



**OpenLending**

Say YES to more automotive loans.

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# INVESTOR PRESENTATION

# Disclaimer

**Forward Looking Statements:** This Presentation contains 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, impact of the global COVID-19 pandemic on factors impacting Open Lending's business, Open Lending's new lender pipeline, consumer behavior and demand for automotive loans, as well as future financial performance. 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 forward-looking statements include, but are not limited to, statements regarding projections, estimates and forecasts of other financial and performance metrics and projections of market opportunity. These statements are based on various assumptions, whether or not identified in this Presentation, and on the current expectations of Open Lending'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 control of Open Lending. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include: general economic, political and business conditions; the continuing effects of the COVID-19 pandemic on consumer behavior; applicable taxes, inflation, supply chain disruptions, 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 Open Lending's stockholders; and other risks discussed in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2021 and our subsequently filed Quarterly Reports on Form 10-Q. 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 Open Lending presently does not know or that it currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Open Lending's expectations, plans or forecasts of future events and views as of the date of this Presentation. Open Lending anticipates that subsequent events and developments will cause their assessments to change. However, while Open Lending may elect to update these forward-looking statements at some point in the future, Open Lending specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Open Lending's assessments as of any date subsequent to the date of this Presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

**Non-GAAP Financial Measures:** Included in this Presentation is financial information that is unaudited and has not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). Open Lending uses Adjusted EBITDA and Adjusted EBITDA Margin, non-GAAP financial measures, internally in analyzing Open Lending's financial results and believes it is useful to investors, as a supplement to GAAP measures, in evaluating Open Lending's ongoing operational performance. Open Lending believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Open Lending's financial results with other companies in our industry, many of which present similar non-GAAP financial measures to investors. Open Lending 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, these measures provide useful measures for period-to-period comparisons of our business, as they remove the effect of certain non-cash items and certain non-recurring variable charges. Adjusted EBITDA is defined as GAAP net income (loss) excluding interest expense, income tax expense, depreciation and amortization expense, share-based compensation expense, gain on extinguishment of Open Lending's tax receivable agreement, loss on extinguishment of debt, change in fair value of contingent consideration, change in measurement - tax receivable agreement 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 non-GAAP financial measures to their most directly comparable GAAP financial measure provided in this Presentation.

## Experienced Senior Leadership Team



**John Flynn**  
Chairman and  
CEO

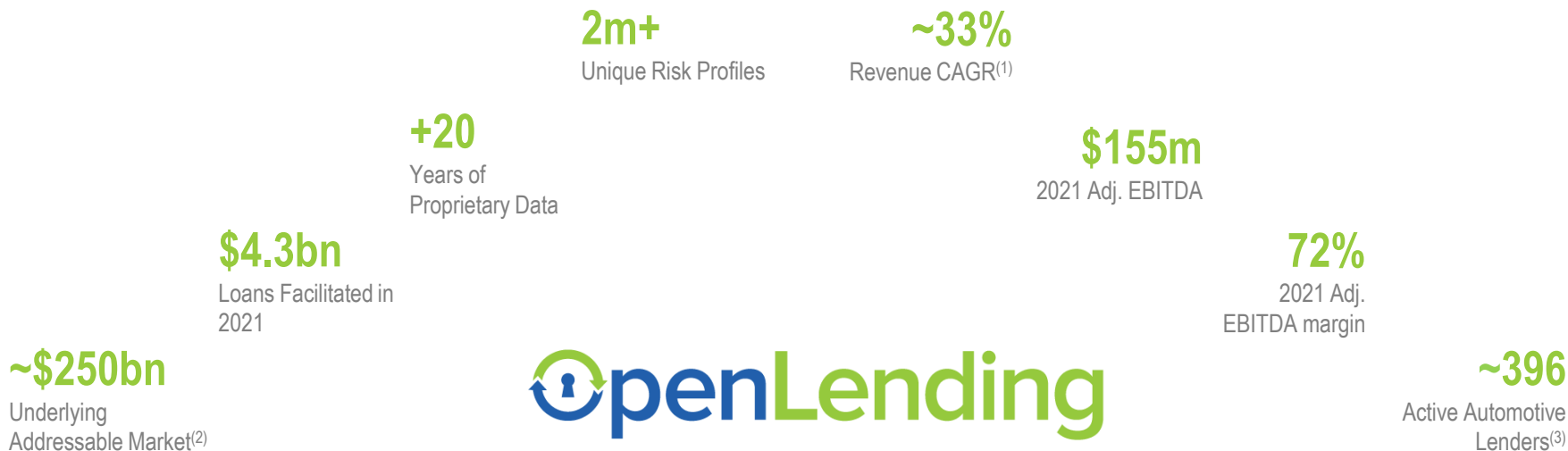


**Ross Jessup**  
President and  
COO



**Chuck Jehl**  
CFO

# Introduction to Open Lending



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 FY2019 to FY2021.  
(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 2021.

