OpenLending

Say YES to more automotive loans.

INVESTOR PRESENTATION

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Experienced Senior Leadership Team

John Flynn
Chairman and
CEO

Ross Jessup
President and
COO

Chuck Jehl
CFO

Introduction to Open Lending

2m+
Unique Risk Profiles

~65%
YTD 9/30/20[4] Adj. EBITDA margin

~20
Years of Proprietary Data

$44.7m
YTD 9/30/20[4] Adj. EBITDA

$1.5bn
YTD 9/30/20[4] Loans Facilitated

~50%
Revenue CAGR[1]

~$250bn
Underlying Addressable Market[2]

OpenLending

~340
Active Automotive Lenders[3]

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 from FY2017 to September 2020 LTM. FY2017 figures shown under ASC 605. LTM shown under ASC 606.
(2) Reflects 2018 market size. Source: Experian, New York Federal Reserve.
(3) Active automotive lender is defined as an automotive lender that issued at least one insured loan in the last ten months through October.
(4) YTD through September 2020.

Compelling Investment Thesis

Substantial Market Opportunity

- **Expanding and underserved** market opportunity with strong secular drivers with <1% share[1]
- Currently ~$250bn underlying market with current solution; expanding market as consumers enter near prime

Attractive Business Model

- **~$1,160 revenue per loan** on Lenders Protection Program[2] **without taking any balance sheet risk**[3]
- **Considerable barriers to entry;** ~20 years of proprietary data and 5-second underwriting decisions
- Lack of consumer acquisition and distribution costs **increasingly relevant**

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

Significant Growth Opportunities

- Opportunity to **accelerate market share gains** as credit unions prove resilience
- Near-term drivers of **attainable** growth include expansion of core business and OEM partnerships
- Long-term drivers of growth include launch into new channels and **broadened product offerings**

Experienced Leadership Team

- Visionary management team with **deep domain expertise,** selectively growing already strong team

Compelling Financial Profile

- Base ~340 active automotive lenders[5]
- **~39% 2016 to 2019 Ann. Cert CAGR, $44.7m YTD 2020[6] Adj. EBITDA, 64.6% YTD 2020[6] Adj. EBITDA[4] margin**

(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-19 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-19 or other temporary adjustments.
(4) Adj. EBITDA reconciliation of net income to consolidated adjusted EBITDA on page 24.
(5) Active automotive lender is defined as an automotive lender that issued at least one insured loan in the last ten months through October.
(6) YTD through September 2020.

Strong Progress as a Public Company – Key Recent Developments

1

Open Lending **added 11 new customers**[1] in Q3'2020 and **39 new customers**[2] YTD including large partnerships with several $1bn+ institutions[1] **and also realized lower than anticipated default rates on existing book of business**

2

We have **expanded the team** to build a stronger public story:

- Chuck Jehl appointed Chief Financial Officer
- Sarah Lackey appointed Chief Technology Officer
- Eric A. Feldstein, Jessica Snyder, and Shubhi Rao to serve as Directors

3

Strong OEM captive cert growth despite COVID-19: OEM #1 **grew certs over 150%** from April to September and utilize Open Lending to originate loans across the FICO spectrum[4]

4

OEM #2 came back online in October and has begun to ramp production back up. Based on the current trends, OEM #2 is expected to make a full recovery to pre-COVID-19 levels soon[1]

5

Continue to make progress on 3rd insurance carrier while solidifying our strong relationships with existing insurance partners

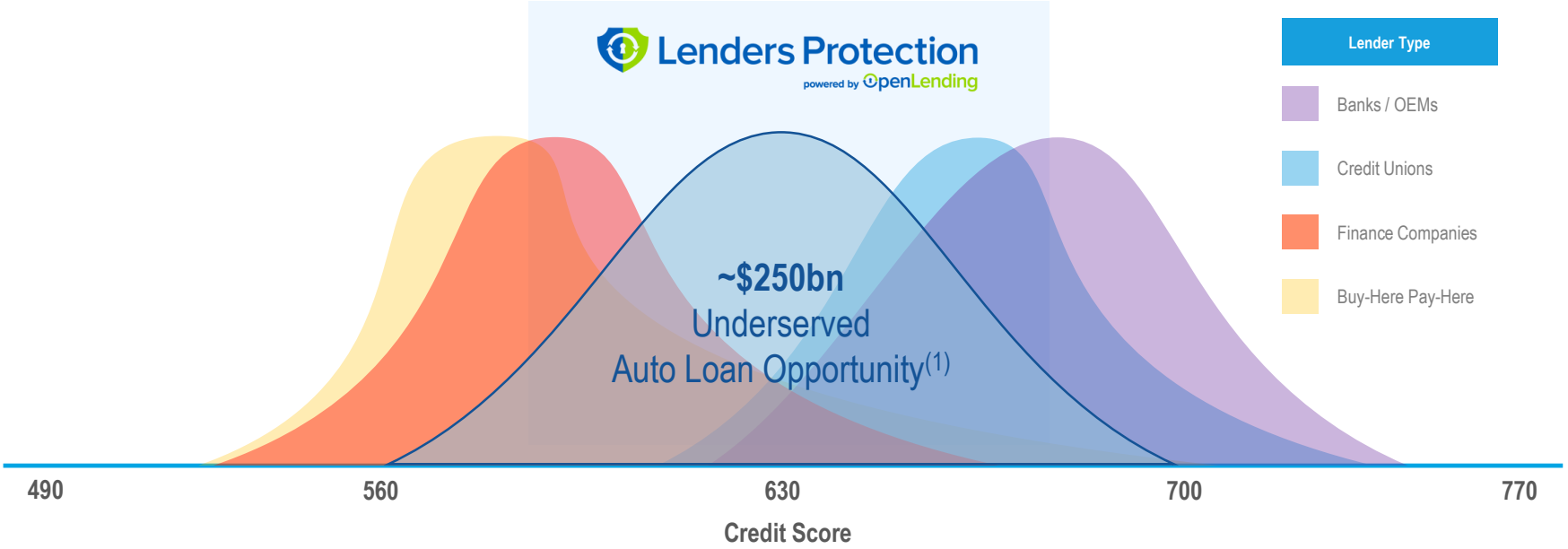
6

Enhanced focus on **direct lending** and **refinance** channels – during COVID-19, refinance applications **increased ~34%**[3], all transacted 100% virtually

1) Q3'20 Earnings Transcript.
2) Q3'20 10Q. YTD represents through September 2020.
3) From March 2020 to October 2020.
4) Starting in late September, using Open Lending for 560-679 FICO scores; Q3'20 Earnings Transcript.

Massive, Underserved Population

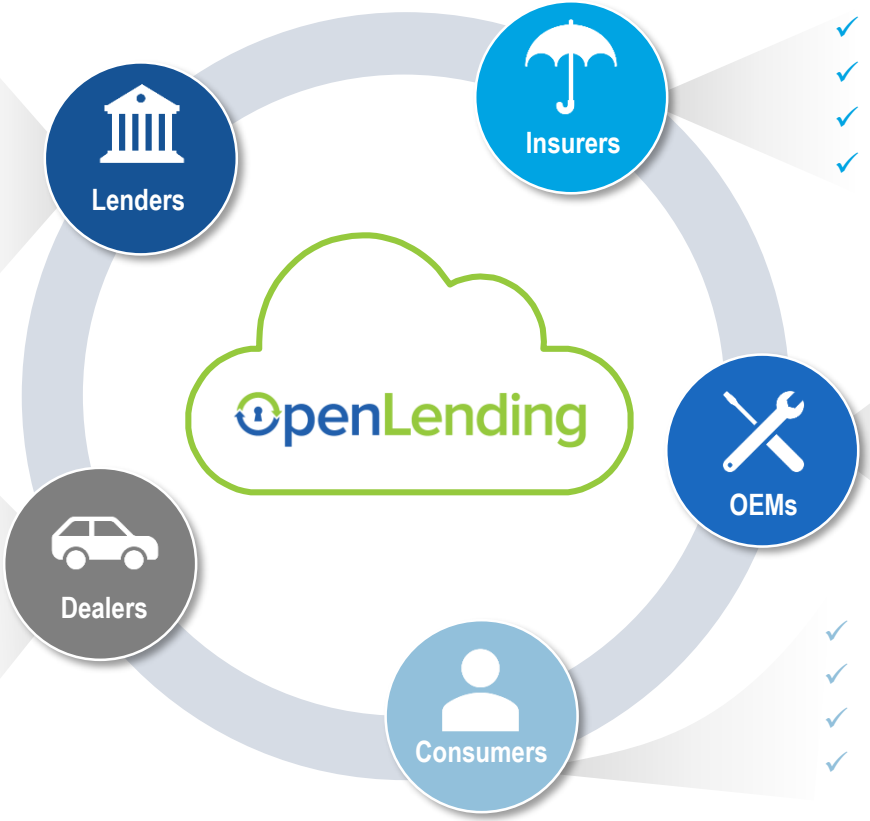
Open Lending ***Enables*** Banks, Credit Unions, OEM Captives and Other Financial Institutions to ***Profitably Lend*** to Traditionally Underserved ***Near-Prime Borrowers***



