



Say YES to more automotive loans.



Earnings Supplement

Q2 2021

Q2 Financial Highlights

	Q2 2021	Q2 2020
Total Certs	46,408	18,684
Revenue	\$61.1 million	\$22.1 million
Adj. EBITDA	\$46.1 million	\$15.4 million
Adj. Operating Cash Flow ¹	\$ 30.5 million	\$11.1 million

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

Recent Accomplishments



Open Lending and Partners Strongly Positioned

- Credit union and bank lenders are well capitalized with ample liquidity
- Insurers modestly impacted relative to other industries and profitable in 2020 & 2021
- Low interest rate environment, traditional lenders retrenching, and commuters shifting away from public modes of transportation are driving positive trends



OEM Opportunity

- **OEM #1**
 - 185% cert growth Q2'21 compared to Q2'20
 - 33% cert growth Q2'21 compared to Q1'21
- **OEM #2**
 - 42% cert growth Q2'21 compared to Q1'21
- Building out pipeline with other OEMs for the future



Recent Business Highlights

- Credit Union & Banks – 87% cert growth Q2'21 compared to Q2'20
- Signed third insurance partner agreement with American National
- Partnered with 5 new refinance lenders in Q2
- Executed 22 contracts with new customers in Q2
- Over 15 active implementations with “go live” dates in the next 60 – 90 days

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 by Addressing Broader Credit Spectrum and Deployment of Subvention Capabilities

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

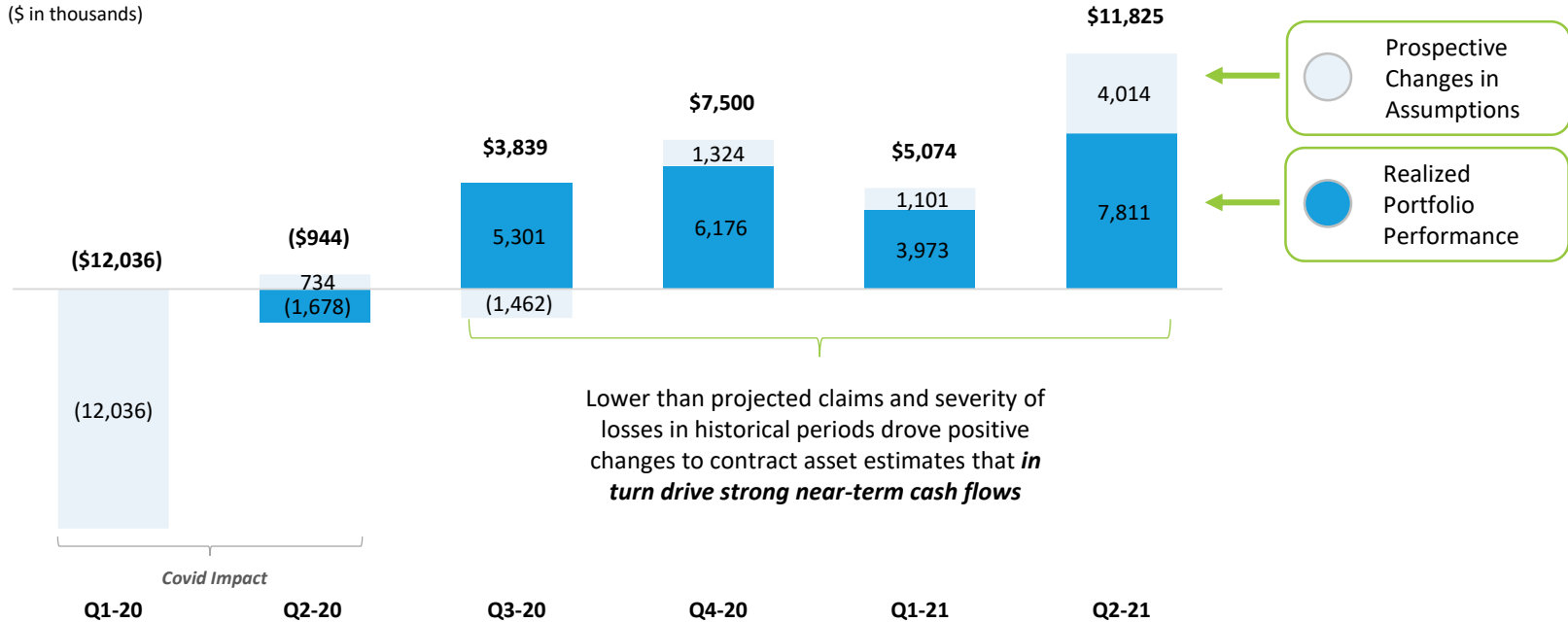
- Expansion into Adjacent Asset Classes (e.g., leases)
- Establish Broader Auto Platform (e.g., hub and spoke)

