



Say YES to more automotive loans.



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# Earnings Supplement

## Q2 2020

# Introduction to Open Lending

~\$250bn  
2018 Underlying  
Addressable Market<sup>(3)</sup>

\$1.8bn  
2019A Annual  
Loans Facilitated<sup>(2)</sup>

15+  
Years of  
Proprietary Data

2m+  
Unique Risk Profiles

50%+  
2019A EBITDA  
margin

\$64.9m  
2019A EBITDA

~50%  
2019A-2021E Revenue CAGR<sup>(1)</sup>

+300  
Active Automotive  
Lenders<sup>(4)</sup>

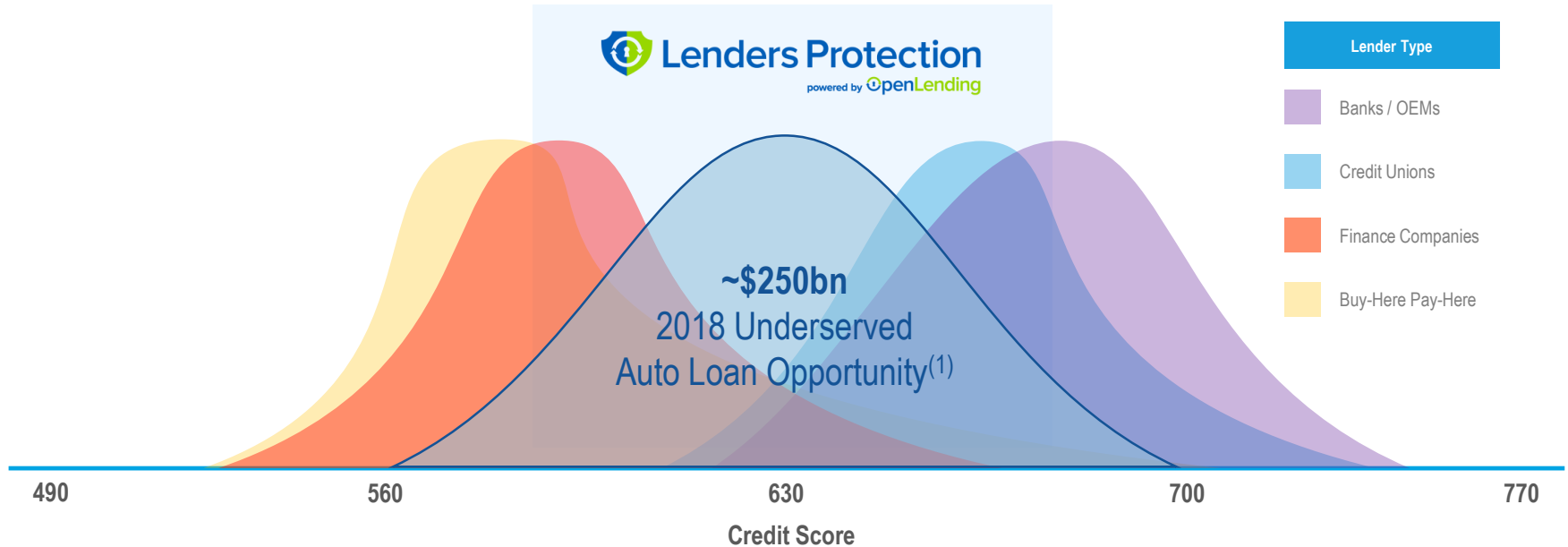


Specialized *Lending Enablement Platform* for the *Near-Prime Market*  
Powered by *Proprietary Data, Advanced Decisioning Analytics,*  
an *Innovative Insurance Structure* and *Scaled Distribution*

- (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.

