



Investor Presentation

November 2024



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OpenLending



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Non-GAAP Financial Measures: The non-GAAP financial measures included in this presentation are financial information that has not been prepared in accordance with United States generally accepted accounting principles (“GAAP”). The Company uses Adjusted EBITDA, Adjusted EBITDA margin and Adjusted operating cash flows internally in analyzing our financial results and believes these measures are useful to investors, as a supplement to GAAP measures, in evaluating our ongoing operational performance. The Company believes that the use of non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-GAAP financial measures to investors.

The Company 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 excluding interest expense, income taxes, depreciation and amortization expense of property and equipment, and share-based compensation expense. Adjusted EBITDA margin is defined as Adjusted EBITDA expressed as a percentage of total revenue. Adjusted operating cash flows is defined as Adjusted EBITDA, minus CAPEX, +/- change in contract assets.

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 the financial statement tables included below in this presentation.



Introduction to Open Lending

Specialized **Lending Enablement Platform** for the **Near and Non-Prime Auto Market** powered by Proprietary Data, Advanced Decisioning Analytics, and an Innovative Insurance Structure

\$270bn
Total
Addressable
Market for
Underlying
Loan
Origination⁽¹⁾

\$3.6bn
Loans
Facilitated in
2023

\$117m
2023
Revenue

\$50m
2023 Adj.
EBITDA

43%
2023 Adj.
EBITDA margin

454
Active
Automotive
Lenders⁽²⁾

20+
Years of
Proprietary
Data

2m+
Unique Risk
Profiles

(1) Source: 2022 L.E.K. research and analysis

(2) "Active automotive lender" is defined as an automotive lender that issued at least one insured loan in 2023.



Compelling Investment Thesis

Substantial Market Opportunity



- ~\$270bn total addressable market for underlying loan origination; current TAM penetration is <2% ⁽¹⁾
- Opportunity related to the refinancing market is estimated at \$40bn annually

Unique Business Model



- Attractive revenue model; compelling unit economics
- Low-capital intensity; no balance sheet lending risk
- **Considerable barriers to entry**; 20+ years of proprietary data; 2M+ unique risk profiles

Strong Value Proposition



- Compelling solution for lenders seeking to mitigate risk during uncertain market conditions
- Offering clients a **low-cost solution** with minimized loss exposure

Significant Growth Opportunities



- Opportunity to **accelerate market share gains** as credit unions prove resilience
- Near-term focus for **attainable growth** includes expansion within existing core customer base
- Long-term drivers of growth include **broadened product offerings** and expansion of large enterprise accounts, including OEM captives

Experienced Leadership Team



- Visionary management team with **deep domain expertise**

Compelling Financial Profile



- \$117m 2023A Revenue
- \$50m 2023A Adj. EBITDA ⁽²⁾
- ~43% 2023A Adj. EBITDA margin

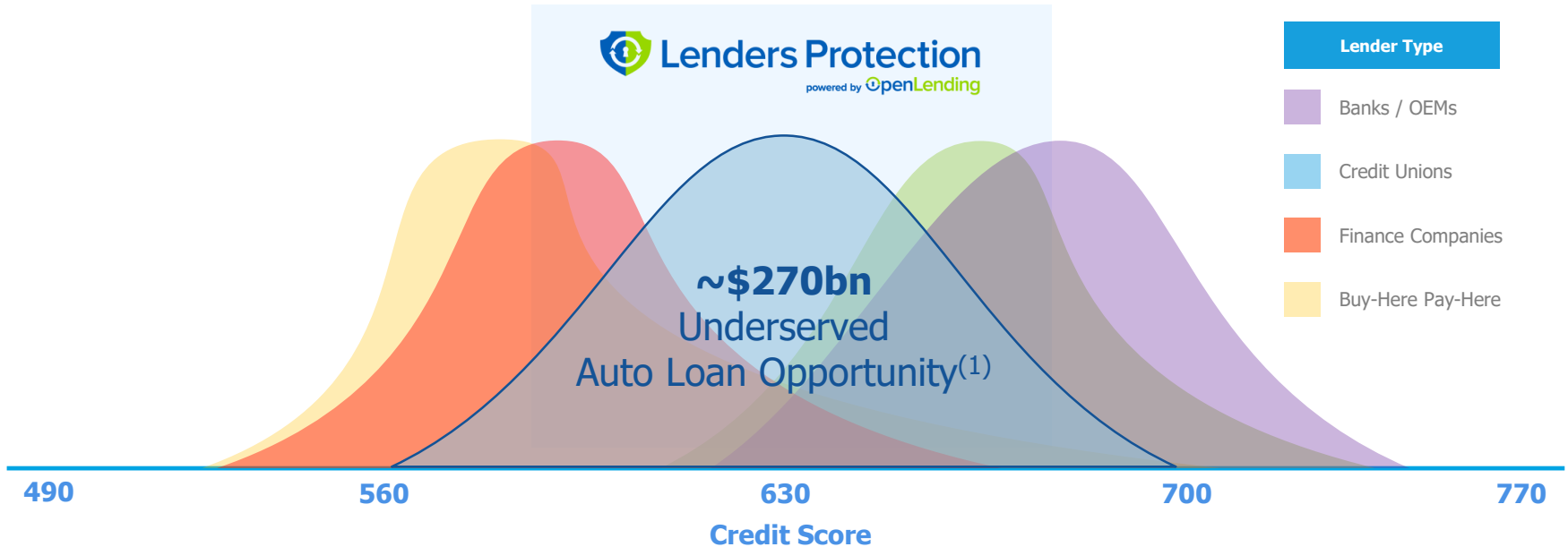
(1) Based on \$3.6bn loans facilitated in 2023

(2) Adj. EBITDA is a non-GAAP financial measure. See reconciliation of net income to Adj. EBITDA on page 15



Substantial Market Opportunity

Open Lending Enables Banks, Credit Unions, Captive Finance Companies and Other Financial Institutions to Profitably Lend to Traditionally Underserved Near and Non-Prime Borrowers



Note: Graphic is illustrative.