Understanding Changes in Contract Assets and Profit Share Revenue

In LTM period, **80%+ of Changes in Contract Asset Estimates Driven by Realized Portfolio Performance** as Opposed to Changes in Prospective Estimates

Change in Contract Asset Estimates and Profit Share Revenue:

(\$ in thousands)



Understanding Profit Share Unit Economic Trends

Profit Share Unit Economics Normalized While Achieving Record Cert Volumes

- **Profit share unit economics normalized** as we removed COVID-19 underwriting standards
 - Removed vehicle value discount in April 2021, which drove ~15% premium increase during pandemic
 - These underwriting **changes resulted in record cert loan volume** and expanded our competitive positioning
 - Closure rates improved by over 20% after removing COVID-19 underwriting standards
- Strategically shifted our channel mix and unit economics remain strong across all channels
 - Unit level pricing is dependent on risk and Open Lending is constantly evaluating the best risk-adjusted opportunities in the market to deploy Lender's Protection
 - Refinance channel has grown to ~20% of total certs in Q2 and exhibits high quality and predictable credit characteristics; channel remains an attractive avenue for growth
- Continued **strong loan performance would result in positive changes in contract assets, profit share revenues and cash flows**

Q2 2021 Key Performance Indicators

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Certs				
CU & Bank Certs	30,398	16,242	52,325	35,104
OEM Certs	16,010	2,442	27,401	11,604
Total Certs	46,408	18,684	79,726	46,708
Unit Economics				
Avg. Profit Share Revenue per Cert (1)	\$ 582	\$ 701	\$ 623	\$ 619
Avg. Program Fee Revenue per Cert	\$ 444	\$ 471	\$ 445	\$ 460
Originations				
Facilitated Loan Origination Volume (\$ in 000)	\$ 1,170,461	\$ 409,934	\$ 1,950,822	\$ 1,037,031
Average Loan Size	25,221	21,940	24,469	22,202
Channel Overview				
New Vehicle Certs as a % of Total	16.9%	11.8%	16.5%	14.4%
Used Vehicle Certs as a % of Total	83.1%	88.2%	83.5%	85.6%
Indirect Certs as a % of Total	84.4%	72.3%	83.9%	75.8%
Direct Certs as a % of Total	15.6%	27.7%	16.1%	24.2%

(1) Represents average profit share revenue per certified loan originated in the period excluding the impact of profit share revenue recognized in the period associated with historical vintages. The profit share revenue impact related to change in estimates of historical vintages was \$11.8 million and (\$1.0) million, for the three months ended June 30, 2021 and 2020, respectively. The profit share revenue impact related to change in estimates of historical vintages was \$16.9 million and (\$13.0) million, for the six months ended June 30, 2021 and 2020, respectively.