# Compelling Investment Thesis

## Substantial Market Opportunity



- **Expanding and underserved** market opportunity with strong secular drivers with <2% share<sup>(1)</sup>
- Currently ~\$250bn underlying market with current solution; expanding market as consumers enter near prime

## Attractive Business Model



- **Compelling unit economics** per loan without taking any balance sheet risk
- **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**

## Compelling Financial Profile



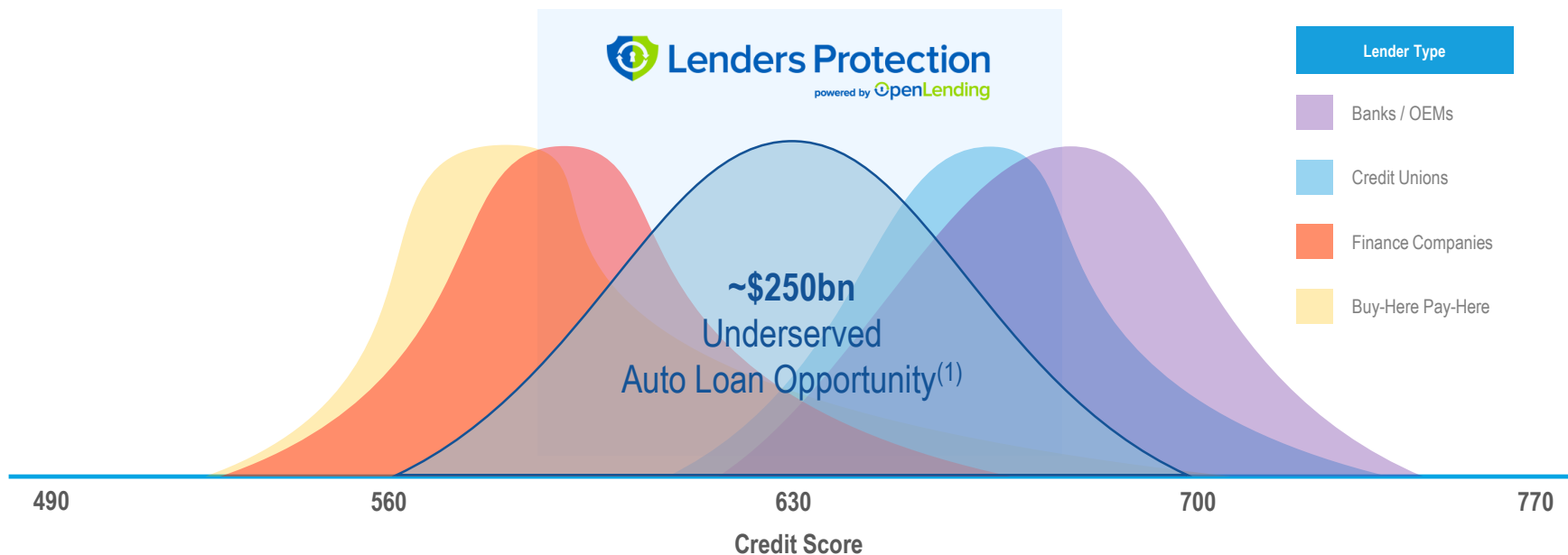
- **98%+ 2021A YoY revenue growth**
- **\$155m 2021A Adj. EBITDA**
- **~72% 2021A Adj. EBITDA margin**

(1) Based on \$4.3bn loans facilitated in 2021, out of underlying TAM of \$250bn of annual near-prime auto lending.

(2) Adj. EBITDA reconciliation of net income to consolidated adjusted EBITDA on page 20.