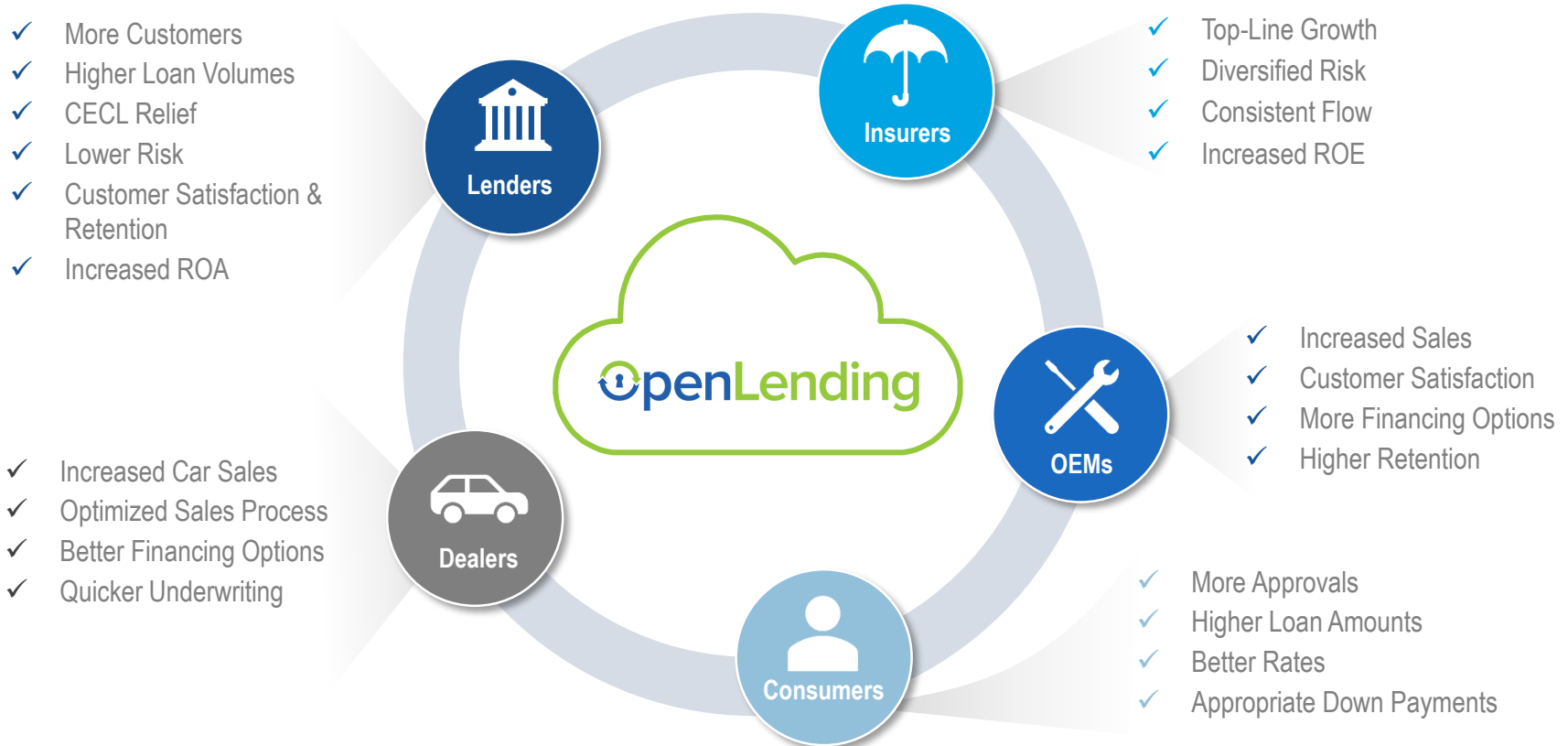
# Massive, Underserved Population

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



# Compelling Investment Thesis Intact

<b>1</b>	<b>Substantial Market Opportunity</b>		<ul style="list-style-type: none"><li>▪ <b>Expanding and underserved</b> market opportunity with strong secular drivers with &lt;1% share<sup>(1)</sup></li><li>▪ Opportunity to <b>accelerate market share gains</b> as credit unions prove resilience</li><li>▪ Currently ~\$250bn underlying market with current solution; expanding market as consumers enter near prime</li></ul>
<b>2</b>	<b>Attractive Business Model</b>		<ul style="list-style-type: none"><li>▪ ~\$1,160 revenue per loan on Lenders Protection Program<sup>(2)</sup> <b>without taking any balance sheet risk</b><sup>(3)</sup></li><li>▪ <b>Considerable barriers to entry</b>; 15+ years of proprietary data and 5-second underwriting decisions</li><li>▪ Lack of consumer acquisition and distribution costs <b>increasingly relevant</b></li></ul>
<b>3</b>	<b>Significant Growth Opportunities</b>		<ul style="list-style-type: none"><li>▪ New customer growth and penetration expected to <b>outweigh impact</b> of slower economic growth</li><li>▪ Near-term drivers of <b>attainable</b> growth, guidance does not reflect potential OEM upside</li></ul>
<b>4</b>	<b>Resilient Model Through Cycles</b>		<ul style="list-style-type: none"><li>▪ Lending partners offer <b>low cost solution</b> in a large market, business model with <b>no loss exposure</b></li><li>▪ <b>Compelling solution for lenders seeking to mitigate risk</b> during uncertain market conditions</li><li>▪ Historically recessions have seen a net increase in near prime consumers, increasing the addressable market</li></ul>
<b>5</b>	<b>Experienced Management Team</b>		<ul style="list-style-type: none"><li>▪ Visionary management team with <b>deep domain expertise</b>, selectively growing already strong team</li><li>▪ Large financial commitment to transaction even more relevant today</li></ul>
<b>6</b>	<b>Compelling Financial Profile</b>		<ul style="list-style-type: none"><li>▪ <b>53% 2019A to 2021E Cert CAGR, \$125-168m 2021E EBITDA, 69.9% 2019 Adjusted EBITDA</b><sup>(4)</sup> margin</li><li>▪ Base of over 300 active automotive lenders<sup>(5)</sup> lenders with <b>100%+ net retention</b><sup>(6)</sup></li></ul>

