporations, DTAG and Bridgecrest, and two C Corporations, Drake and SilverRock, file federal and various state income tax returns. For federal income tax purposes, the 2021 to 2023 years remain subject to examination, while for state purposes, the 2020 to 2023 years remain subject to examination. During the year ended December 31, 2024, DTAG was selected for a federal examination covering the 2022 period, and the Company responded to the IRS's initial information document request.

The Company had recorded unrecognized tax benefits related to gains realized on its conversion of its membership interests in Carvana into common stock in 2018 and 2019. The Company recognizes accrued interest and penalties, if applicable, related to unrecognized tax benefits in income tax expense. During the year ended December 31, 2024, the Company released the entire unrecognized tax benefit reserve due to the expiration of the statute of limitations in the relevant taxing jurisdictions.

The following table reflects a reconciliation of unrecognized tax benefits during the years ended December 31, 2024 and 2023 (in thousands):

	Year Ended December 31,	
	2024	2023
Unrecognized tax benefits balance, beginning of period	$ 296	$ 281
Additions based on tax positions related to current year	—	15
Reductions based on tax positions related to prior year	(296)	—
Unrecognized tax benefits balance, end of period	$ —	$ 296

NOTE 13 — SHAREHOLDERS' EQUITY & DISTRIBUTIONS

Share information

As of December 31, 2024, DTAG had 1,000 shares of common stock authorized with a par value of $0.001 per share, of which 102.1897 shares were issued and outstanding, and Bridgecrest had 1,000,000 shares of common stock authorized with no par value, of which 102.1897 shares were issued and outstanding.

Contributions

During the years ended December 31, 2024 and 2023, the Company's shareholders contributed $200.0 million and $150.0 million, respectively, to DTAG.

Distributions

The following table reflects a summary of distributions approved by the Board of Directors and paid by the Company during the years ended December 31, 2024, 2023, and 2022 (in thousands):

	Year Ended December 31,		
	2024 [(1)]	2023	2022
Distributions	$ 210,910	$ 272,071	$ 368,919

(1) The Board of Directors has approved additional distributions of up to $149.1 million, which were unpaid by the Company as of December 31, 2024.

NOTE 14 — COMMITMENTS AND CONTINGENCIES

Legal matters

The Company is involved in various claims and actions arising in the ordinary course of business. In addition, the Company is party to, or is periodically otherwise involved in, reviews, investigations, and proceedings, both formal and informal, and information-gathering requests by government and self-regulatory agencies, including the Consumer Financial Protection Bureau, the Department of Justice (the "DOJ"), the Federal Trade Commission, state attorney generals and various state regulatory agencies. In the opinion of management, based on consultation with legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the Company. The Company believes appropriate accruals have been made for the disposition of these matters. In accordance with ASC 450, *Contingencies,* the Company establishes an accrual for a liability when it is both probable that the liability has been incurred and the amount of the loss can be reasonably estimated. These accruals are reviewed quarterly and adjusted to reflect the impact of negotiations, settlements and payments, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Legal expenses related to defense, negotiations, settlements, rulings, and advice of outside legal counsel are expensed as incurred.

Additionally, in the ordinary course of business, the Company is a defendant in or subject to various other types of legal proceedings. Although the Company cannot determine at this time the amount of the ultimate exposure from these legal proceedings, if any, based on the advice of counsel, management does not expect the final outcome to have a material adverse effect on the Company's consolidated balance sheets, results of operations, or cash flows.

NOTE 15 — RETIREMENT PLAN

The Company sponsors a qualified 401(k) retirement plan (defined contribution plan) for its employees which provides matching contributions of cash of 100% of the first 3% of each employee's deferrals and 50% on deferrals above 3%, maxing at 5%, after 90 days of employment. All matching contributions are 100% vested immediately. Participants may voluntarily contribute to the plan up to the maximum limits established by Internal Revenue Service regulations.

