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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 11, 2020

OPEN LENDING CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	001-38339	82-3008583
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Barton Oaks One
901 S. MoPac Expressway
Bldg. 1, Suite 510
Austin, Texas 78746
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 512-892-0400

(Former name or former address, if changed since last report)

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

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	**LPRO**	**The Nasdaq Stock Market LLC**

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

Emerging growth company ☒

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

Item 2.02. Results of Operations and Financial Condition.

On August 11, 2020, Open Lending Corporation (the "Company") issued a press release announcing its financial results for the fiscal quarter ended June 30, 2020. A copy of the press release and additional supplemental financial information are attached as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

The information furnished under this Item 2.02 and in the accompanying Exhibits 99.1 and 99.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Earnings Release issued by the Company on August 11, 2020.

99.2 Supplemental Earnings Information Q2 2020

SIGNATURES

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

OPEN LENDING CORPORATION

By: /s/ Ross Jessup
Name: Ross Jessup
Title: Chief Financial Officer

Date: August 11, 2020

Open Lending Reports Second Quarter 2020 Financial Results

AUSTIN, TX, August 11, 2020 – Open Lending Corporation (NASDAQ: LPRO) (the "Company" or "Open Lending"), a leading provider of lending enablement and risk analytics solutions to financial institutions, today reported financial results for its second quarter of 2020.

"While the COVID-19 pandemic rapidly changed the world, the economy and specifically the auto/dealership industry, we are very encouraged by the recent trends in the automotive loan market. The low interest rate environment, demand for used cars, and commuters shifting away from public modes of transportation are driving these positive recent trends. Automobile sales and prices are improving, our lending partners are continuing to utilize our platform and we have a healthy pipeline of new lenders who would like to integrate our technology platform within their business model," said John Flynn, CEO and President of Open Lending. "We are also thrilled to have completed our business combination with Nebula Acquisition Corporation in June, which we believe provides us with the capital to execute on our growth plan."

Three Months Ended June 30, 2020 Highlights

- The Company facilitated 18,684 certified loans during the second quarter of 2020, compared to 20,008 certified loans in the second quarter of 2019
- Total revenue was $22.1 million, compared to $25.2 million in the second quarter of 2019
- Gross profit was $20.2 million, compared to $23.1 million in second quarter of 2019
- GAAP net loss of $(49.8) million, compared to GAAP net income of $17.5 million in second quarter 2019. Second quarter 2020 results were negatively impacted by approximately $60 million in costs associated with the business combination with Nebula Acquisition Corporation ("Nebula"). The majority of these costs, approximately $48.8 million, were attributable to the change in fair value of contingent consideration earn-out shares awarded as part of the business combination with Nebula. Given the share price performance milestones have all been met as of August 10, 2020, net income beginning in the fourth quarter of 2020 and beyond will not be burdened by any changes to fair value of the contingent consideration earn-out shares.
- Adjusted EBITDA was $15.4 million, compared to $18.1 million in the second quarter of 2019

Adjusted EBITDA is a non-GAAP financial measure. Reconciliations of this non-GAAP financial measure to its most directly comparable GAAP financial measure are provided in the financial tables included at the end of this press release. An explanation of this measure and how it is calculated is also included under the heading "Non-GAAP Financial Measures."

Business Combination

On June 10, 2020, Open Lending, LLC and Nebula, a special purpose acquisition company sponsored by True Wind Capital, L.P., announced that they completed their previously announced business combination. Upon completion of the business combination, Nebula changed its name to Open Lending Corporation, and its common stock began trading on the NASDAQ Stock Market under the ticker symbol "LPRO" on June 11, 2020.

2020 Outlook

Based on second quarter results, the Company remains confident in its previously issued guidance.

	Full Year 2020 Outlook
Total Certified Loans	85,000 – 101,000
Total Revenue	$89 - $108 million
Adjusted EBITDA	$54 - $70 million
Adjusted Operating Cash Flow (1)	$34 - $41 million

(1) Adjusted Operating Cash Flow is defined as Adjusted EBITDA, minus CAPEX, plus or minus change in contract assets.