(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.

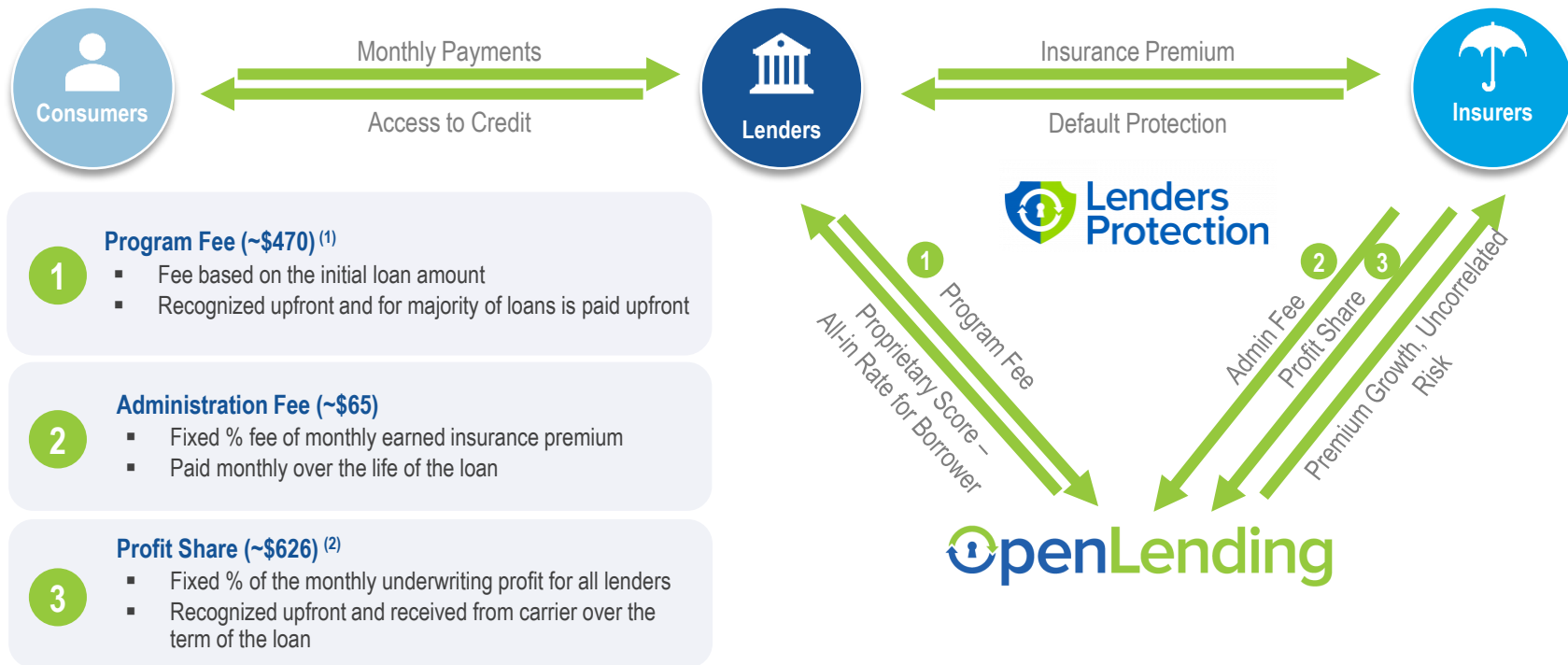
(6) Based on net retention over last 4 years, where each year had over 100% net retention