(1) Open Lending empowers its bank, credit union, and OEM captive customers to profitably lend to consumers with credit scores between 560 and 699. Reflects 2018 market size. Source: Experian, New York Federal Reserve.
(2) Note: Graph is illustrative.

Driving Value Creation Across the Entire Ecosystem

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



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

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

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

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

Our Business Model Advantages

Sophisticated Technology

- ✓ Multi-tenant architecture
- ✓ Geo-diverse, Hot-Hot Data Centers
- ✓ 5 second underwriting decisions
- ✓ Robust internal reporting
- ✓ 2m+ unique risk profiles
- ✓ SOC 2 certification

Proprietary Data Assets

- ✓ ~20 years of proprietary loan data across 250k funded loans
- ✓ Detailed database of $8bn+ near-prime loans across the cycle, which includes $1.3bn of loans during the financial crisis

Carrier Relationships

- ✓ Highly rated insurance partners
- ✓ Exclusive relationships
- ✓ Reliance on Open Lending data, modeling and claims
- ✓ Fully integrated with insurer
- ✓ Established track record

Lender Relationships

- ✓ ~340 active automotive lenders[1]
- ✓ Tailored pricing
- ✓ Embedded relationships
- ✓ Integrated with 20+ Loan Origination Systems
- ✓ Automatic loan fulfilment

Regulatory Know-How

- ✓ Proven success in highly regulated industry
- ✓ Established framework with regulators
- ✓ Collateral type and loan code specific to Lenders Protection
- ✓ Credit Bureau preferred vendor rating

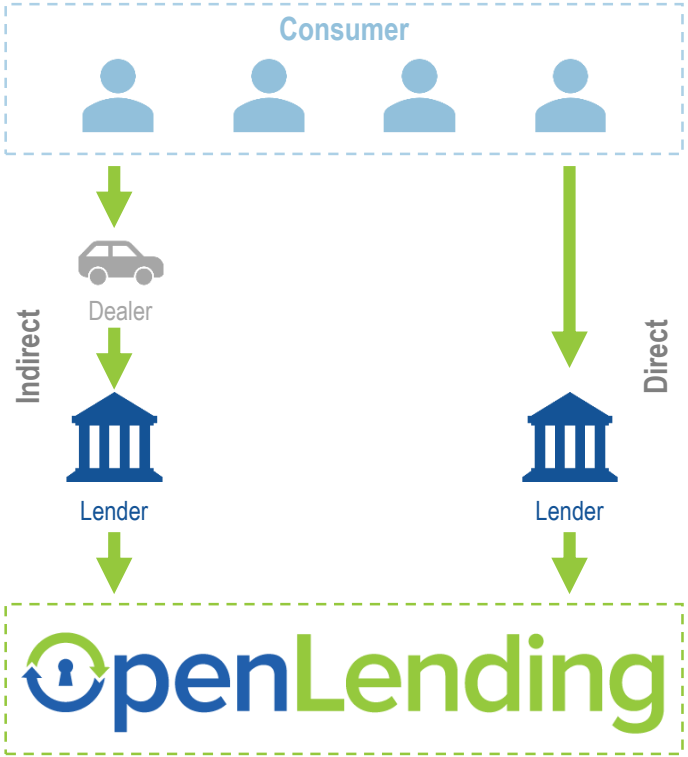
Open Lending has built a ***sophisticated network*** across the ***value chain*** to secure a ***best-in-class offering***

(1) Active automotive lender is defined as an automotive lender that issued at least one insured loan in the last ten months through October.

Specialized B2B Model

Open Lending's Client is the Lender

- ✓ Proprietary, cloud-based platform links customers, individual loans, portfolios and Loan Origination System (LOS) platforms
- ✓ Integrated with 20+ third-party LOS platforms
- ✓ ~5 second decisioning and interest rate pricing



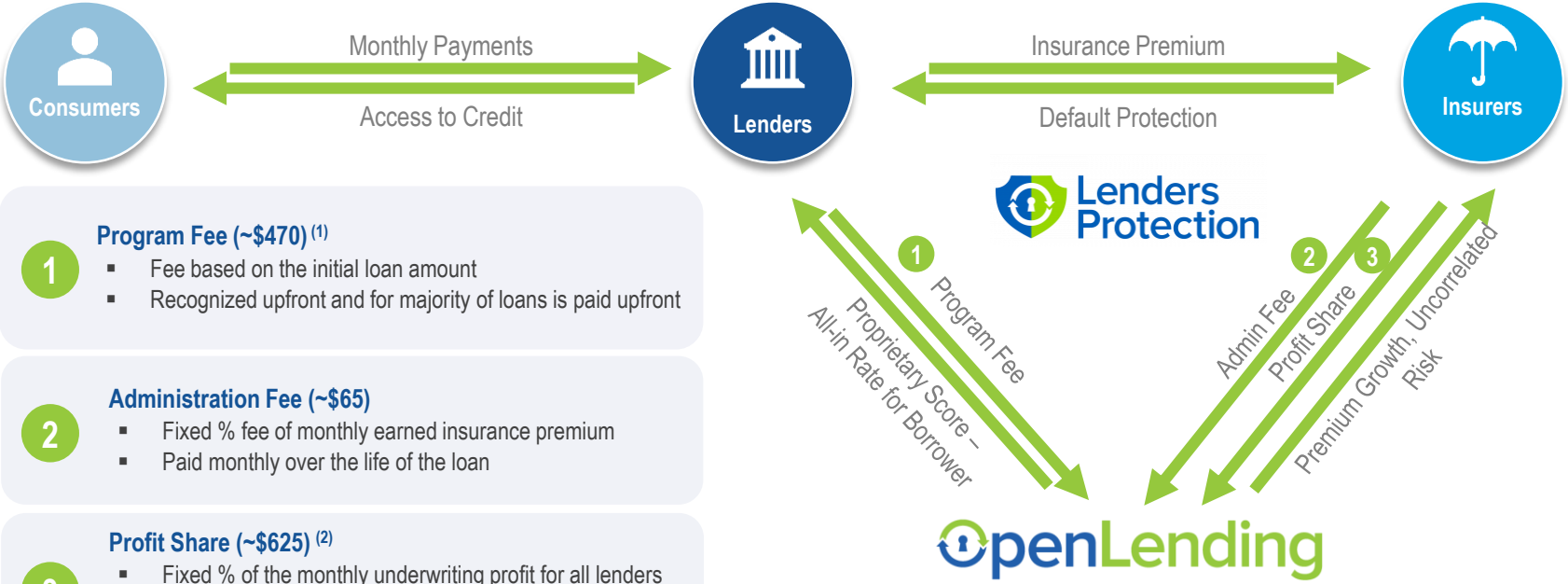
Do Not Directly Serve Dealers or Consumers

- ✓ No consumer acquisition costs for enabling loans
- ✓ Dealer or lender originates and communicates with the borrower
- ✓ Automated loan fulfillment available
- ✓ Consumers, dealers and lenders share in the benefits

Specialized B2B Model With ***No*** Consumer Acquisition & Distribution Costs in Enabling Loans

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 (~$625)[2]
- Fixed % of the monthly underwriting profit for all lenders
- Recognized upfront (subject to adjustment over time) 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-19 or other temporary adjustments. ASC 606 is an estimate and changes are prospectively adjusted over time.