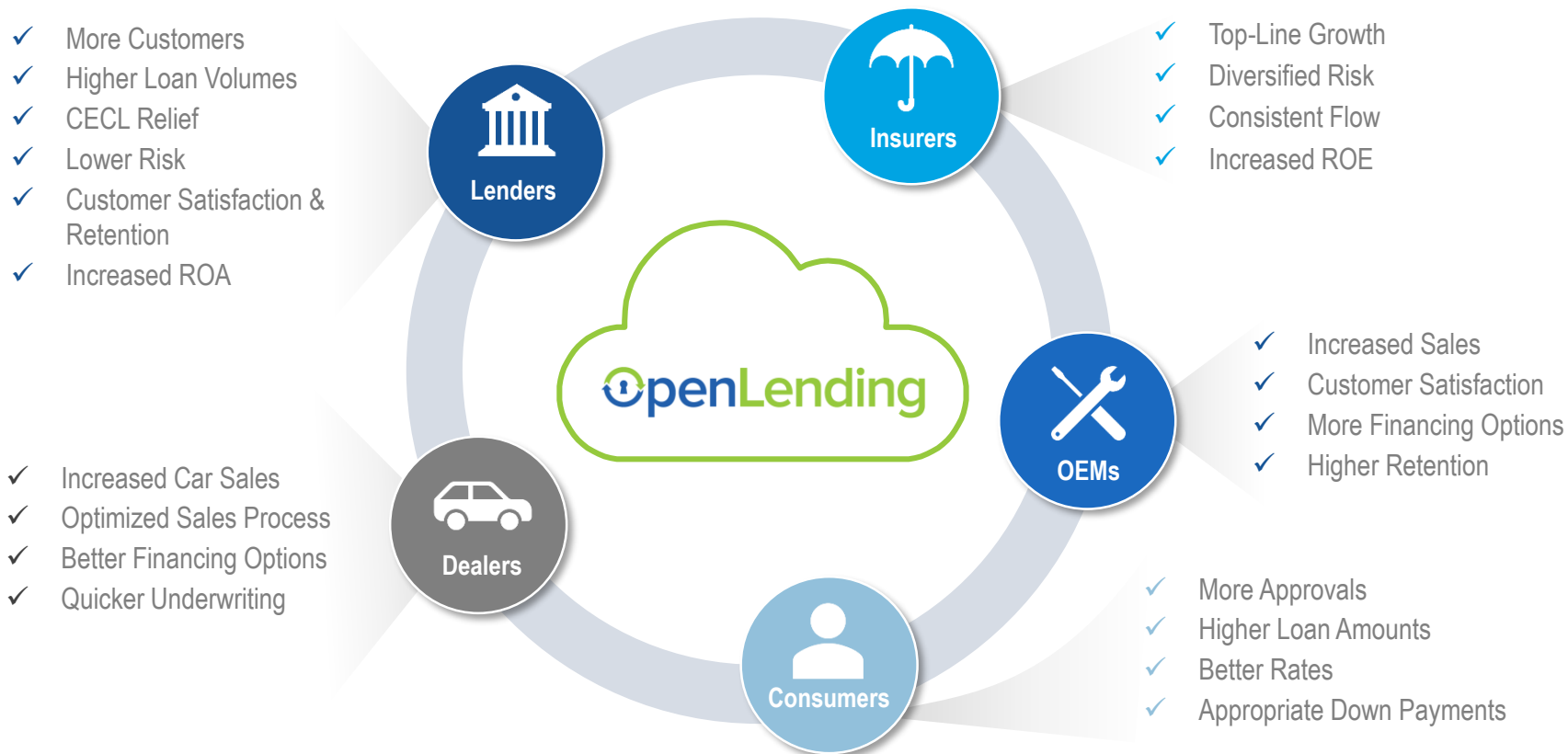
# Massive, Underserved Population

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. Source: Experian, New York Federal Reserve.  
(2) Note: Graph is illustrative.

# Driving Value Creation Across the Entire Ecosystem



# 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 380k funded loans
- ✓ Detailed database of \$13.5bn+ 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

- ✓ ~396 active automotive lenders<sup>(1)</sup>
- ✓ Tailored pricing
- ✓ Embedded relationships
- ✓ Integrated with 20+ Loan Origination Systems
- ✓ Automatic loan fulfillment



## 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**

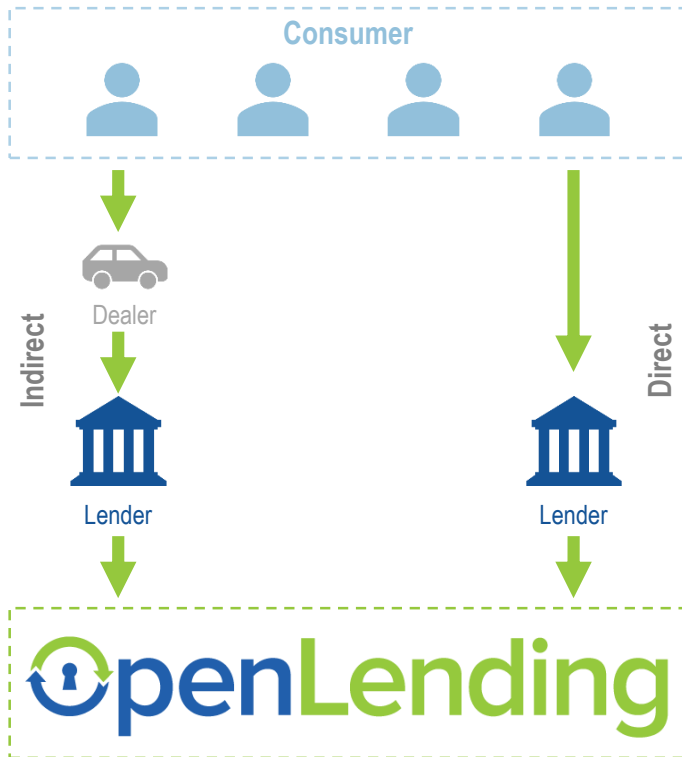
(1) Active automotive lender is defined as an automotive lender that issued at least one insured loan in 2021.