Q2 2021 Financial Update

(\$ in 000)	Three Months Ended June,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue				
Program fees	\$ 20,597	\$ 8,793	\$ 35,508	\$ 21,505
Profit share	38,842	12,163	66,572	15,938
Claims administration service fees	1,686	1,111	3,053	2,054
Total revenue	61,125	22,067	105,133	39,497
Cost of services	4,140	1,827	7,502	4,322
Gross profit	56,985	20,240	97,631	35,175
Operating expenses				
General and administrative (1)	8,381	14,650	16,593	18,218
Selling and marketing (2)	2,954	1,295	5,351	3,373
Research and development	773	349	1,364	707
Operating income	44,877	3,946	74,323	12,877
Other income/expense				
Interest expense	(1,122)	(3,644)	(4,411)	(4,408)
Interest income	58	44	142	61
Gain on tax receivable agreement extinguishment (3)	55,422	-	55,422	-
Loss on extinguishment of debt (4)	-	-	(8,778)	-
Change in fair value of contingent consideration (5)	-	(48,802)	-	(48,802)
Other (expense) income	(2)	3	(133)	3
Income before income taxes	99,233	(48,453)	116,565	(40,269)
Provision for income taxes	23,267	1,352	27,737	1,364
Net income and comprehensive income	\$ 75,966	\$ (49,805)	\$ 88,828	\$ (41,633)
Adjusted EBITDA	\$ 46,056	\$ 15,414	\$ 76,349	\$ 24,971

(1) During the three and six months ended June 30, 2020, general and administrative expenses included a \$9.1 million transaction bonus awarded to key employees and directors and \$2.2 million of non-cash charges incurred in connection with the accelerated vesting of legacy share-based awards, as a result of the Business Combination.

(2) Selling and marketing expenses increased primarily due to an increase in employee compensation and commissions costs driven by both increased headcount and sales.

(3) Reflects the gain recognized as a result of the early termination and settlement of the tax receivable agreement.

(4) Reflects the loss recognized in connection with the refinancing of our Term Loan due 2027 on March 19, 2021, which primarily consists of the write-off of unamortized deferred financing costs.

(5) Reflects non-cash charges for the change in the estimated fair value of contingent consideration shares from June 10, 2020 through the date when each tranche of contingent consideration shares vested as the share price performance milestone was achieved.

Reconciliation of GAAP to Non-GAAP Financial Measures

Adjusted EBITDA (\$ in 000)

	Three Months Ended June		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 75,966	\$ (49,805)	\$ 88,828	\$ (41,633)
Non-GAAP adjustments:				
Interest expense	1,122	3,644	4,411	4,408
Provision for income taxes	23,267	1,352	27,737	1,364
Depreciation and amortization expense	196	120	389	242
Share-based compensation (1)	927	2,189	1,628	2,676
Gain on tax receivable agreement extinguishment (2)	(55,422)	-	(55,422)	-
Loss on extinguishment of debt (3)	-	-	8,778	-
Change in fair value of contingent consideration (4)	-	48,802	-	48,802
Transaction bonuses (5)	-	9,112	-	9,112
Total adjustments	(29,910)	65,219	(12,479)	66,604
Adjusted EBITDA	46,056	15,414	76,349	24,971
Total revenue	\$ 61,125	\$ 22,067	\$ 105,133	\$ 39,497
Adjusted EBITDA margin	75%	70%	73%	63%

Adjusted Operating Cash Flows (6)

Adjusted EBITDA	\$ 46,056	\$ 15,414	\$ 76,349	\$ 24,971
Capex	(838)	(341)	(841)	(424)
(Increase) decrease in contract assets	(14,715)	(3,977)	(22,591)	225
Adjusted Operating Cash Flows	\$ 30,503	\$ 11,096	\$ 52,917	\$ 24,772

- (1) Includes \$2.2 million of non-cash charges incurred in connection with the accelerated vesting of the legacy share-based awards, as a result of the Business Combination for the three and six months ended June 30, 2020.
- (2) Reflects the gain recognized as a result of the early termination and settlement of the tax receivable agreement.
- (3) Reflects the loss recognized in connection with the refinancing of our Term Loan due 2027 on March 19, 2021, which primarily consists of the write-off of unamortized deferred financing costs.
- (4) Reflects non-cash charges for the change in the estimated fair value of contingent consideration from June 10, 2020 through June 30, 2020.
- (5) Reflects transaction bonuses awarded to key employees and directors in connection with the Business Combination in the three and six months ended June 30, 2020.
- (6) Adjusted operating cash flow is defined as adjusted EBITDA, minus capex, plus or minus change in contract assets.

Total Current Share Count

Shares	In millions
Total Shares Outstanding August 10, 2021	126.2
Treasury Shares	2.0
Total Shares Issued	128.2