The guidance provided above includes forward-looking statements within the meaning of U.S. securities laws. While the financial guidance takes into account the anticipated impact of the global COVID-19 pandemic, the impact of the pandemic is unprecedented and the future effect of the pandemic on the global economy and our financial results remains highly uncertain, and our actual results may differ materially. See “Forward-Looking Statements” below.

Conference Call

Open Lending will host a conference call to discuss second quarter 2020 financial results today at 5:00 pm ET. Hosting the call will be John Flynn, President and CEO, and Ross Jessup, CFO and COO. The conference call will be webcast live from the Company’s investor relations website at https://investors.openlending.com/ under the “Events” section. A replay will be available two hours after the call and can be accessed by dialing (844) 512-2921 or (412) 317-6671 for international callers; the conference ID is 13706479. The replay will be available until Tuesday, August 25, 2020. An archive of the webcast will be available at the same location on the website shortly after the call has concluded.

About Open Lending

Open Lending, through its flagship product, Lenders Protection, offers loan analytics, risk-based pricing, risk modeling and default insurance, ensuring profitable auto loan portfolios for financial institutions throughout the United States. For more information, please visit www.OpenLending.com.

Forward-Looking Statements

This press release includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995, including statements related to market trends and the anticipated impact of the recent novel coronavirus (COVID-19) pandemic on factors impacting the Company’s business, the Company’s new lender pipeline, consumer behavior and demand for automotive loans and future financial performance under the heading “2020 Outlook” above. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “predict,” “potential,” “seem,” “seek,” “future,” “outlook,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements are based on various assumptions and on the current expectations of the Company’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the Company’s control. These forward-looking statements are subject to a number of risks and uncertainties, including general economic, political and business conditions; the potential effects of COVID-19; applicable taxes, inflation, interest rates and the regulatory environment; the outcome of judicial proceedings to which Open Lending is, or may become a party; failure to realize the anticipated benefits of the business combination; the amount of redemption requests made by the Company’s stockholders; those factors discussed in other documents of the Company filed, or to be filed, with the SEC. If the risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company presently does not know or that they currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect the Company’s expectations, plans or forecasts of future events and views as of the date of this press release. The Company anticipates that subsequent events and developments will cause their assessments to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company’s assessments as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Non-GAAP Financial Measures

Included in this press release is financial information that has not been prepared in accordance with GAAP. The Company uses Adjusted EBITDA, a non-GAAP financial measure, internally in analyzing our financial results and believe it is useful to investors, as a supplement to GAAP measures, in evaluating our ongoing operational performance. The Company believes that the use of this non-GAAP financial measure provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-GAAP financial measures to investors.

Adjusted EBITDA is a non-GAAP financial measure used by management to evaluate its operating performance, generate future operating plans, and make strategic decisions, including those relating to operating expenses and the allocation of internal resources. Accordingly, the Company believes these measures provide useful information to investors and others in understanding and evaluating its operating results in the same manner as its management and board of directors. In addition, they provide useful measures for period-to-period comparisons of our business, as they remove the effect of certain non-cash items and certain variable charges. Adjusted EBITDA is defined as net income excluding interest expense, income taxes, depreciation and amortization expense, share-based compensation expense, change in fair value of contingent consideration and transaction bonuses as a result of the Business Combination. Adjusted EBITDA margin is defined as Adjusted EBITDA expressed as a percentage of total revenue.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of Adjusted EBITDA to its most directly comparable GAAP financial measure provided in the financial statement tables included below in this press release.