# 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



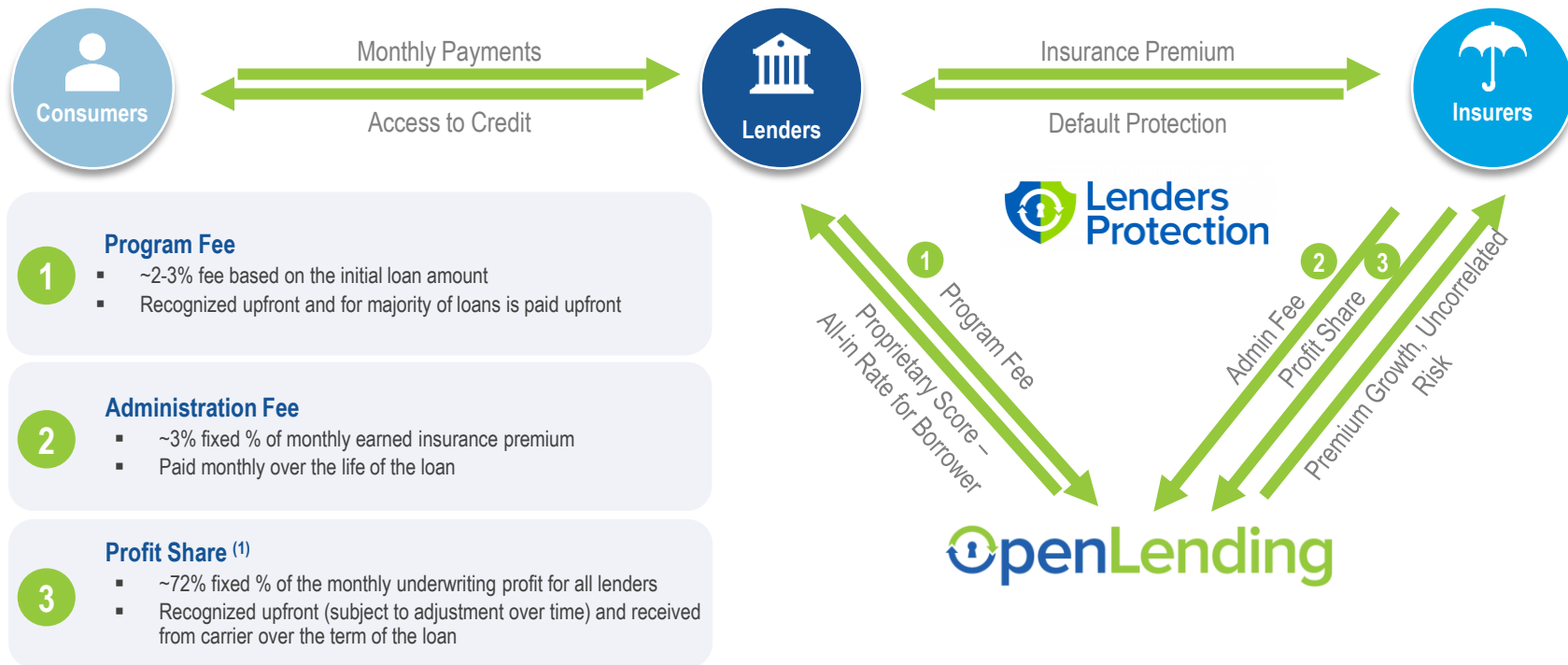
## Do Not Directly Serve Dealers or Consumers

- ✓ 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

Open Lending has Compelling Unit Economics Comprised of **Program Fee**, **Admin Fee** and **Insurance Profit Share**



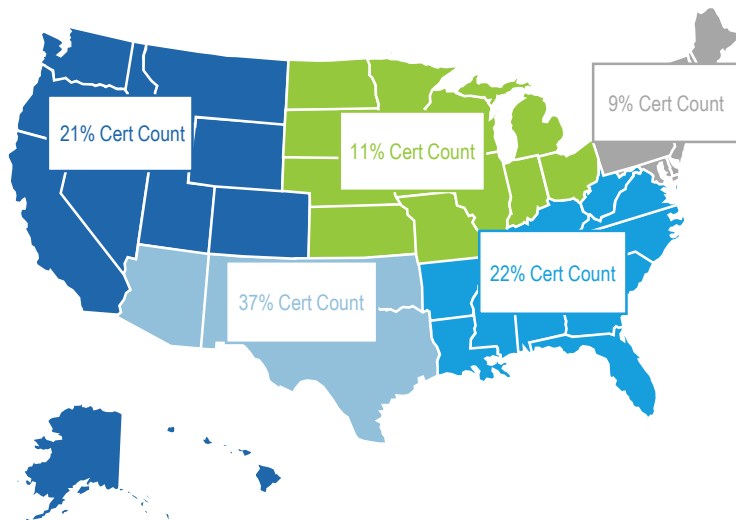
# Strong Value Proposition to National Network of Credit Unions & Banks

## National Footprint

~396 Active  
Automotive  
Lenders<sup>(1)</sup>

50 States

\$13.5bn+  
Loans  
Facilitated



(1) Active automotive lender is defined as an automotive lender that issued at least one insured loan in 2021.