Open Lending's Risk Based Pricing

Open Lending's ***Proprietary, Algorithmic, Risk Based Pricing Model*** Leverages ***Proprietary and Third-party Data*** Sources to Analyze the Risk and Potential Loss for Each Loan

1

Proprietary and detailed database of $8bn+ near prime loans across ~20 years

3

Lenders Protection Score

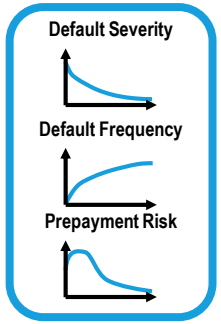
Proprietary Open Lending score based on both internal and external data

2

Extensive third-party data on borrowers, vehicles and loan attributes[1]

100% Automated Risk Model Differentiates **2 Million** Permutations of Vehicle / Borrower Characteristics & underwrites in **~5 seconds**

Loan Application
- Borrower Data
- Vehicle Data
- Loan Terms



99.1% Default Predictability

Lender Parameters
- Cost of Funds
- Return Target
- Servicing Costs

%

All-in Rate That Incorporates Servicing, Capital, and Insurance Policy Costs

(1) Logos are representative.

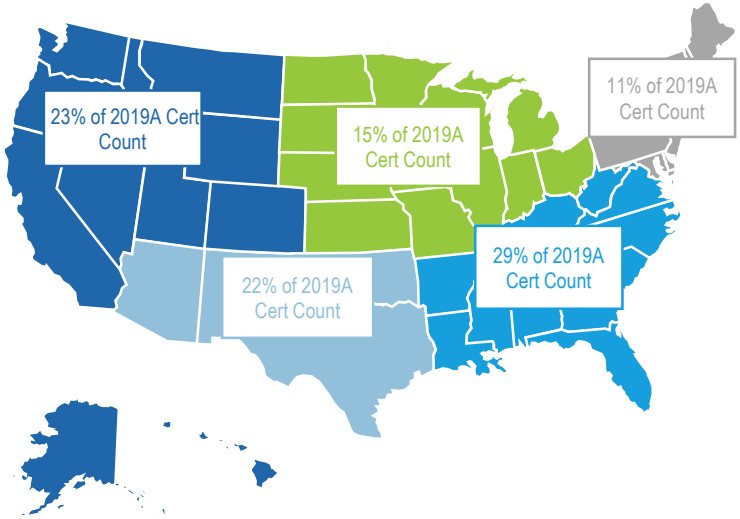
Strong Value Proposition to National Network of Credit Unions & Banks

National Footprint

~340 Active Automotive Lenders[1]

50 States

$8bn+ Loans Facilitated



Value Proposition

Uplift in Loan Originations

- ✓ Open Lending's goal is to expand the ranges of credit scores and loan-to-value (LTV) where lenders can profitably underwrite loans allowing them to increase application flow
- ✓ Large distribution channel with access to millions of new consumers
- ✓ Broaden credit appetite without additional risk

Improved Lender Retention

- ✓ Enables lenders to position themselves as leaders in pricing accuracy
- ✓ Greater membership satisfaction and loyalty

Increased Profitability in Near Prime Auto

- ✓ Accurate pricing results in higher yields on near prime auto loans
- ✓ Effectively accounts for embedded costs incurred by lenders in risk adjusted rates
- ✓ High ROA & default protection with no changes to servicing operation
- ✓ Provides CECL relief

Accelerating Impact of Value Proposition to Partners and Clients

(1) Active automotive lender is defined as an automotive lender that issued at least one insured loan in the last ten months through October.

OEM Captive Opportunity Overview

OEM Value Proposition

Increase Sales and Support Values

- ✓ Facilitate new car sales by expanding credit to near-prime consumers where they are not competitive today
- ✓ Support car values by increasing financing availability for used vehicles
- ✓ Continued efforts around subvention functionality for OEMs unlocks a much larger opportunity as Lenders Protection will be applicable to new car market. Development is done and rollout on track

Material New Fee Revenue Stream

- ✓ Greater earnings and ROA to captives with credit performance, net of default insurance payments, comparable to prime loan
- ✓ Leverage existing infrastructure and network to generate low risk revenues

Develop Brand Loyalty

- ✓ Increase repeat buyers by keeping customers in the captive customer ecosystem, capitalizing on loan life milestones to localize the customer
- ✓ Expands relationship with dealers
- ✓ Helps dealers accept more trade-ins at higher values and minimizes off-lease residual risk

OEM Captive Progress Update

OEM #1	OEM #2	OEM #3
Nationwide expansion led to CERT growth of 150%+ from April to September; broadening credit spectrum	Returned back online in October 2020. Begun to ramp production throughout Q4'2020.	Completed data studies with OEM #3 to show that Lenders Protection offers potential to meaningfully grow lending volumes at attractive returns

OEM Captive Opportunity

Large Captive OEMs represent ~10 Individual Opportunities…

YTD Unit Volumes[1]	3.3mm+

…Each with Significant Revenue Potential

Single Captive Revenue Opportunity[2]	$30m-$100m+
Addressable OEM Captive Market Opportunity for Open Lending[2]	$1bn+

(1) Source: AutoCount. Period is January 2020 – October 2020.
(2) Based on management estimates.

Industry Tailwinds Driving Growth Down FICO Spectrum

Lenders Looking to Extend Credit Profiles Downstream

Recent influx of deposits as a result of COVID-19

Low interest rate environment expected to persist

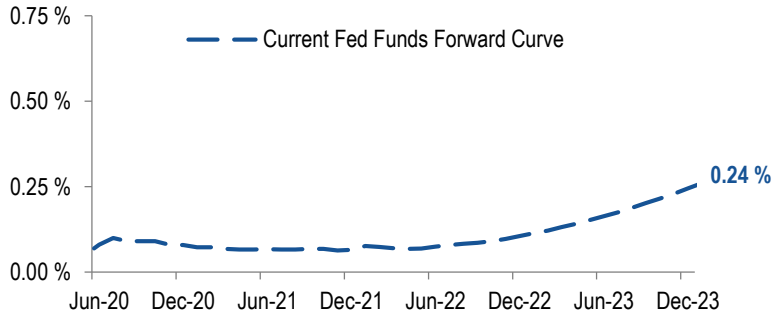
↓

Search for higher risk-adjusted yields

↓

Grow auto loan origination further down the FICO spectrum at attractive risk-adjusted returns

Low Interest Rates Expected to Persist…



Strong Rationale for Lenders to Grow Near-Prime Auto Originations

Strong Deposit Growth
19% growth from 4Q19 – 3Q20[1]

*"Auto has really been a bright spot for us…We can originate every nameplate, **full credit spectrum**…COVID has further strengthened auto as an asset class…. we'd expect our retail auto portfolio yield to migrate up that will **stabilize Ally's overall earning asset yield"***
– Ally Financial September Conference

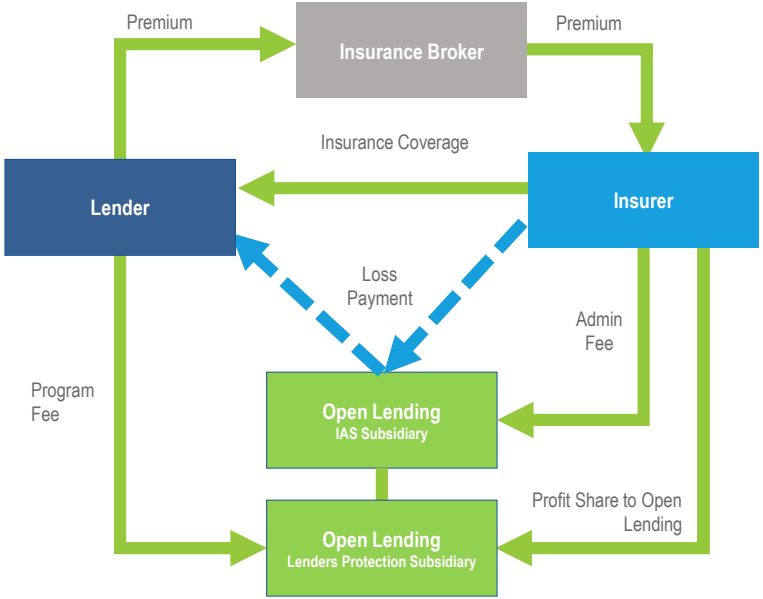
Resilient Credit Performance
Auto finance deferral balances fell 77% QoQ in 3Q20[2]

*"You will see some of the **prime assets weigh on our NIM**…On the **nonprime** side, we also feel like the originations are strong there and at **high returns** "*
– Santander USA 3Q20

Note: Market data as of 27-Nov-2020.
(1) Includes banks, savings, thrifts, and mutual with total deposits $5bn - $50bn.
(2) Wall Street research report November 2020.