# Financial & Business Update

# Attractive Fee and Profit Share Revenue Model

Today, Open Lending Generates ~\$1,160 in revenue per Loan<sup>(1)</sup> on Average Comprised of **Program Fee, Admin Fee and Insurance Profit Share**



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
<b>Total Certs</b>	<b>18,684</b>
<b>Revenue</b> <i>(\$mm)</i>	<b>\$22.1 million</b>
<b>Adj. EBITDA</b> <i>(\$mm)</i>	<b>\$15.4 million</b>
<b>Adj. Operating Cash Flow<sup>1</sup></b> <i>(\$mm)</i>	<b>\$11.1 million</b>

(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<sup>(1)</sup>
- 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
<b>Certs</b>							
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	-	-
<b>Total Certs</b>	<b>18,684</b>	<b>20,008</b>	<b>46,708</b>	<b>36,953</b>	<b>78,434</b>	<b>56,705</b>	<b>42,790</b>
<b>Unit Economics</b>							
Avg. Profit Share Revenue per Cert	\$ 651	\$ 747	\$ 341	\$ 698	\$ 676	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Avg. Program Fee Revenue per Cert	471	474	460	472	468	443	399
<b>Originations</b>							
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
<b>Channel Overview</b>							
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	Six Months	Years Ended December 31,		
	Ended June 30	Ended June 30	2019	2018	2017
	2020	2020			
<b>Revenue</b>					
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
<b>Total revenue</b>	<b>22,067</b>	<b>39,497</b>	<b>92,847</b>	<b>52,192</b>	<b>32,380</b>
<b>Cost of services</b>	<b>1,827</b>	<b>4,322</b>	<b>7,806</b>	<b>4,603</b>	<b>3,019</b>
<b>Gross profit</b>	<b>20,240</b>	<b>35,175</b>	<b>85,041</b>	<b>47,589</b>	<b>29,361</b>
<b>Operating expenses</b>					
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
<b>Operating income</b>	<b>3,946</b>	<b>12,877</b>	<b>62,615</b>	<b>28,474</b>	<b>16,152</b>
<b>Other income/expense</b>					
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
<b>Net income (loss) before income taxes</b>	<b>(48,453)</b>	<b>(40,269)</b>	<b>62,514</b>	<b>28,316</b>	<b>15,829</b>
<b>Provision (benefit) for income taxes</b>	<b>1,352</b>	<b>1,364</b>	<b>(30)</b>	<b>37</b>	<b>59</b>
<b>Net income (loss)</b>	<b>\$ (49,805)</b>	<b>\$ (41,633)</b>	<b>\$ 62,544</b>	<b>\$ 28,279</b>	<b>\$ 15,770</b>
<b>Adjusted EBITDA</b>	<b>\$ 15,414</b>	<b>\$ 24,971</b>	<b>\$ 64,925</b>	<b>\$ 31,309</b>	<b>\$ 17,273</b>



# Appendix

# Reconciliation of Net Income (Loss) to Consolidated Adjusted EBITDA

(\$ in 000)	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net Income (Loss)	\$ (49,805)	\$ 17,484	\$ (41,633)	\$ 30,388
Less: Non-GAAP adjustments:				
Change in fair value of contingent consideration <sup>(1)</sup>	48,802	-	48,802	-
Transaction bonuses <sup>(2)</sup>	9,112	-	9,112	-
Interest Expense	3,644	82	4,408	168
Share-based compensation <sup>(3)</sup>	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
<b>Adjusted EBITDA</b>	<b>\$ 15,414</b>	<b>\$ 18,100</b>	<b>\$ 24,971</b>	<b>\$ 31,519</b>
Total Revenue	\$ 22,067	\$ 25,183	\$ 39,497	\$ 44,667
<b>Adjusted EBITDA margin</b>	<b>69.9%</b>	<b>71.9%</b>	<b>63.2%</b>	<b>70.6%</b>

(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
<b>Total Shares Outstanding at August 10, 2020</b>	<b>119.1</b>
Dilutive Effect of Public Warrants <sup>(1)</sup> <sup>(2)</sup>	3.4
<b>Total Diluted Shares Outstanding</b>	<b>122.5</b>

- (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.