## 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*

# OEM Captive Opportunity Overview

## OEM Value Proposition

	<ul style="list-style-type: none"><li>✓ Facilitate new car sales by expanding credit to near-prime consumers where they are not competitive today</li><li>✓ Support car values by increasing financing availability for used vehicles</li><li>✓ Continued efforts around subvention functionality for OEMs unlock a much larger opportunity as Lenders Protection will be applicable to new car market</li></ul>
	<ul style="list-style-type: none"><li>✓ Greater earnings and ROA to captives with credit performance, net of default insurance payments, comparable to prime loans</li><li>✓ Leverage existing infrastructure and network to generate low risk revenues</li></ul>
	<ul style="list-style-type: none"><li>✓ Increased profitability due to credit loss relief under CECL standards</li></ul>
	<ul style="list-style-type: none"><li>✓ Increase repeat buyers by keeping consumers in the captive customer ecosystem, capitalizing on loan life milestones to localize the consumer</li><li>✓ Deepens relationships with dealer by helping them accept more trade-ins at higher values and minimizes residual risk</li></ul>

(1) Source: AutoCount. Period is January 2021 – December 2021.

(2) Based on management estimates.

## OEM Captive Opportunity

**Large Captive OEMs represent ~10 Individual Opportunities...**

**Annual Unit Volumes<sup>(1)</sup>**

**4.4mm+**

**...Each with Significant Revenue Potential**

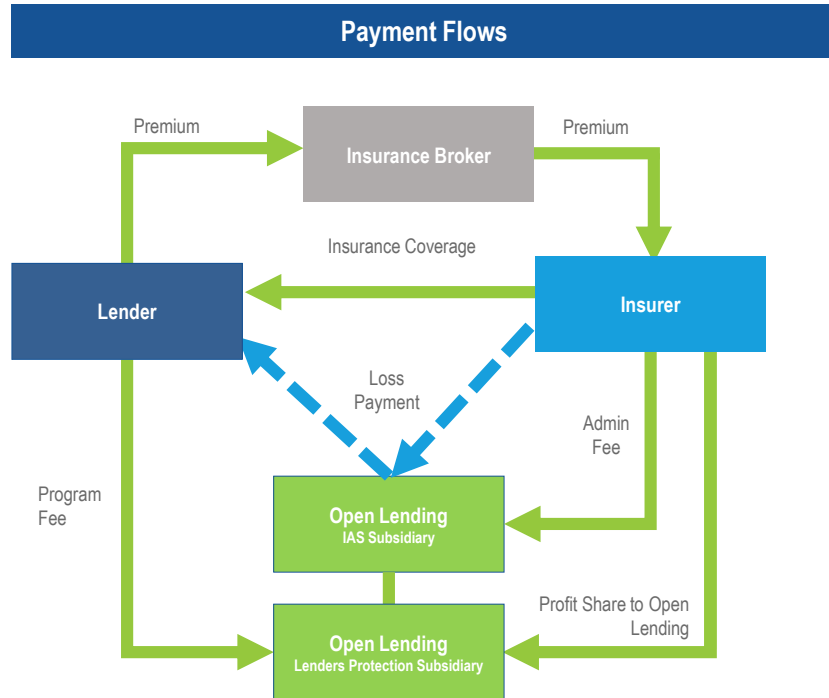
**Single Captive Revenue Opportunity<sup>(2)</sup>**

**\$30m-\$100m+**

**Addressable OEM Captive Market Opportunity for Open Lending<sup>(2)</sup>**

**\$1bn+**

# Strong Value Proposition for Insurance Partners



## Insurer Value Proposition

### 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 with each carrier

### Financial Stability

- ✓ "A" ("Excellent")<sup>(1)</sup> rated carriers
- ✓ Minimum credit rating required

### Significant Appetite to Expand

- ✓ Active discussions with additional insurance carriers
- ✓ Evaluating potential carriers based on alignment with Open Lending's growth priorities

(1) Source: A.M. Best.

# 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

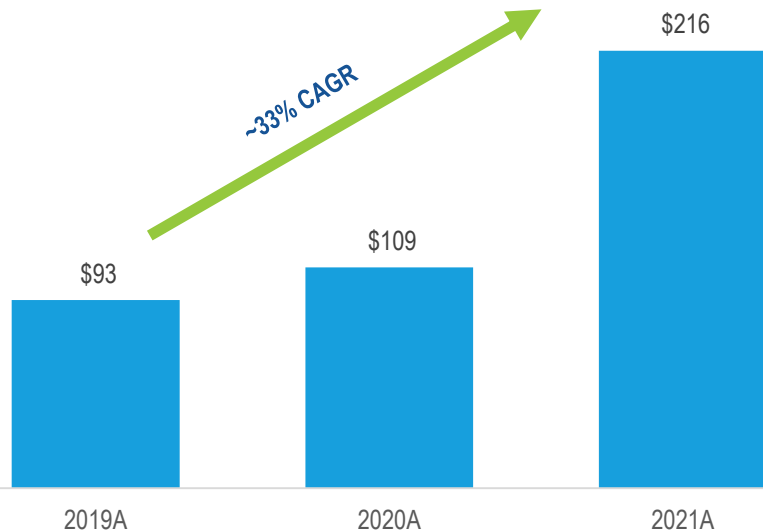
- Prime Decisioning SaaS Solution
- Expansion into Other Consumer Asset Classes

### 6 Launch into New Channels

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

# Attractive Financial Metrics

Actual Revenue (\$m)