Strong Value Proposition for Insurance Partners

Payment Flows



Insurer Value Proposition

Key Partners

CNA

Financial Strength Rating of "Excellent"; Outlook "Stable" (1)

(since 2017)

AmTrust

Financial Strength Rating of "Excellent"; Outlook "Stable" (1)

(since 2009)

Continue to make progress on 3rd insurance carrier

Profitable

- ✓ Attractive underwriting profitability
- ✓ Low correlation to traditional P&C insurance risks
- ✓ Complete turnkey product for the insurer with little overhead cost

Strong Relationships

- ✓ Carriers rely on Open Lending's underwriting that has delivered excellent results to carriers for years
- ✓ Exclusive agreements run through 2023 with each carrier

Financial Stability

- ✓ "A" ("Excellent")(1) rated carriers
- ✓ Minimum credit rating required
- ✓ $84bn of assets(2), (3)

Significant Appetite to Expand

(1) Source: A.M. Best.
(2) Based on CNA's 2020 Q1 10-Q company filing.
(3) Based on AmTrust Q3 2018 10-Q company filing (last recent publicly available disclosure).

Well Defined Growth Plan

Near Term Growth Strategy

1 Expand Core Business
- Drive Loan Volume through Further Wallet-Share Increase and Customer Penetration
- Expansion of Lender Base

2 OEM Opportunity
- Increase OEM Captive Penetration
- Leverage Significant Traction in Discussions with OEMs
- Subvention Enhances the Value Proposition for New Car Market

3 CECL Relief
- Enhanced Value Proposition to Lenders Provided via CECL Relief
- Increased Profitability for Financial Institutions in Near Prime Auto

4 Refinance Opportunities
- Enhanced focus on Refinance Program to drive additional cert volume
- Ease of Customer Access in Reduced Interaction Environment

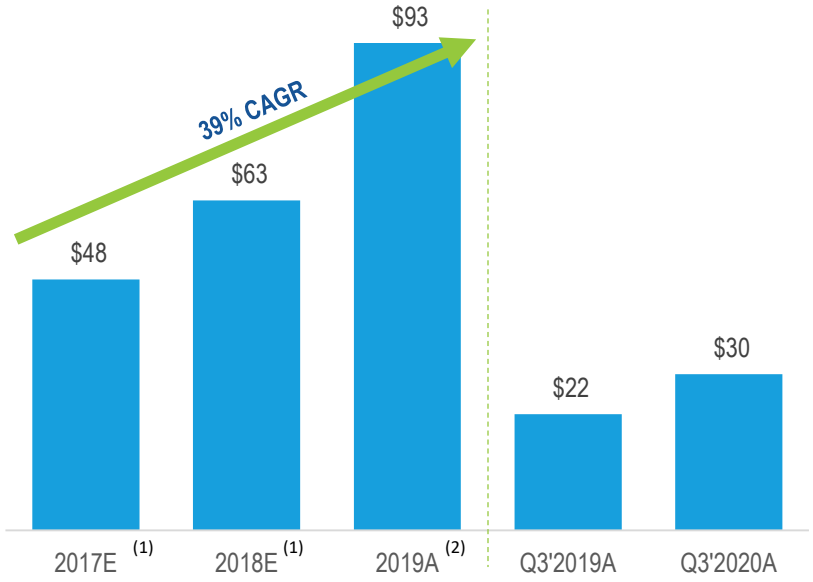
Longer Term Growth Strategy

5 Broaden Our Offerings
- Prime Decisioning SaaS Solution
- Expansion into Other Consumer Asset Classes

6 Launch into New Channels
- Expansion into Adjacent Asset Classes (e.g., leases)
- Establish Broader Auto Platform (e.g., hub and spoke)

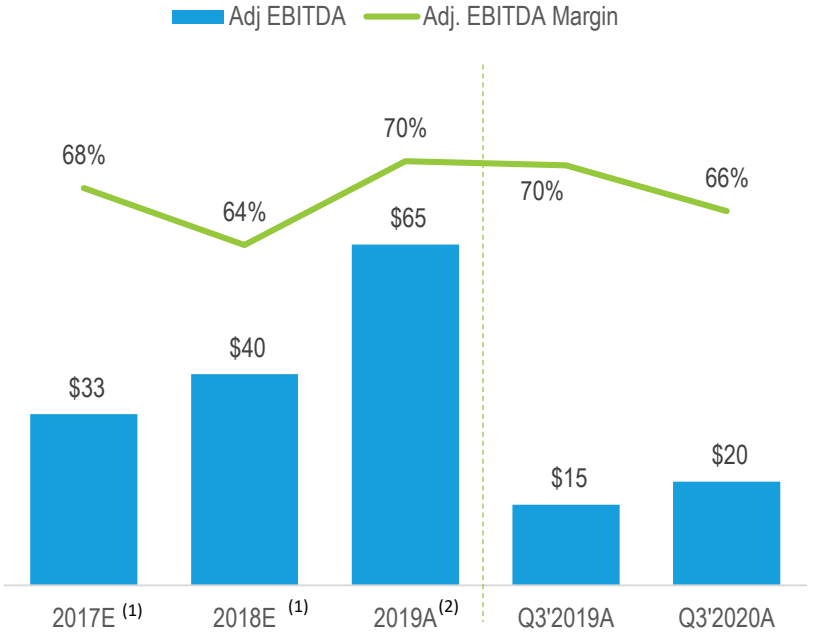
Attractive Financial Metrics

Actual Revenue ($m)



% YoY Growth			% YoY Growth
	~32%	~48%	~35%

Actual Adj EBITDA ($m)



Adj. EBITDA Growth			% YoY Growth
	~23%	~61%	~33%

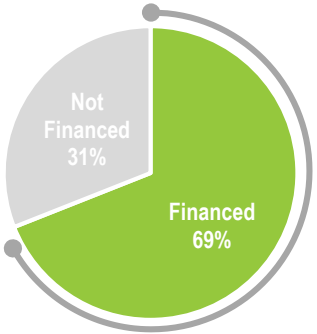
1) The 2017 and 2018 revenue and Adj. EBITDA figures provided above are illustrations and are not intended to be understood as actual reported financial results. The 2017 and 2018 revenue and Adj. EBITDA numbers are Management's estimates of 2017 and 2018 revenue and EBITDA had they been prepared in accordance with ASC 606; and do not reflect actual results.
2) 2019 metrics reflect audited financial metrics.