For the years ended December 31, 2024, 2023 and 2022, compensation expense related to this plan totaled $7.0 million, $6.3 million, and $5.3 million, respectively, which is included in selling, general, and administrative expenses in the accompanying consolidated statements of comprehensive income.

NOTE 16 — SUBSEQUENT EVENTS

The Company has evaluated subsequent events for potential recognition and/or disclosure through March 31, 2025, the date the financial statements were available for issuance. Accordingly, the following disclosures apply:

Securitizations

Subsequent to December 31, 2024, the Company completed an SEC registered securitization through its BLAST platform ("BLAST 2025-1"), issuing $623.5 million of asset-backed securities, of which the Company retained $48.9 million, with an origination duration weighted average coupon of 5.63%. The securities were rated in tranches with credit ratings from A-1+/K1+ through BB/BB(-) by Standard & Poor's Global Ratings, and Kroll Bond Rating Agency, LLC.

Subsequent to December 31, 2024, the Company sold certain Retained Bonds with a cumulative par value of $141.9 million, for proceeds of $151.4 million, resulting in a premium of $9.5 million.

Contributions

Subsequent to December 31, 2024, the Company's shareholders contributed $200.0 million, respectively, to DTAG.

Distributions

Subsequent to December 31, 2024, the Company paid distributions of $200.0 million, which were previously approved by the Board of Directors during the year ended December 31, 2024.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Supplemental Consolidating Balance Sheet as of December 31, 2024 (In thousands)

	SilverRock Automotive, Inc.	SilverRock Automotive of Florida, Inc.	SilverRock Automotive of Washington, Inc.	SilverRock Group, Inc. [1] and Consolidating Entries	Consolidated SilverRock Group, Inc.	DriveTime Automotive Group, Inc., Bridgecrest Acceptance Corporation and Consolidating Entries	Consolidated DriveTime Automotive Group, Inc and Subsidiaries
ASSETS							
Cash and cash equivalents	$ 7,712	$ 50	$ —	$ 6,682	$ 14,444	$ 9,879	$ 24,323
Restricted cash and investments held in trusts	—	200	200	73,598	73,998	333,692	407,690
Investments in marketable securities	—	—	—	23,774	23,774	—	23,774
Finance receivables measured at fair value	—	—	—	—	—	4,969,941	4,969,941
Vehicle inventory	—	—	—	—	—	480,555	480,555
Operating lease right-of-use assets	—	—	—	—	—	138,117	138,117
Property and equipment, net	2,579	—	—	6,719	9,298	87,210	96,508
Deferred acquisition costs and other assets	396,330	81,404	—	435,721	913,455	(373,228)	540,227
Shareholders' notes receivable	—	—	—	—	—	8,258	8,258
Total assets	$ 406,621	$ 81,654	$ 200	$ 546,494	$ 1,034,969	$ 5,654,424	$ 6,689,393
LIABILITIES AND SHAREHOLDERS' EQUITY							
Liabilities:							
Payables and accrued expenses	$ 69,248	$ 11,116	$ —	$ 99,070	$ 179,434	$ 220,652	$ 400,086
Operating lease liabilities	—	—	—	—	—	141,817	141,817
Deferred revenue and refund reserves	388,815	83,361	—	4,986	477,162	545,555	1,022,717
Portfolio term financings	—	—	—	—	—	3,743,077	3,743,077
Portfolio warehouse facilities	—	—	—	—	—	511,008	511,008
Total liabilities	$ 458,063	$ 94,477	$ —	$ 104,056	$ 656,596	$ 5,162,109	$ 5,818,705
Shareholders' equity (deficit):							
Common stock	—	—	—	—	—	—	—
Paid-in capital	(138,304)	(17,191)	200	(545,633)	(700,928)	1,695,964	995,036
Accumulated income (loss)	86,862	4,368	—	987,752	1,078,982	(1,203,649)	(124,667)
Accumulated other comprehensive income	—	—	—	319	319	—	319
Total shareholders' equity (deficit)	(51,442)	(12,823)	200	442,438	378,373	492,315	870,688
Total liabilities & shareholders' equity	$ 406,621	$ 81,654	$ 200	$ 546,494	$ 1,034,969	$ 5,654,424	$ 6,689,393