Contact:

ICR for Open Lending
Investors
openlending@icrinc.com

OPEN LENDING CORPORATION
Consolidated Balance Sheets
(In thousands, except per share data)
(Unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 26,252	$ 7,676
Restricted cash	2,412	2,222
Accounts receivable	3,193	3,767
Current contract assets	19,491	29,782
Prepaid expenses	1,629	479
Other current assets	328	205
Deferred transaction costs	—	1,081
Total current assets	53,305	45,212
Property and equipment, net	669	299
Non-current contract assets	43,235	33,169
Deferred tax asset, net	89,177	—
Other assets	148	506
Total assets	$ 186,534	$ 79,186
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable	$ 3,086	$ 1,337
Accrued expenses	924	2,006
Income tax payable	569	—
Current portion of notes payable	4,463	2,484
Other current liabilities	2,647	2,366
Total current liabilities	11,689	8,193
Estimated fair value of contingent consideration	395,891	—
Long-term notes payable, net of unamortized debt issuance costs	155,128	829
Other long-term liabilities	88,077	—
Total liabilities	$ 650,785	$ 9,022
Commitment and contingencies		
Redeemable convertible preferred Series C units, 0 and 14,278,603 units issued and outstanding as of June 30, 2020 and December 31, 2019, respectively	—	304,943
Stockholders' deficit		
Preferred stock, $0.01 par value; 10,000,000 shares authorized, and 0 shares issued as of June 30, 2020 and December 31, 2019, respectively	—	—
Common stock, $0.01 par value; 550,000,000 shares authorized and 91,849,909 issued and outstanding as of June 30, 2020; 110,000,000 authorized and 37,631,052 issued an outstanding as of December 31, 2019	918	376
Additional paid-in capital	(92,912)	7,626
Accumulated Deficit	(372,257)	(242,781)
Total stockholders' deficit	(464,251)	(234,779)
Total liabilities and stockholders' deficit	$ 186,534	$ 79,186

OPEN LENDING CORPORATION
Consolidated Statements of Operations and Comprehensive Income (Loss)
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue				
Program fees	$ 8,793	$ 9,482	$ 21,505	$ 17,457
Profit share	12,163	14,943	15,938	25,779
Claims administration service fees	1,111	758	2,054	1,431
Total revenue	22,067	25,183	39,497	44,667
Cost of services	1,827	2,067	4,322	3,594
Gross profit	20,240	23,116	35,175	41,073
Operating expenses				
General and administrative	14,650	3,315	18,218	6,407
Selling and marketing	1,295	1,889	3,373	3,645
Research and development	349	332	707	578
Operating income	3,946	17,580	12,877	30,443
Change in fair value of contingent consideration	(48,802)	—	(48,802)	—
Interest expense	(3,644)	(82)	(4,408)	(168)
Interest income	44	5	61	8
Other income	3	2	3	6
Income/(loss) before income taxes	(48,453)	17,505	(40,269)	30,289
Provision (benefit) for income taxes	1,352	21	1,364	(99)
Net income / (loss) attributable to Open Lending Corporation	$ (49,805)	$ 17,484	$ (41,633)	$ 30,388
Net income/(loss) per common share attributable to Open Lending Corporation:				
Basic and diluted net income (loss) per share	(1.01)	(0.19)	(0.80)	(0.53)
Weighted average shares of common stock outstanding	49,547,284	37,631,052	43,589,168	37,631,052