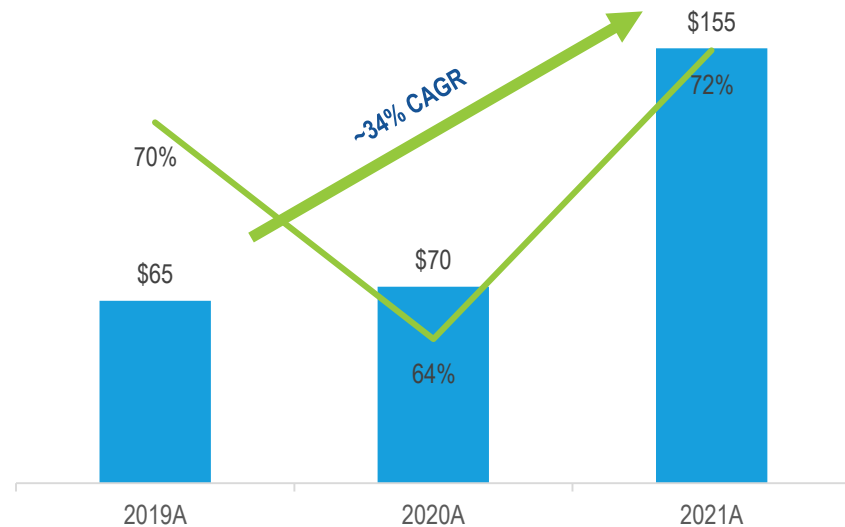


% YoY Growth

~78%	~17%	~98%
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Adjusted EBITDA (\$m)

Adjusted EBITDA Adjusted EBITDA margin



Adjusted EBITDA Growth

~110%	~7%	~123%
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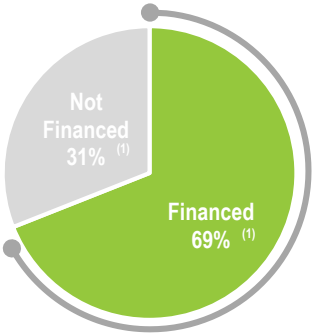
# Appendix A

Additional Financial Information

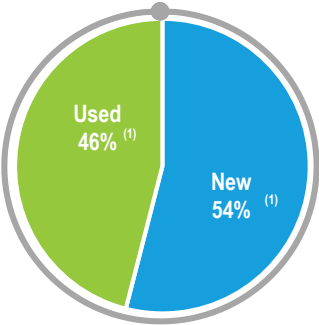


# Significant, Underserved Market Segment

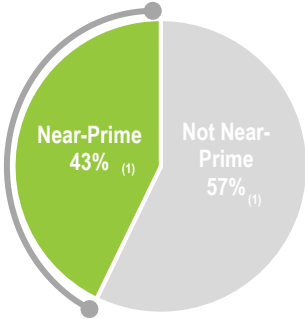
Financing for  
Auto Purchases



\$584bn <sup>(2)</sup> loan  
originations in 2018



Substantial, Underserved  
Population



Underlying Market



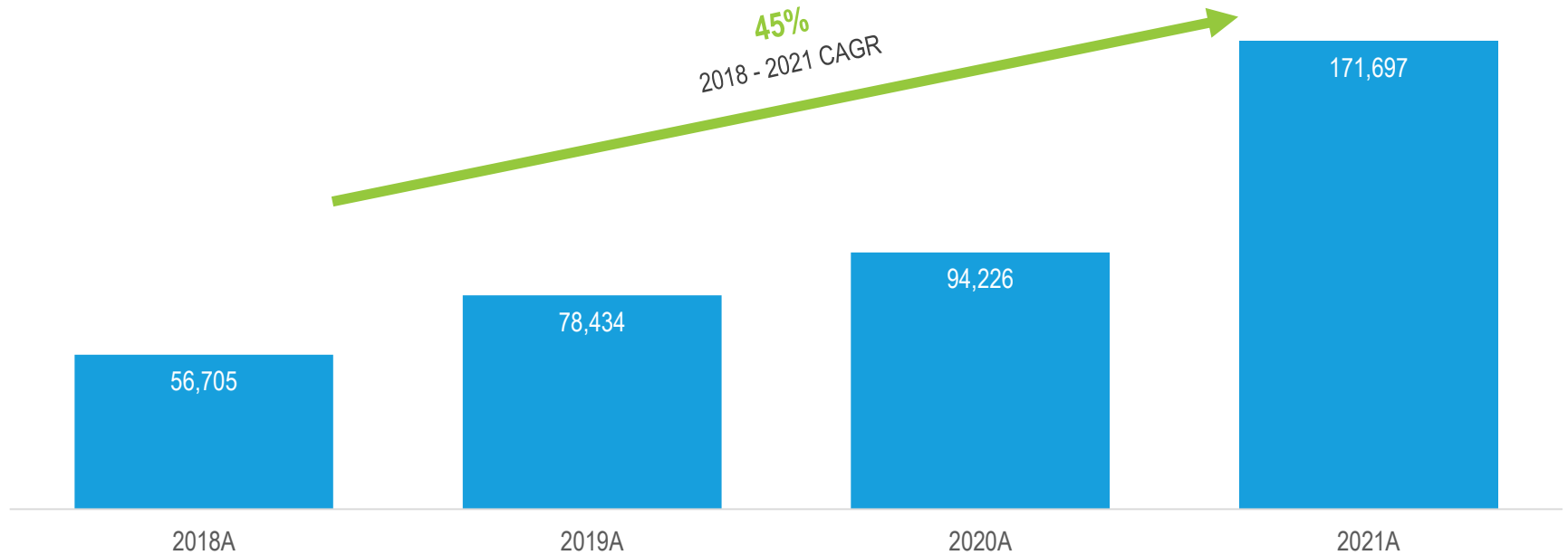
(1) Represents 2018 data from Experian.  
(2) Represents 2018 data from New York Federal Reserve.