(1) Includes other wholly owned subsidiaries of SilverRock Group, Inc.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Supplemental Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2024
(In thousands)

	SilverRock Automotive, Inc.	SilverRock Automotive of Florida, Inc.	SilverRock Automotive of Washington, Inc.	SilverRock Group, Inc. (1) and Consolidating Entries	Consolidated SilverRock Group, Inc.	DriveTime Automotive Group, Inc., Bridgecrest Acceptance Corporation and Consolidating Entries	Consolidated DriveTime Automotive Group, Inc and Subsidiaries
Revenue:							
Used vehicle sales revenue	$ —	$ —	$ —	$ —	$ —	$ 2,346,897	$ 2,346,897
Ancillary product sales revenue	259,402	55,756	—	—	315,158	281,141	596,299
Interest income	—	—	—	26,231	26,231	496,936	523,167
Servicing and other revenue	—	—	—	261,049	261,049	(64,387)	196,662
Total revenue	259,402	55,756	—	287,280	602,438	3,060,587	3,663,025
Costs and expenses:							
Used vehicle cost of sales	—	—	—	—	—	2,011,103	2,011,103
Ancillary product cost of sales	214,034	53,460	—	—	267,494	127,634	395,128
Mark to fair value on finance receivables	—	—	—	—	—	276,764	276,764
Portfolio debt interest expense	—	—	—	—	—	233,407	233,407
Non-portfolio debt interest expense	—	—	—	—	—	2,444	2,444
Selling, general, and administrative expenses	31,035	2,229	—	200,894	234,158	407,292	641,450
Depreciation and amortization expense	1,302	—	—	4,721	6,023	31,907	37,930
Total costs and expenses	246,371	55,689	—	205,615	507,675	3,090,551	3,598,226
Net income (loss) before income taxes	13,031	67	—	81,665	94,763	(29,964)	64,799
Income tax expense (benefit)	2,371	17	—	17,593	19,981	3,994	23,975
Net income (loss)	$ 10,660	$ 50	$ —	$ 64,072	$ 74,782	$ (33,958)	$ 40,824
Other comprehensive loss	—	—	—	(122)	(122)	—	(122)
Comprehensive income (loss)	$ 10,660	$ 50	$ —	$ 63,950	$ 74,660	$ (33,958)	$ 40,702

(1) Includes other wholly owned subsidiaries of SilverRock Group, Inc.

SIGNATURES

The Company has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tempe, State of Arizona, on March 31, 2025.

DRIVETIME AUTOMOTIVE GROUP, INC.

By: /s/ DANIEL GAUDREAU

Daniel Gaudreau

Principal Financial Officer

This annual report has been signed by the following persons in the capacities below on March 31, 2025.

Signature	Title
/s/ ERNEST C. GARCIA II **Ernest C. Garcia II**	Executive Chairman of the Board of Directors
/s/ MARY LEIGH PHILLIPS **Mary Leigh Phillips**	Chief Executive Officer, Bridgecrest and SilverRock (Principal Executive Officer)
/s/ SCOTT WORTHINGTON **Scott Worthington**	Chief Executive Officer, DriveTime (Principal Executive Officer)
/s/ DANIEL GAUDREAU **Daniel Gaudreau**	Chief Financial Officer (Principal Financial Officer)
/s/ MATTHEW PEEL **Matthew Peel**	Vice President and Chief Accounting Officer (Principal Accounting Officer)
/s/ FRED DUVAL **Fred DuVal**	Director
/s/ SUSANNE E. INGOLD **Susanne E. Ingold**	Director
/s/ DONALD J. SANDERS **Donald J. Sanders**	Director
/s/ MARK SAUDER **Mark Sauder**	Director
/s/ GREGG E. TRYHUS **Gregg E. Tryhus**	Director