OPEN LENDING CORPORATION
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Cash flows from operating activities		
Net income (loss)	$ (41,633)	$ 30,388
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	2,676	1,010
Depreciation and amortization	671	52
Change in fair value of contingent consideration	48,802	—
Deferred income taxes	775	—
Changes in assets & liabilities:		
Accounts receivable	574	(829)
Contract assets	225	(13,439)
Prepaid expenses	(69)	(400)
Other current and non-current assets	322	(339)
Accounts payable	176	44
Accrued expenses	(1,184)	316
Income tax payable	569	—
Other liabilities	103	240
Net cash provided by operating activities	**12,007**	**17,043**
Cash flows from investing activities		
Purchase of property and equipment	(424)	(57)
Net cash used in investing activities	**(424)**	**(57)**
Cash flows from financing activities		
Repayments of notes payable	(4,380)	(1,242)
Proceeds from issuance of long-term debt, net of issuance costs	160,233	—
Distributions to Open Lending, LLC unit holders	(135,380)	(20,179)
Recapitalization transaction, net of transaction costs	(13,289)	—
Net cash provided by (used in) financing activities	**7,184**	**(21,421)**
Net change in cash and cash equivalents and restricted cash	18,767	(4,435)
Cash and cash equivalents and restricted cash at the beginning of the period	9,897	13,136
Cash and cash equivalents and restricted cash at the end of the period	**$ 28,664**	**$ 8,701**
Supplemental disclosure of cash flow information:		
Interest paid	$ 4,316	$ 160
Income tax paid (refunded), net	20	(99)
Change in fair value of Open Lending, LLC redeemable convertible preferred units	(47,537)	46,224
Conversion of preferred stock to common stock	257,406	—

OPEN LENDING CORPORATION
Reconciliation of GAAP to Non-GAAP Financial Measures
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
GAAP net income (loss)	**$(49,805)**	**$17,484**	**$(41,633)**	**$30,388**
Less: Non-GAAP adjustments:				
Change in fair value of contingent consideration (1)	48,802	—	48,802	—
Transaction bonuses (2)	9,112	—	9,112	—
Interest Expense	3,644	82	4,408	168
Share-based compensation (3)	2,189	487	2,676	1,010
Depreciation and Amortization	120	26	242	52
Income Taxes	1,352	21	1,364	(99)
Total adjustments	**65,219**	**616**	**66,604**	**1,131**
Adjusted EBITDA	**$ 15,414**	**$18,100**	**$ 24,971**	**$31,519**

Notes:

(1) Reflects non-cash charges for the change in the estimated fair value of contingent consideration earn-out shares from June 10, 2020 through June 30, 2020.

(2) Reflects transaction bonuses awarded to key employees and directors in connection with the business combination.

(3) Represents non-cash charges associated with the Class B Unit Incentive Plan of Open Lending, LLC. For the three months ended June 30, 2020 represents accelerated vesting of the legacy plan as result of the business combination

Exhibit 99.2

OpenLending

Say YES to more automotive loans.

Earnings Supplement

Q2 2020

Introduction to Open Lending

2m+
Unique Risk Profiles

50%+
2019A EBITDA margin

15+
Years of Proprietary Data

$64.9m
2019A EBITDA

$1.8bn
2019A Annual Loans Facilitated[2]

~50%
2019A-2021E Revenue CAGR[1]

~$250bn
2018 Underlying Addressable Market[3]

OpenLending

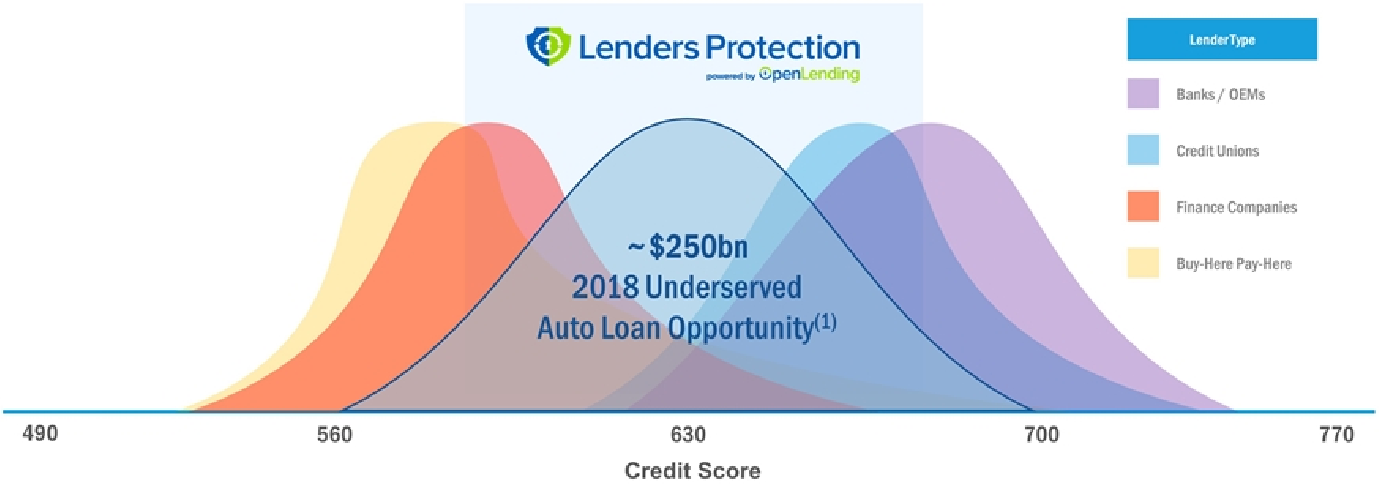
+300
Active Automotive Lenders[4]