# 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
<b>4.9%</b>	<b>Total Lender Target Yield</b>		<b>Sum of items above</b>
4.0%	Insurance Coverage	Carrier	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
<b>11.7%</b>	<b>Consumer Contract Rate</b>		<b>Rate consumer pays fully burdened for expected costs associated with loan to achieve the lender's target ROA</b>

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

## Consistent, Strong Growth in Certified Loans



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

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(in thousands)			
<b>Net income (loss)</b>	<b>\$ 27,840</b>	<b>\$ 15,202</b>	<b>\$ 146,082</b>	<b>\$ (97,564)</b>
Non-GAAP adjustments:				
Interest expense	489	3,621	5,859	11,601
Income tax expense	6,945	1,188	45,086	6,573
Depreciation and amortization expense	202	346	792	752
Share-based compensation (1)	1,089	152	3,815	2,828
Gain on extinguishment of tax receivable agreement (2)	—	—	(55,422)	—
Loss on extinguishment of debt (3)	—	—	8,778	—
Change in fair value of contingent consideration (4)	—	—	—	131,932
Change in measurement – tax receivable agreement (5)	—	4,292	—	4,292
Transaction bonuses (6)	—	—	—	9,112
<b>Total adjustments</b>	<b>8,725</b>	<b>9,599</b>	<b>8,908</b>	<b>167,090</b>
<b>Adjusted EBITDA</b>	<b>36,565</b>	<b>24,801</b>	<b>154,990</b>	<b>69,526</b>
<b>Total net revenue</b>	<b>\$ 51,630</b>	<b>\$ 39,633</b>	<b>\$ 215,655</b>	<b>\$ 108,892</b>
<b>Adjusted EBITDA margin</b>	<b>71 %</b>	<b>63 %</b>	<b>72 %</b>	<b>64 %</b>

(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.

(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 the date immediately before each tranche of contingent consideration shares vested.

(5) Reflects non-cash charges due to changes in the measurement of our Tax Receivable Agreement liability as a result of changes in our blended state tax rate.

(6) Reflects transaction bonuses awarded to key employees and directors in connection with the Business Combination.