Appendix A

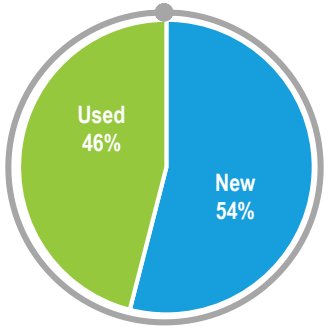
Additional Financial Information

Significant, Underserved Market Segment

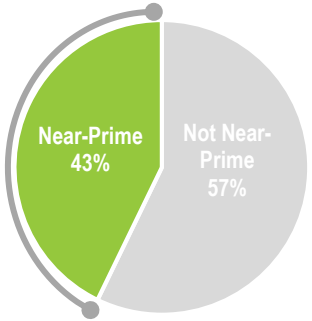
Financing for Auto Purchases



$584bn loan originations in 2018



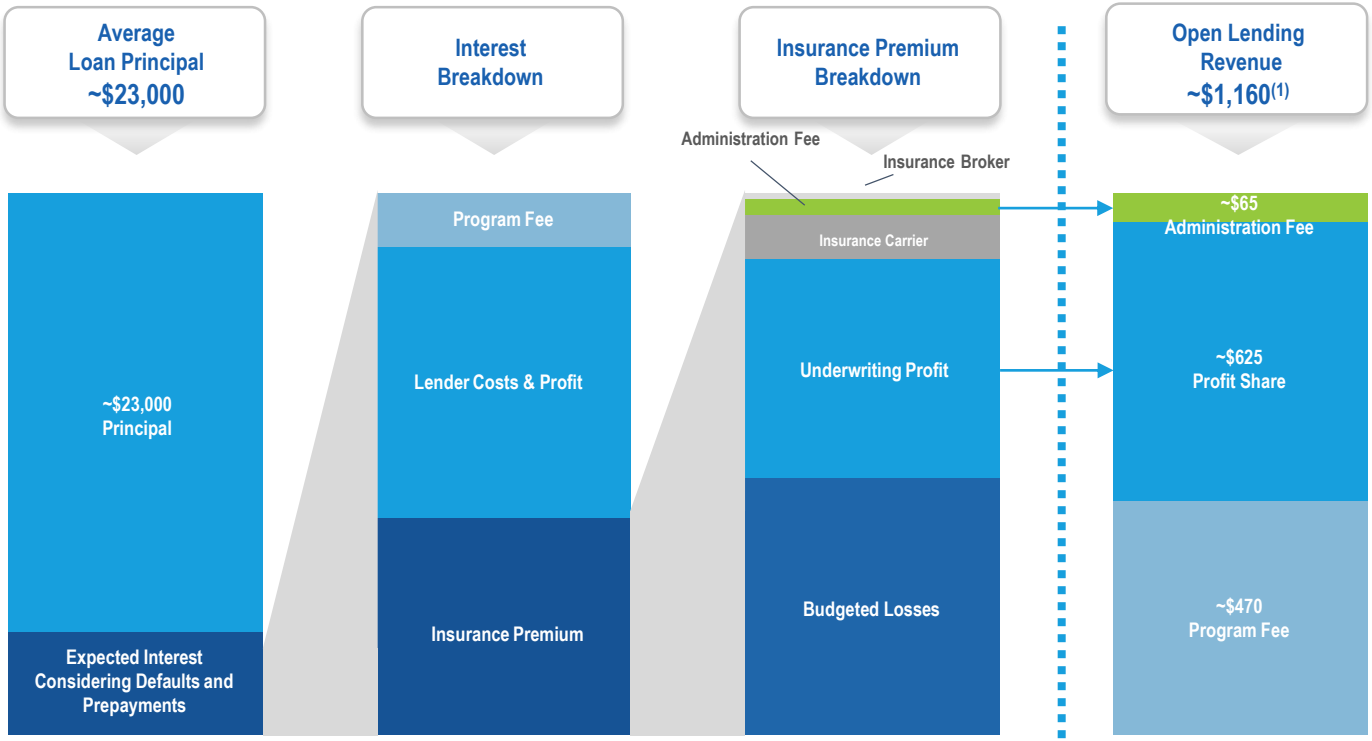
Substantial, Underserved Population



Underlying Market

(1) Represents 2018 data.
(2) Source: Experian, New York Federal Reserve.

Illustrative Unit Economics Summary



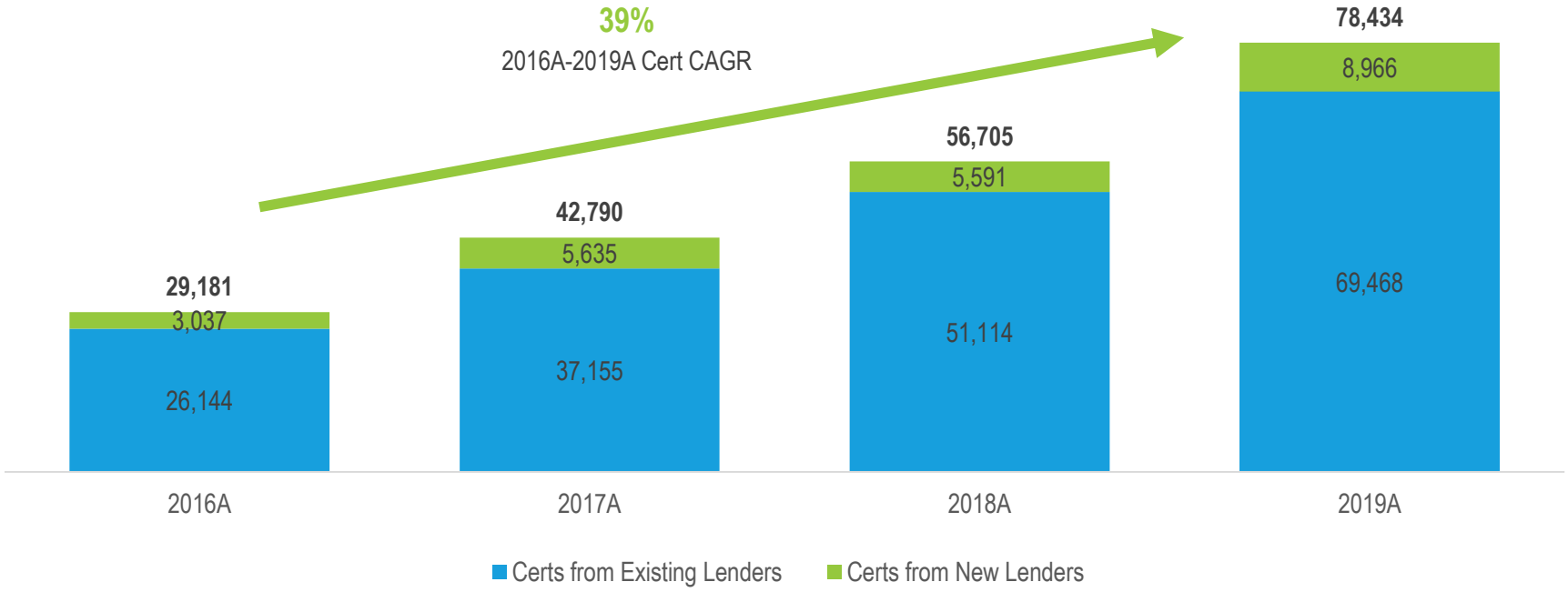
(1) Based on ~$23k average loan amount, consistent with Open Lending enabling loans. Represents illustrative unit economics for credit union, bank and OEM customers based on 2019, prior to impacts of COVID-19 or other temporary adjustments.

Illustrative Consumer Contract Rate Waterfall

Rate	Metric	Receiver	Description
3.0%	Target ROA	Lender	Lender target return
0.8%	Cost of Funds	Expense	Interest paid to Lender depositors
1.1%	Servicing Cost	Expense	Administrative costs associated with servicing loan
4.9%	**Total Lender Target Yield**		**Sum of items above**
4.0%	Insurance Coverage	Carrier / OL	Default insurance paid to insurance carriers
1.1%	Program Fee	OL	Program fee paid to Open Lending by lenders
0.7%	Allowance for Loss on Salvage & Repossession Expense	Expense	Budgeted losses assuming price at auction (70%) is below insurance floor of 80% of book. Assumes $700 expenses related to repossession and subsequent sale on default
1.0%	Origination Fees	Expense	Upfront origination fee to Dealer
11.7%	**Consumer Contract Rate**		**Rate consumer pays fully burdened for expected costs associated with loan to achieve the lender's target ROA**