Specialized ***Lending Enablement Platform*** for the ***Near-Prime Market***
Powered by ***Proprietary Data***, ***Advanced Decisioning Analytics***,
an ***Innovative Insurance Structure*** and ***Scaled Distribution***

(1) Revenue CAGR calculated using midpoint of high and low 2021 revenue estimates
(2) Reflects actual loans through December.
(3) Source: Experian, New York Federal Reserve.
(4) Active automotive lender is defined as an automotive lender that issued at least one insured loan in the previous quarter.

Massive, Underserved Population

Open Lending ***Enables*** Banks, Credit Unions, OEM Captives and Other Financial Institutions to ***Profitably Lend*** to Traditionally Underserved ***Near-Prime Borrowers***



(1) Open Lending empowers its bank, credit union, and OEM captive customers to profitably lend to consumers with credit scores between 560 and 699.
(2) Note: Graph is illustrative.

Driving Value Creation Across the Entire Ecosystem

Lenders

- ✓ More Customers
- ✓ Higher Loan Volumes
- ✓ CECL Relief
- ✓ Lower Risk
- ✓ Customer Satisfaction & Retention
- ✓ Increased ROA

Insurers

- ✓ Top-Line Growth
- ✓ Diversified Risk
- ✓ Consistent Flow
- ✓ Increased ROE

OEMs

- ✓ Increased Sales
- ✓ Customer Satisfaction
- ✓ More Financing Options
- ✓ Higher Retention

Dealers

- ✓ Increased Car Sales
- ✓ Optimized Sales Process
- ✓ Better Financing Options
- ✓ Quicker Underwriting

Consumers

- ✓ More Approvals
- ✓ Higher Loan Amounts
- ✓ Better Rates
- ✓ Appropriate Down Payments

Compelling Investment Thesis Intact

1 Substantial Market Opportunity

- **Expanding and underserved** market opportunity with strong secular drivers with <1% share[(1)]
- Opportunity to **accelerate market share gains** as credit unions prove resilience
- Currently ~$250bn underlying market with current solution; expanding market as consumers enter near prime

2 Attractive Business Model

- **~$1,160 revenue per loan** on Lenders Protection Program[(2)] **without taking any balance sheet risk[(3)]**
- **Considerable barriers to entry;** 15+ years of proprietary data and 5-second underwriting decisions
- Lack of consumer acquisition and distribution costs **increasingly relevant**

3 Significant Growth Opportunities

- New customer growth and penetration expected to **outweigh impact** of slower economic growth
- Near-term drivers of **attainable** growth, guidance does not reflect potential OEM upside

4 Resilient Model Through Cycles

- Lending partners offer **low cost solution** in a large market, business model with **no loss exposure**
- **Compelling solution for lenders seeking to mitigate risk** during uncertain market conditions
- Historically recessions have seen a net increase in near prime consumers, increasing the addressable market

5 Experienced Management Team

- Visionary management team with **deep domain expertise,** selectively growing already strong team
- Large financial commitment to transaction even more relevant today

