



Say YES to more automotive loans.



Earnings Supplement

Q3 2020

Financial Highlights

	Q3 2020
Total Certs	20,696
Revenue <i>(\$mm)</i>	\$29.8 million
Adj. EBITDA <i>(\$mm)</i>	\$19.8 million
Adj. Operating Cash Flow¹ <i>(\$mm)</i>	\$8.8 million

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

Recent Accomplishments



Company Highlights

- LPRO began trading on the Nasdaq Stock Market on June 11, 2020
- Appointed 3 new independent Directors to the Board
- Ross Jessup elevated to President and Chuck Jehl appointed as CFO of the Company



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



Q3 Update

- OEM #2 came back on to Open Lending's platform in October 2020
- New partnerships such as A+ Federal Credit Union, Sound Credit Union and First Investors Financial Services.
- Partnered with 4 new refinance lenders in Q3
- Added 11 new lender customers / contracts executed in Q3
- 6 active implementations with "go live" dates in the next 60 days

Growth Plan

1 ■ Expand Core Business

2 ■ OEM Opportunity

3 ■ CECL Relief

4 ■ Launch into New Channels

5 ■ Broaden Our Offerings

Q3 2020 Key Performance Indicators

	Three Months Ended September 30,		Nine Months Ended September 30,		Years ended December 31,		
	2020	2019	2020	2019	2019	2018	2017
Certs							
CU & Bank Certs	19,064	18,996	54,168	55,784	74,242	56,705	42,790
OEM Certs	1,632	91	13,236	91	4,192	-	-
Total Certs	20,696	19,087	67,404	55,875	78,434	56,705	42,790
Unit Economics							
Avg. Profit Share Revenue per Cert	\$ 896	\$ 645	\$ 512	\$ 682	\$ 676	N/A*	N/A*
Avg. Program Fee Revenue per Cert	\$ 487	\$ 469	\$ 469	\$ 473	\$ 468	\$ 443	\$ 399
Originations							
Facilitated Loan Origination Volume (\$ in 000)	\$ 463,377	\$ 424,806	\$ 1,500,422	\$ 1,246,260	\$ 1,755,175	\$ 1,246,551	\$ 937,553
Average Loan Size	\$ 22,390	\$ 22,256	\$ 22,260	\$ 22,304	\$ 22,377	\$ 21,983	\$ 21,911
Channel Overview							
New Vehicle Certs as a % of Total	14.6%	11.3%	14.4%	10.8%	12.0%	12.7%	15.5%
Used Vehicle Certs as a % of Total	85.4%	88.7%	85.6%	89.2%	88.0%	87.3%	84.5%
Indirect Certs as a % of Total	70.7%	60.1%	74.2%	60.9%	63.3%	61.2%	68.0%
Direct Certs as a % of Total	29.3%	39.9%	25.8%	39.1%	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.

Q3 2020 Financial Update

(\$ in 000)	Three Months	Nine Months	Years Ended December 31,		
	Ended September 30	Ended September 30	2019		
	2020	2020	2019	2018	2017
Revenue					
Program fees	\$ 10,087	\$ 31,592	\$ 36,667	\$ 25,044	\$ 17,064
Profit share	18,544	34,482	53,038	24,835	13,735
Claims administration service fees	1,131	3,185	3,142	2,313	1,581
Total revenue	29,762	69,259	92,847	52,192	32,380
Cost of services	2,496	6,818	7,806	4,603	3,019
Gross profit	27,266	62,441	85,041	47,589	29,361
Operating expenses					
General and administrative	5,015	23,233	13,774	12,125	7,986
Selling and marketing	2,118	5,491	7,482	6,188	4,532
Research and development	579	1,286	1,170	802	691
Operating income	19,554	32,431	62,615	28,474	16,152
Other income/expense					
Change in fair value of contingent consideration	(83,130)	(131,932)	-	-	-
Interest expense	(3,572)	(7,980)	(322)	(341)	(418)
Interest income	36	97	24	13	10
Other income	-	3	197	170	85
Net income (loss) before income tax	(67,112)	(107,381)	62,514	28,316	15,829
Provisions (benefit) for income tax	4,021	5,385	(30)	37	59
Net income (loss)	\$ (71,133)	\$ (112,766)	\$ 62,544	\$ 28,279	\$ 15,770
Adjusted EBITDA	\$ 19,757	\$ 44,725	\$ 64,925	\$ 31,309	\$ 17,273

Reconciliation of Net Income (Loss) to Consolidated Adjusted EBITDA

(\$ in 000)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Net income (loss)	\$ (71,133)	\$ 14,716	\$ (112,766)	\$ 45,104
Less: Non-GAAP adjustments:				
Change in fair value of contingent consideration (1)	83,130	-	131,932	-
Transaction bonuses (2)	-	-	9,112	-
Interest Expense	3,572	70	7,980	238
Share-based compensation (3)	-	487	2,676	1,497
Depreciation and amortization	167	26	406	78
Income Taxes	4,021	41	5,385	(58)
Total adjustments	90,890	624	157,491	1,755
Adjusted EBITDA	\$ 19,757	\$ 15,340	\$ 44,725	\$ 46,859
Total Revenue	\$ 29,762	\$ 22,104	\$ 69,259	\$ 66,771
Adjusted EBITDA margin	66.4%	69.4%	64.6%	70.2%

(1) Reflects non-cash charges for the change in the estimated fair value of contingent consideration earn-out shares from June 10 through September 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 nine months ended September 30, 2020 reflects accelerated vesting of the legacy plan as result of the business combination.

Total Outstanding Share Count

Shares	In millions
Total Shares Outstanding September 30, 2020	126.9
Warrants Exercised in October 2020	1.3
Total Diluted Shares Outstanding	128.2