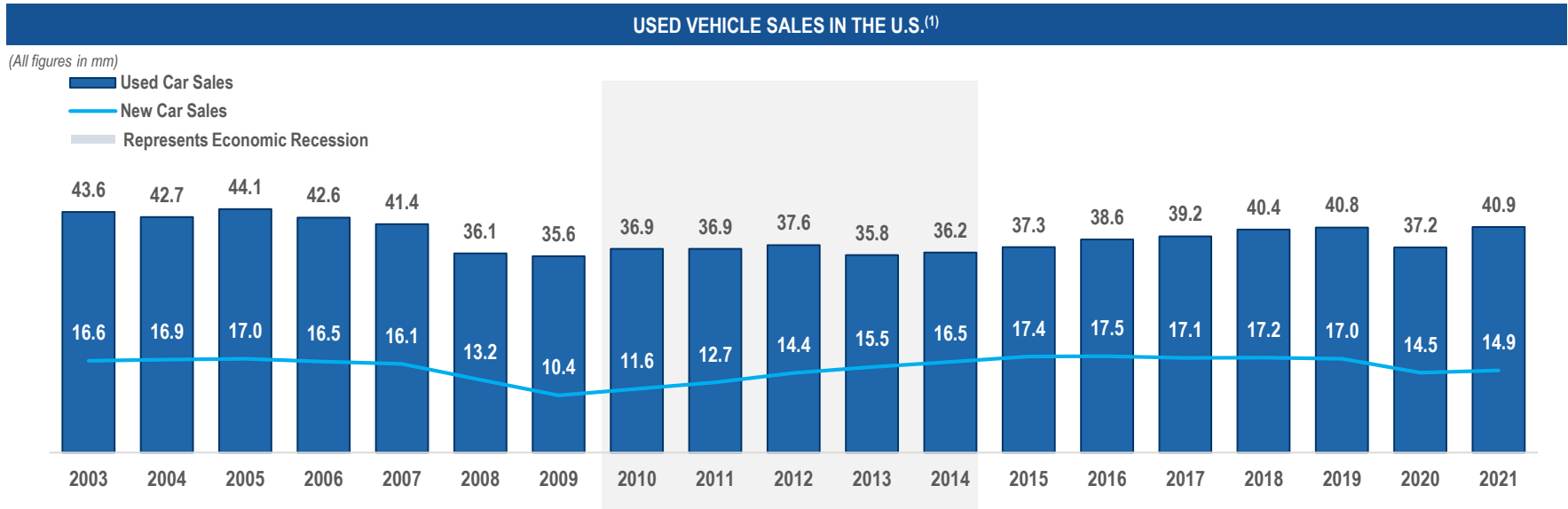


# Appendix B

COVID-19 Supplement

# 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 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

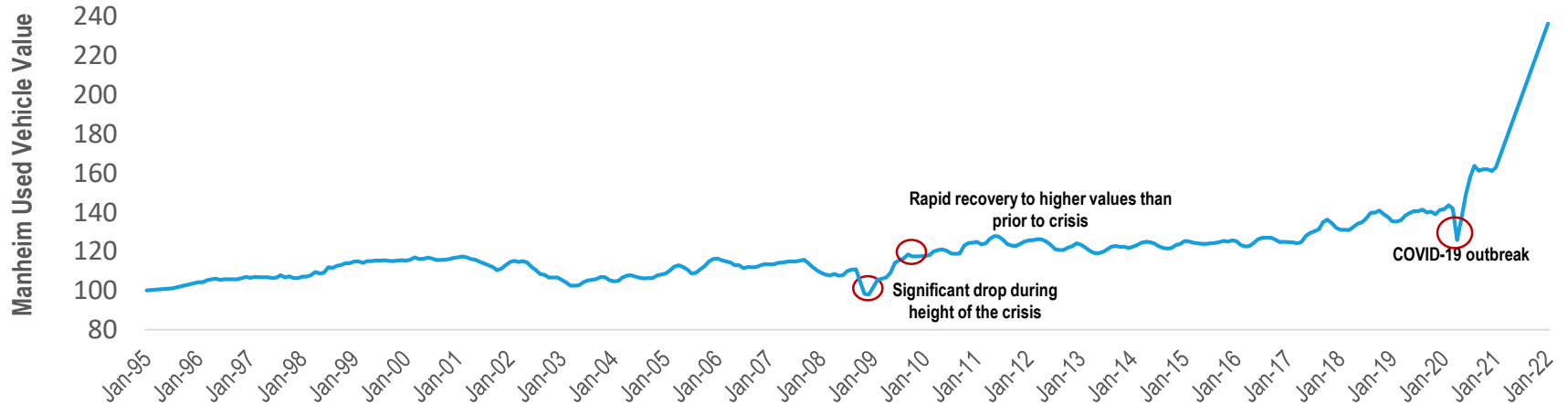
Source: Bureau of Economic Analysis, Automotive News, Liveaboutit.com

(1) Used/New car sales data collective from <https://www.autonews.com/used-cars/6-used-vehicle-trends-watch-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

Manheim Used Vehicle Value Index



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



# Appendix C

Sample Claim & Pricing Scenarios



# Customized Lender Pricing to Achieve Target Yield

## Example Lender Inputs

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

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

LP Score	Depth	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%

# 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



# Sample Loan Default and Claim Scenario

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

# Demonstrated Ability to Grow Across Various Rate Environments

## Lenders Looking to Extend Credit Profiles Downstream

Recent influx of deposits as a result of COVID-19



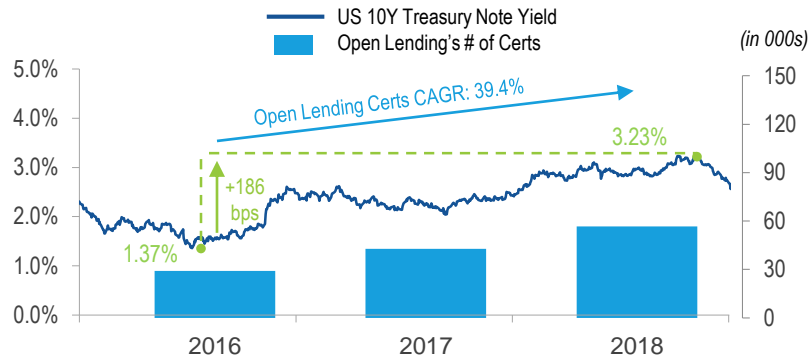
Search for higher risk-adjusted yields



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

(1) Includes banks, savings, thrifts, and mutual with total deposits \$5bn - \$50bn.  
(2) Wall Street research report November 2020.

## Open Lending Has Grown Regardless of Interest Rate Environment



## Strong Rationale for Lenders to Grow Near-Prime Auto Originations

### Strong Deposit Growth

19% growth from 4Q19 – 3Q20<sup>1</sup>

*"As we move into 2021, we're well positioned for an outlook that indicates rising new and used auto sales **as demand persists**, OEM production which should gradually replenish depleted inventories on dealer lots"*

– Ally Financial Q4'20

### Resilient Credit Performance

Auto finance deferral balances fell 77% QoQ in 3Q20<sup>2</sup>

*"as new vehicle inventories have reduced in the pandemic, we have seen **robust growth in used car financing** in our sub-prime business."*

– Santander USA Q4'20