6 Compelling Financial Profile

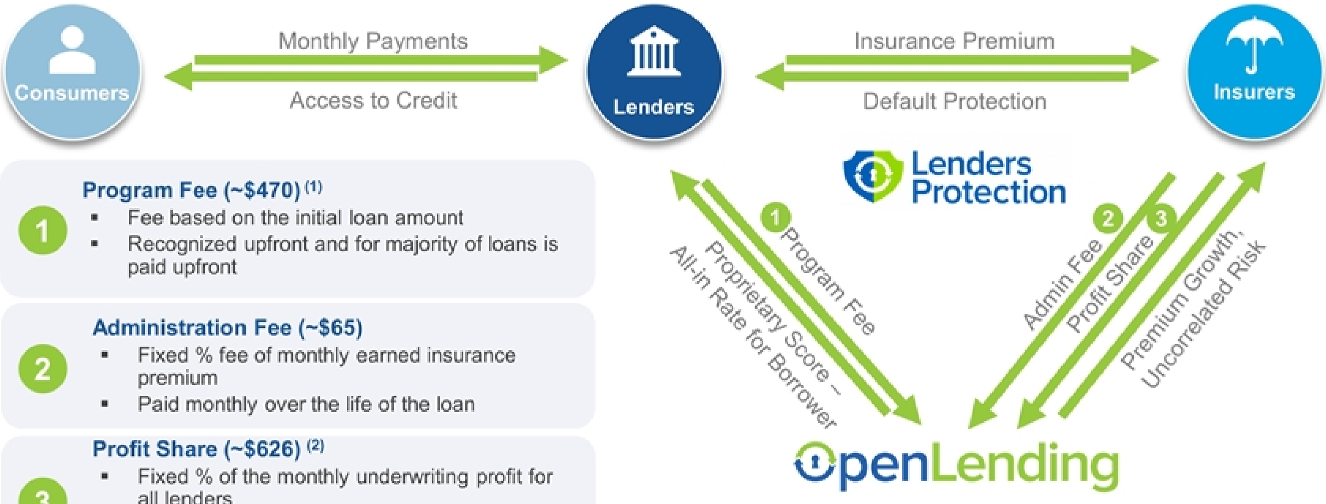
- **53% 2019A to 2021E Cert CAGR, $125-168m 2021E EBITDA**, **69.9% 2019 Adjusted EBITDA[(4)] margin**
- Base of over 300 active automotive lenders[(5)] lenders with **100%+ net retention[(6)]**

(1) Based on $1.76bn loans facilitated in 2019, out of underlying TAM of $250bn of annual near-prime auto lending.
(2) The Lenders Protection Program (which we commonly refer to as "Lenders Protection") , prior to impacts of COVID or other temporary adjustments
(3) Based on ~$23k average loan amount, consistent with Open Lending enabling loans. Represents illustrative unit economics for credit union, bank and OEM customers based on 2019, prior to impacts of COVID or other temporary adjustments.
(4) EBITDA reconciliation of net income to consolidated adjusted EBITDA on page 14
(5) Active automotive lender is defined as an automotive lender that issued at least one insured loan in the previous quarter.
(6) Based on net retention over last 4 years, where each year had over 100% net retention

Financial & Business Update

Attractive Fee and Profit Share Revenue Model

Today, Open Lending Generates ~$1,160 in revenue per Loan[1] on Average Comprised of ***Program Fee***, ***Admin Fee*** and ***Insurance Profit Share***



1 **Program Fee (~$470)** [1]

- Fee based on the initial loan amount
- Recognized upfront and for majority of loans is paid upfront

2 **Administration Fee (~$65)**

- Fixed % fee of monthly earned insurance premium
- Paid monthly over the life of the loan

3 **Profit Share (~$626)** [2]

- Fixed % of the monthly underwriting profit for all lenders
- Recognized upfront and received from carrier over the term of the loan

Direct model shown above. For indirect model, dealers interact with consumer.