Note: Indirect loan example figures shown above for illustrative purposes only

Consistent, Strong Growth in Certified Loans



Reconciliation of Net Income to Consolidated Adjusted EBITDA

$ in 000	Three Months Ended 30-Sep,		Nine Months Ended 30-Sep,		Years Ended 31-Dec,		
Reconciliation of Net Income (Loss) to Consolidated Adjusted EBITDA	**2020**	**2019**	**2020**	**2019**	**2019**	**2018**	**2017**
Net Income (Loss)	$(71,133)	$14,716	$(112,766)	$45,104	$62,544	$28,279	$15,770
Non-GAAP Adjustments							
Change in Fair Value of Contingent Consideration	$83,130	–	$131,932	–	–	–	–
Transaction Bonuses	–	–	9,112	–	–	–	–
Interest Expense	3,572	$70	7,980	$238	$322	$341	$418
Provision (Benefit) for Income Taxes	4,021	41	5,385	(58)	(30)	37	59
Depreciation and Amortization	167	26	406	78	105	80	20
Equity-based Compensation	–	487	2,676	1,497	1,984	2,572	1,006
Total Adjustments	**$90,890**	**$624**	**$157,491**	**$1,755**	**$2,381**	**$3,030**	**$1,503**
Adjusted EBITDA	$19,757	$15,340	$44,725	$46,859	$64,925	$31,309	$17,273
Total Net Revenue	**$29,762**	**$22,104**	**$69,259**	**$66,771**	**$92,847**	**$52,192**	**$32,380**
Adjusted EBITDA Margin	66.4%	69.4%	64.6%	70.2%	69.9%	60.0%	53.3%

Appendix B

COVID-19 Supplement

Open Lending's Resilience in a Recession Throughout COVID-19 Period

Consumers

1. People still need to go to work: auto sales rebounded quickly during 2008 recession, particularly for used vehicles[1]
2. Auto financing is still needed and limited financing options exist, particularly for near-prime
3. Many consumers are in near-prime

Constant or greater demand for auto loans from near-prime consumers[6]

Lenders

1. Realize benefits from Lenders Protection – **90%** of lenders hit their return targets through the financial crisis
2. Credit Unions are resilient lenders, seeing deposit bases grow and expanding loan portfolios[6]
3. Increased risk aversion and desire to reduce credit risk as demonstrated from Open Lending's growth during the 2008 recession of **200%** YoY in monthly cert volume[2]

Relatively stable credit union deposit base and higher demand for insurance[6]

Insurers

1. During 2008 recession **~30%** increase in losses[3] – consistent with auto lending and ABS markets that are more stable than other asset classes[4]
2. Today, would require **100%+** increase in claims to suffer a loss[5]
3. Benefit from potentially higher post-recession profitability in excess of existing ROEs today

Insurers remain profitable and poised to benefit soon after a downturn[6]

OpenLending

- ✓ **Resilient to downturn**
- ✓ **Remain highly profitable**
- ✓ **Significant growth opportunity**

(1) Used car sales by Franchise and Independent dealers represented ~14 million units in 2006 and nearly 14 million units in 2011; Source: Manheim.
(2) Monthly certs increased by 200%+ YoY from late 2007 to late 2008.
(3) Reflects annual default frequency / average loan count outstanding; loans outstanding is based on defaults and prepayments reported to Open Lending by lenders.
(4) "Our Ratings on the 2006 –2008 vintage held up well as the economy progressed through the recession with only 6 amortizing auto loan ABS transactions out of 180 downgraded for poor performance and no defaults." –S&P Global Ratings.
(5) Based on YTD as of August implied loss ratio from insurer ceding statements that include earned premium paid losses and reserves.
(6) Based on dynamics observed in the 2008 recession as described above; actual recession performance in the future may differ.

Multi-Pronged Response to COVID-19

Working with Our Partners

- Insurance partners have allowed **90-day payment deferrals** upon request from our lending partners
- Lenders are providing accommodations to allow consumers to stay current on their loans, including **suspending involuntary repossessions during stay in place orders**
- Despite environment, credit unions continue to lend broadly, helping to fulfill the needs of their communities
- Refinements have generally yielded increased profitability across the loan book for insurers

+

Underwriting Changes

- We expect our **unit economics to improve by 7%+**[3], even accounting for the impact of increased economics stress. Increase driven by a combination of:
  - Tightening underwriting standards
  - Improved competitive dynamics
  - Move towards higher value customers
- Tightened underwriting standards include:
  - Increased premiums[1]
  - Updating algorithms for changes in used vehicles values
  - Revamped income verification thresholds and payment to income ratio

+

Strategy

- Enhanced focused on **direct lending** and **refinance** channels
  - **Refinance applications have jumped by ~34%**[2]
  - Refinance is 100% virtual, with ease of customer access in reduced interaction environment
  - Refinance applications are **less risky** when compared to indirect loans from dealerships
  - Direct loans exhibit similarly strong performance characteristics as a result of deep customer relationships at the lender level

(1) Via model change involving vehicle values that results effectively results in higher premiums.
(2) From March 2020 to October 2020.
(3) Over period of economic stress when there is more risk that warrants increased in pricing.

Underwriting and Pricing Actions to Adapt to Economic Environment

	Adjustment	Reason for Mitigation
Open Approval Window	45 days to 30 days	Lower performance on loans closing within 30-45 day window
Payment Deferrals	Up to 90 days	Allow customers to remain with vehicles and maximize lifetime payments
Proof of Income Requirements for Refi	Raising LP Score thresholds	Mitigate fraud and/or attempts to refinance a vehicle loan with no job
Payment to Income Ratios	Reducing Maximum PTI Eligibility for certain lenders Increasing PTI surcharge pricing for certain lenders	Past performance has indicated the higher the PTI the riskier the loan
Vehicle Value Discount	95% of clean trade and wholesale values	Stay ahead of the market trends

Underwriting refinements aim to ensure Lenders Protection is well positioned in a changing economic atmosphere

Note: All changes don't apply to all lenders

Impact of COVID-19 Rate Changes on Revenue Streams

Unit Economics By Revenue Stream[2]

		Without Premium Increase		With Premium Increase [1]	
Revenue Stream	Unadjusted Unit Economics	COVID-19 Adjusted Unit Economics	% Change	COVID-19 Adjusted Unit Economics	% Change
Program Fee	~$470	~$470	-	~$470	-
Administration Fee	~$65	~$65	-	~$65	-
Insurance Profit Share	$625	$522	(16.5%)	$714	14.1%
Total	~$1,160	~$1,057	(8.9%)	~$1,249	7.6%

Summary

- Figures are based on Q2 2020 unit economics
  - Includes a period of stress beginning in Q2 2020 with reversion to a normalized economic environment for the remainder of the loan term
- Unit economics for new loans are expected to increase, driven by insurance revenue streams that benefit from recent modeling updates implemented throughout the loan term
- Initially unit economics drop significantly due to the economics stress environment, but that allows premiums to be increased [1]
  - No adjustments to program fee due to COVID-19
  - Higher loss frequency and severity anticipated result in increase in loss activity; recent changes to risk modeling more than offset reductions from loss activity
- ~$12mm ASC 606 change in estimate taken in Q1 2020; change in estimates implemented due to change in economic conditions resulting in adjusted expected cash flows from historical vintages

Note: COVID-19 adjusted unit economics based on Q2 2020 loan characteristics and weighted on high cert case in Q2 2020

(1) Via model change involving vehicle values that results effectively results in higher premiums.

(2) Represents total expected unit economics over the average loan lifetime.

Illustrative Underwriting Profit Economics and Profitability

Insurance Underwriting Profit Components Over Loan Lifetime								
Item	% of Premium			Unit Economics			% Change to Historical	
	Unadjusted Unit Economics for COVID-19 Stress or Premium	COVID-19 Stress Scenario w/o Premium Increase	COVID-19 Stress Scenario w/ Premium Increase (3)	Unadjusted Unit Economics for COVID-19 Stress or Premium	COVID-19 Stress Scenario w/o Premium Increase(4)	COVID-19 Stress Scenario w/ Premium Increase (3)	COVID-19 Stress Scenario w/o Premium Increase	COVID-19 Stress Scenario w/ Premium Increase (3)
Earned Premium	-	-		$ 2,158	$ 2,150	$ 2,453	(0%)	14%
(-) Incurred Losses	48%(2)	54%	48%	$ 1,030	$ 1,167	$ 1,167	13%	13%
(-) Brokerage Fee(1)	1%	1%	1%	$ 22	$ 22	$ 25	(0%)	14%
(-) Admin Fee(1)	3%	3%	3%	$ 65	$ 65	$ 74	(0%)	14%
(-) Carrier Fee(1)	8%	8%	8%	$ 173	$ 172	$ 196	(0%)	14%
Underwriting Profit	**40%**	**34%**	**40%**	**$ 868**	**$ 724**	**$ 991**	**(17%)**	**14%**

Indicates Modeled Loss Ratio – CY2019 Calendar Year Actual Loss Ratio ~43%

Open Lending's share of underwriting profit is 72% ($625)

Note: COVID-19 adjustments based on Q2 2020 cert weightings and high cert case unit economics
(1) Fee based on a % of premium and is contractual.
(2) Loss ratio is based on Management estimates for 2019E using performance curves based on June-December 2018 actual loan experience.
(3) Premium increase via model change involving vehicle values that results effectively results in higher premiums.
(4) Earned premium only slightly lower than base case due to lower prepayments expected on loans leading to slightly more premiums over the life of the loan.