(1) Based on 2019 numbers.

(2) Based on ~$23k average loan amount, consistent with Open Lending enabling loans. Represents illustrative unit economics for credit union, bank and OEM customers based on 2019, prior to impacts of COVID or other temporary adjustments.

Financial Highlights

	Q2 2020
Total Certs	**18,684**
Revenue *($mm)*	**$22.1 million**
Adj. EBITDA *($mm)*	**$15.4 million**
Adj. Operating Cash Flow[1] *($mm)*	**$11.1 million**

(1) Defined as Adj. EBITDA, minus CAPEX, plus or minus change in contract assets

Recent Accomplishments

Company Highlights

- Closed the business combination with Nebula Acquisition Corp. on June 10, 2020
- LPRO began trading on the Nasdaq Stock Market on June 11, 2020
- Named a winner of NAFCU (National Association of Federally-Insured Credit Unions) Services' 2020 Innovation Awards

Swift Response to Challenged Economic Environment

- Implemented changes to underwriting model – largely took effect by April 1
  - Tightened underwriting standards and increased premiums(1)
- Enhanced focus on Refinance Program to drive additional cert volume

Open Lending and Partners Strongly Positioned

- Credit union and bank lenders are well capitalized and expected to have ample liquidity
- Insurers modestly impacted relative to other industries and anticipating profitability through 2020
- Low interest rate environment, traditional lenders retrenching, and commuters shifting away from public modes of transportation are driving positive trends

Q2 Update

- Partnered with 17 new refinance lenders in Q2
- Added 28 customers in the first six months of 2020; 11 new lender contracts executed in Q2
- 12 active implementations with "go live" dates in the next 60 days, which is projected to produce approximately 4,000 certified loans annually, once fully implemented
- New credit union partnerships such as GreenState Credit Union, US Eagle Federal Credit Union and Clark Country Credit Union.

(1) Premium increase via model change involving vehicle values that results effectively results in higher premiums

Growth Plan

1. Expand Core Business
2. OEM Opportunity
3. CECL Relief
4. Launch into New Channels
5. Broaden Our Offerings

Q2 2020 Key Performance Indicators

	Three Months Ended June 30,		Six Months Ended June 30,		Years ended December 31,		
	2020	2019	2020	2019	2019	2018	2017
Certs							
CU & Bank Certs	16,242	20,008	35,104	36,953	74,242	56,705	42,790
OEM Certs	2,442	-	11,604	-	4,192	-	-
Total Certs	**18,684**	**20,008**	**46,708**	**36,953**	**78,434**	**56,705**	**42,790**
Unit Economics							
Avg. Profit Share Revenue per Cert	$ 651	$ 747	$ 341	$ 698	$ 676	N/A[(1)]	N/A[(1)]
Avg. Program Fee Revenue per Cert	471	474	460	472	468	443	399
Originations							
Facilitated Loan Origination Volume *($ in 000)*	$ 409,934	$ 447,331	$ 1,037,031	$ 821,452	$ 1,755,175	$ 1,246,551	$ 937,553
Average Loan Size	21,940	22,358	22,202	22,230	22,377	21,983	21,911
Channel Overview							
New Vehicle Certs as a % of Total	11.9%	10.7%	14.4%	10.5%	12.0%	12.7%	15.5%
Used Vehicle Certs as a % of Total	88.2%	89.3%	85.6%	89.5%	88.0%	87.3%	84.5%
Indirect Certs as a % of Total	72.3%	61.2%	75.8%	61.4%	63.3%	61.2%	68.0%
Direct Certs as a % of Total	27.8%	38.8%	24.3%	38.6%	36.7%	38.8%	32.0%

(1) Effective January 1, 2019, the Company adopted ASC 606 which requires us to recognize the full amount of profit share revenue up front. This was not retroactively applied to prior periods and therefore 2018 and 2017 are not comparable.

Q2 2020 Financial Update

($ in 000)	Three Months Ended June 30 2020	Six Months Ended June 30 2020	Years Ended December 31, 2019	2018	2017
Revenue					
Program fees	$ 8,793	$ 21,505	$ 36,667	$ 25,044	$ 17,064
Profit share	12,163	15,938	53,038	24,835	13,735
Claims administration service fees	1,111	2,054	3,142	2,313	1,581
Total revenue	**22,067**	**39,497**	**92,847**	**52,192**	**32,380**
Cost of services	1,827	4,322	7,806	4,603	3,019
Gross profit	**20,240**	**35,175**	**85,041**	**47,589**	**29,361**
Operating expenses					
General and administrative	14,650	18,218	13,774	12,125	7,986
Selling and marketing	1,295	3,373	7,482	6,188	4,532
Research and development	349	707	1,170	802	691
Operating income	**3,946**	**12,877**	**62,615**	**28,474**	**16,152**
Other income/expense					
Change in fair value of contingent consideration	(48,802)	(48,802)	-	-	-
Interest expense	(3,644)	(4,408)	(322)	(341)	(418)
Interest income	44	61	24	13	10
Other income	3	3	197	170	85
Net income (loss) before income taxes	**(48,453)**	**(40,269)**	**62,514**	**28,316**	**15,829**
Provision (benefit) for income taxes	1,352	1,364	(30)	37	59
Net income (loss)	**$ (49,805)**	**$ (41,633)**	**$ 62,544**	**$ 28,279**	**$ 15,770**
Adjusted EBITDA	**$ 15,414**	**$ 24,971**	**$ 64,925**	**$ 31,309**	**$ 17,273**

Appendix

Reconciliation of Net Income (Loss) to Consolidated Adjusted EBITDA

($ in 000)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Net Income (Loss)	$ (49,805)	$ 17,484	$ (41,633)	$ 30,388
Less: Non-GAAP adjustments:				
Change in fair value of contingent consideration[1]	48,802	-	48,802	-
Transaction bonuses[2]	9,112	-	9,112	-
Interest Expense	3,644	82	4,408	168
Share-based compensation[3]	2,189	487	2,676	1,010
Depreciation and amortization	120	26	242	52
Income Taxes	1,352	21	1,364	(99)
Total adjustments	65,219	616	66,604	1,131
Adjusted EBITDA	**$ 15,414**	**$ 18,100**	**$ 24,971**	**$ 31,519**
Total Revenue	$ 22,067	$ 25,183	$ 39,497	$ 44,667
Adjusted EBITDA margin	**69.9%**	**71.9%**	**63.2%**	**70.6%**

(1) Reflects non-cash charges for the change in the estimated fair value of contingent consideration earn-out shares from June 10 through June 30, 2020.
(2) Reflects transaction bonuses awarded to key employees and directors in connection with the business combination.
(3) Represents non-cash charges associated with the Class B Unit Incentive Plan of Open Lending, LLC. For the three months ended June 30, 2020 represents accelerated vesting of the legacy plan as result of the business combination.

Share Count

Shares	In millions
Total Shares Outstanding at June 30, 2020	95.3
Contingent Consideration Shares Achieved	23.8
Total Shares Outstanding at August 10, 2020	**119.1**
Dilutive Effect of Public Warrants (1) (2)	3.4
Total Diluted Shares Outstanding	**122.5**

(1) Calculated using the Treasury Stock Method which assumes cashless exercise by warrant holders utilizing the closing market price of our common stock on August 10, 2020 of $18.37. There are 9,166,659 warrants outstanding that have an exercise price of $11.50 per whole share.

(2) The Company may call the warrants for redemption: in whole and not in part; at a price of $0.01 per warrant; upon not less than 30 days' prior written notice of redemption to each warrant holder; and if, and only if, the reported last sale price of the common stock equals or exceeds $18.00 per share for any 20 trading days within a 30-day trading period ending three business days before we send the notice of redemption to the warrant holders. Please see our effective Form S-1 Registration Statement for complete details.