Illustrative Insurer Economics and Profitability

Insurance Underwriting Profit Share Breakdown Over Loan Lifetime						
Item	Unit Economics			Share	% Change to Historical	
	Unadjusted Unit Economics for COVID-19 Stress or Premium	COVID-19 Stress Scenario w/o Premium Increase	COVID-19 Stress Scenario w/ Premium Increase (1)		COVID-19 Stress Scenario w/o Premium Increase	COVID-19 Stress Scenario w/ Premium Increase (1)
Retained by Carrier	$ 156	$ 130	$ 178	18%	(17%)	14%
Open Lending	$ 625	$ 521	$ 714	72%	(17%)	14%
Third Parties	$ 87	$ 73	$ 99	10%	(17%)	14%

Insurer Unit Economics Over Loan Lifetime								
Item	% of Premium			Unit Economics			% Change to Historical	
	Unadjusted Unit Economics for COVID-19 Stress or Premium	COVID-19 Stress Scenario w/o Premium Increase	COVID-19 Stress Scenario w/ Premium Increase (1)	Unadjusted Unit Economics for COVID-19 Stress or Premium	COVID-19 Stress Scenario w/o Premium Increase	COVID-19 Stress Scenario w/ Premium Increase	COVID-19 Stress Scenario w/o Premium Increase	COVID-19 Stress Scenario w/ Premium Increase (1)
Share of Underwriting Profit	7%	6%	7%	$ 156	$ 130	$ 178	(17%)	14%
Carrier Fee	8%	8%	8%	$ 173	$ 172	$ 196	(0%)	14%
Total Insurer Profit	**15%**	**14%**	**15%**	**$ 329**	**$ 302**	**$ 374**	**(8%)**	**14%**

Note: COVID-19 adjustments based on Q2 2020 cert weightings and high cert case unit economics

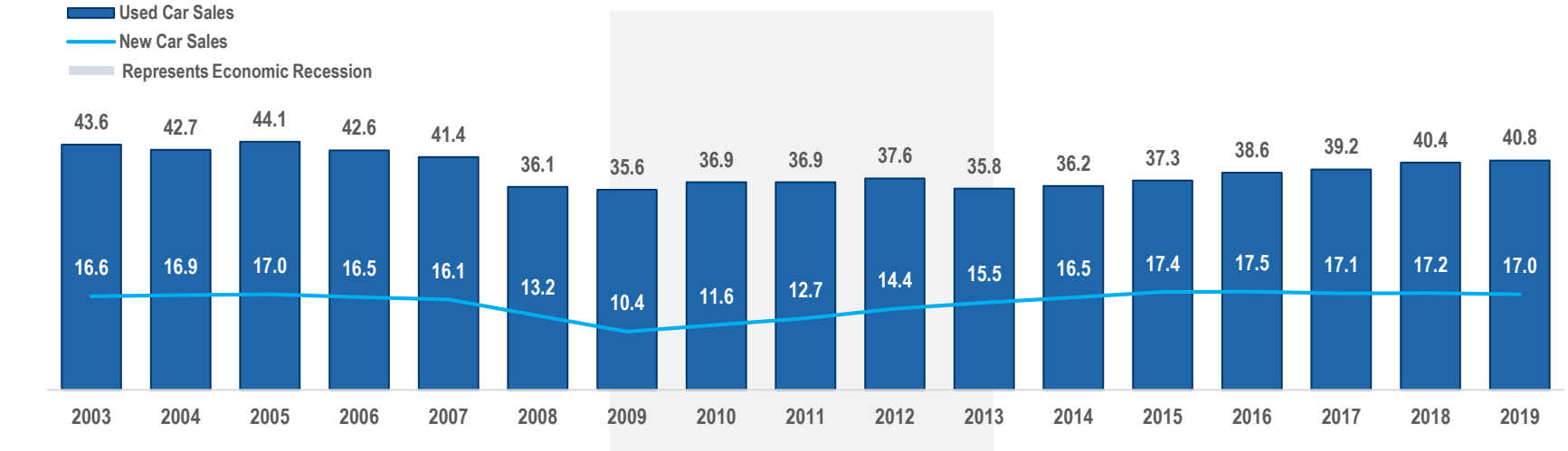
(1) Premium increase via model change involving vehicle values that results effectively results in higher premiums.

Resiliency of Consumers

Annual used vehicle sales remained relatively stable during the last recession, used declined by 11%, new by 25%+; the used car market performs well, particularly in contrast to the new car market, which is more exposed to economic cycles

USED VEHICLE SALES IN THE U.S.[1]

(All figures in mm)



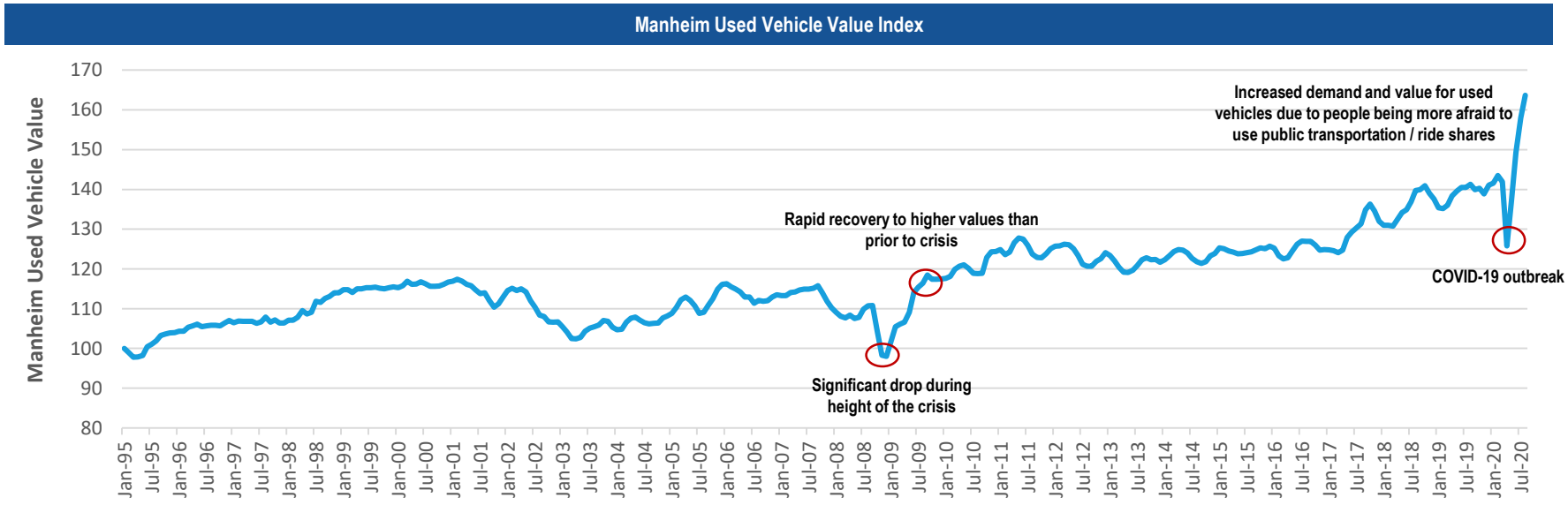
"Used vehicle sales at franchised dealerships have also increased six consecutive years, according to NADA. The percentage increases were much smaller than for new vehicles, but that is to be expected for a market that is much more stable over the economic cycle and that declined less than half as much as new vehicles during the recession."

- Manheim 2016 Used Car Market Report

Source: Bureau of Economic Analysis, Automotive News, Liveaboutit.com
(1) Used/New car sales data collective from https://ww.autonews.com/used-casrs/6-used-vehicle-trends-weatch-2019, https://www.liveabout.com/used-car-sales-figures-3308387?print, https://www.statista.com/statistics/183713/value-of-us-passenger-cas-sales-and-leases-since-1990/

Residual Value for Used Cars

Lenders' Protection is designed around an important asset, the automobile, which has a liquid resale market used to payoff all or a majority of loan balances throughout the life of a loan



Even in the worst financial crisis in decades, after the initial shock, used vehicle values recovered to above pre-crisis levels within a few months

Source: Manheim

Appendix C

Sample Claim & Pricing Scenarios

Customized Lender Pricing to Achieve Target Yield

Example Lender Inputs

Indirect Yields

Min LP Score	Cost of Funds ☑ (%)	Servicing ☐ (%)	Target ROA ☐ (%)	Target Yield	Sale Proceeds ☑ (%)	Repo/Sales Fees ☐ ($)	Origination Fees ☐ ($)	Origination Exp ☐ (%)
750	0.80%	0.80%	1.00%	2.60%	70.00%	$700.00	$0.00	2.00%
700	0.80%	0.80%	1.20%	2.80%	70.00%	$700.00	$0.00	2.00%
680	0.80%	0.90%	2.00%	3.70%	70.00%	$700.00	$0.00	2.00%
660	0.80%	1.00%	2.50%	4.30%	70.00%	$700.00	$0.00	2.00%
640	0.80%	1.10%	3.00%	4.90%	70.00%	$700.00	$0.00	2.00%
620	0.80%	1.20%	3.20%	5.20%	70.00%	$700.00	$0.00	2.00%
600	0.80%	1.30%	3.40%	5.50%	70.00%	$700.00	$0.00	2.00%
580	0.80%	1.40%	3.60%	5.80%	70.00%	$700.00	$0.00	2.00%
560	0.80%	1.50%	3.80%	6.10%	70.00%	$700.00	$0.00	2.00%

Sample Lender Rate Table

Results

Origin: INDIRECT | New or Used: USED | Term: 66 | Credit Depth: Select | Update

Contract Rates | Stress Results

LP Score	Depth	Loan to Value 0-85	86-90	91-95	96-100	101-105	106-110	111-115	116-120	121-125	126-130	131-135
750+	THICK	5.9%	5.9%	5.9%	6.0%	6.1%	6.4%	6.6%	7.0%	7.3%	7.9%	8.5%
	NORMAL	6.1%	6.1%	6.1%	6.2%	6.4%	6.7%	7.1%	7.5%	8.0%	8.7%	9.5%
	THIN	6.3%	6.3%	6.3%	6.5%	6.7%	7.1%	7.5%	8.0%	8.6%	9.5%	10.5%
700-749	THICK	6.2%	6.2%	6.2%	6.3%	6.5%	6.7%	7.0%	7.4%	7.8%	8.3%	9.0%
	NORMAL	6.4%	6.4%	6.4%	6.5%	6.8%	7.1%	7.5%				
	THIN	6.6%	6.6%	6.6%	6.8%	7.1%	7.5%	8.0%				
680-699	THICK	7.0%	7.0%	7.1%	7.3%	7.6%	7.9%	8.3%				
	NORMAL	7.2%	7.2%	7.4%	7.6%	8.0%	8.5%	9.0%				
	THIN	7.4%	7.4%	7.6%	8.0%	8.4%	9.0%	9.6%				
660-679	THICK	7.7%	7.7%	8.0%	8.3%	8.7%	9.0%	9.5%				
	NORMAL	7.9%	8.0%	8.4%	8.8%	9.2%	9.7%	10.3%				
	THIN	8.2%	8.3%	8.7%	9.2%	9.8%	10.4%	11.0%	11.7%	12.4%	13.2%	
640-659	THICK	8.4%	8.5%	8.8%	9.2%	9.6%	10.1%	10.6%	11.1%	11.6%	12.2%	
	NORMAL	8.7%	8.9%	9.3%	9.8%	10.4%	11.0%	11.6%	12.2%	12.9%	13.6%	
	THIN	8.9%	9.2%	9.7%	10.3%	11.0%	11.8%	12.5%	13.3%	14.1%	14.9%	
620-639	THICK	9.0%	9.2%	9.7%	10.1%	10.7%	11.2%	11.8%	12.2%	12.7%	13.2%	
	NORMAL	9.4%	9.7%	10.3%	10.9%	11.6%	12.3%	13.0%	13.6%	14.2%	14.9%	
	THIN	9.8%	10.1%	10.8%	11.6%	12.5%	13.3%	14.1%	14.9%	15.6%	16.4%	
600-619	THICK	9.4%	9.7%	10.2%	10.7%	11.4%	12.0%	12.6%	13.2%	13.8%		
	NORMAL	9.9%	10.2%	10.9%	11.6%	12.4%	13.2%	14.0%	14.7%	15.5%		
	THIN	10.3%	10.7%	11.5%	12.4%	13.4%	14.4%	15.4%	16.2%	17.1%		
580-599	THICK	9.9%	10.2%	10.8%	11.5%	12.2%	12.9%	13.6%	14.2%	14.8%		
	NORMAL	10.4%	10.8%	11.6%	12.5%	13.4%	14.3%	15.2%	16.0%	16.8%		
	THIN	10.9%	11.4%	12.4%	13.4%	14.5%	15.6%	16.7%	17.6%	18.6%		
560-579	THICK	10.6%	11.0%	11.7%	12.6%	13.5%	14.4%	15.2%				
	NORMAL	11.2%	11.7%	12.7%	13.8%	14.9%	16.1%	17.2%				
	THIN	11.8%	12.4%	13.6%	14.9%	16.3%	17.8%	19.1%				

Default Freq – 15%
Prepay Freq – 37%

Default Freq – 20%
Prepay Freq – 37%

Default Freq – 23%
Prepay Freq – 38%

For Illustrative Purposes Only. Estimates applied for purposes of illustration.

Open Lending Helps Lenders Grow Profitably

Lenders Protection ***expands the ranges of credit scores*** and loan-to-value (LTV) where lenders can underwrite loans allowing them to ***increase application flow***

Retail LTV	≤ 75%	≤ 80%	≤ 85%	≤ 90%	≤ 95%	≤ 100%	≤ 105%	≤ 110%	≤ 115%	≤ 120%	≤ 125%	≤ 130%
Trade LTV	≤ 90%	≤ 95%	≤ 100%	≤ 105%	≤ 110%	≤ 115%	≤ 120%	≤ 125%	≤ 130%	≤ 135%	≤ 140%	≤ 145%
750 +												
700 - 749												
680 - 699												
660 - 679												
640 - 659												
620 - 639												
600 - 619												
580 - 599												
560 - 579												

Typical Financial Institution

Lenders Protection powered by OpenLending

Average Financial Institution Advance

Additional Advance with Lenders Protection powered by OpenLending

For Illustrative Purposes Only. Estimates applied for purposes of illustration.

Sample Loan Default and Claim Scenario

Rules	Example: Repossess and sell the vehicle ABOVE 80% book value		Example: Repossess and sell the vehicle BELOW 80% book value[1]	
Loan Balance at Time of Claim	**$10,000**		**$10,000**	
Vehicle Value at Time of Claim	**$4,000**		**$4,000**	
Greater of: (A) Amount Realized from Sale of Vehicle (B) 80% NADA Trade or KBB Wholesale	**$3,400** **A=Sale Amt**	**$3,200** **B=80%**	**$2,000** **A=Sale Amt**	**$3,200** **B=80%**
Financial Institution Loss without Lenders Protection	$6,600		$8,000	
Claim Payment (Plus 60 days interest)	$6,600		$6,800	
Financial Institution Loss with Lenders Protection	$0		$1,200	

(1) Uninsured Losses can be priced for using our Custom Risk Based Pricing Tool.
For Illustrative Purposes Only. Estimates applied for purposes of illustration.