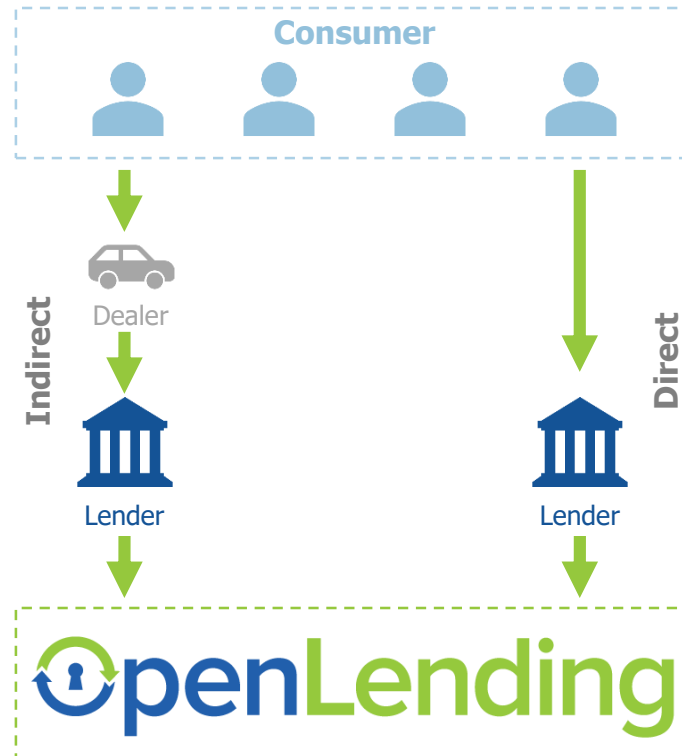
(1) Open Lending empowers its banks, credit unions and captive finance companies to profitably lend to consumers with credit scores between 560 and 699; Source: L.E.K. research and analysis



Specialized B2B Model

Open Lending's Customer is the Lender

- ✓ Cloud-based, automotive lending platform links lenders and insurance carriers to deliver automated issuance of credit default insurance for near and non-prime auto loans
- ✓ ~5 second decisioning generates customized, risk-based, all-inclusive interest rate ⁽¹⁾



Focus on near and non-prime market

- ✓ Bring competition to near and non-prime lending by offering attractive loan terms in an underserved market space
- ✓ Dealers or lenders can expand loan offerings to consumers with additional risk profiles and vehicle types
- ✓ Consumers, dealers and lenders all share in the benefits

(1) Interest rate is inclusive of all loan costs, cost of capital and target ROA



Our Business Model Advantages



Sophisticated Technology

- ✓ Multi-tenant architecture
- ✓ Geo-diverse, Hot-Hot data centers
- ✓ 5 second underwriting decisions
- ✓ Robust reporting
- ✓ 2m+ unique risk profiles
- ✓ SOC 2 certified



Proprietary Data Assets

- ✓ 20+ years of proprietary loan data
- ✓ 409k loans in force ⁽²⁾
- ✓ Detailed database of \$21.9bn+ loans⁽²⁾, which includes \$1.4bn of loans during the financial crisis



Carrier Relationships

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



Lender Relationships

- ✓ 450 active automotive lenders⁽¹⁾
- ✓ Customized pricing
- ✓ Loyal, embedded relationships
- ✓ Integrated with 20+ loan origination systems
- ✓ Automatic loan fulfillment



Regulatory Experience

- ✓ Proven success in highly regulated industry
- ✓ Robust compliance program reviews
- ✓ Credentialed to use all three credit bureaus

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 2023.

(2) Loans funded are as of December 31, 2023.



Driving Value Creation Across the Entire Ecosystem

- ✓ More Customers
- ✓ Higher Loan Volumes
- ✓ Lower Risk
- ✓ Increased ROA



Lenders (1)



Insurers

- ✓ Access to our Technology
- ✓ Increased Profitability + Diversified Risk
- ✓ No Customer Acquisition Costs
- ✓ Increased ROE



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



Dealers



Consumers

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



Strong Value Proposition to Lenders

Value Proposition to Lenders

Uplift in Loan Originations

- ✓ Higher loan advance rates
- ✓ Ability to expand to older model, higher mileage vehicles
- ✓ Longer loan terms
- ✓ Increased after market product sales

Increased Profitability

- ✓ Higher loan yields as compared to super prime and prime
- ✓ Loss mitigation through default insurance

Seamless Integration

- ✓ Easy to use technology
- ✓ Using existing loan origination system

Value Proposition to Captive Finance Companies

Increase Sales and Support Values

- ✓ Expand new vehicle sales to near and non-prime consumers
- ✓ Leveraging subvention unlocks larger market opportunity
- ✓ Increased financing for used vehicles

Material New Revenue Stream

- ✓ Greater earnings and ROA comparable to prime loans
- ✓ Leverage existing infrastructure to generate low risk revenues

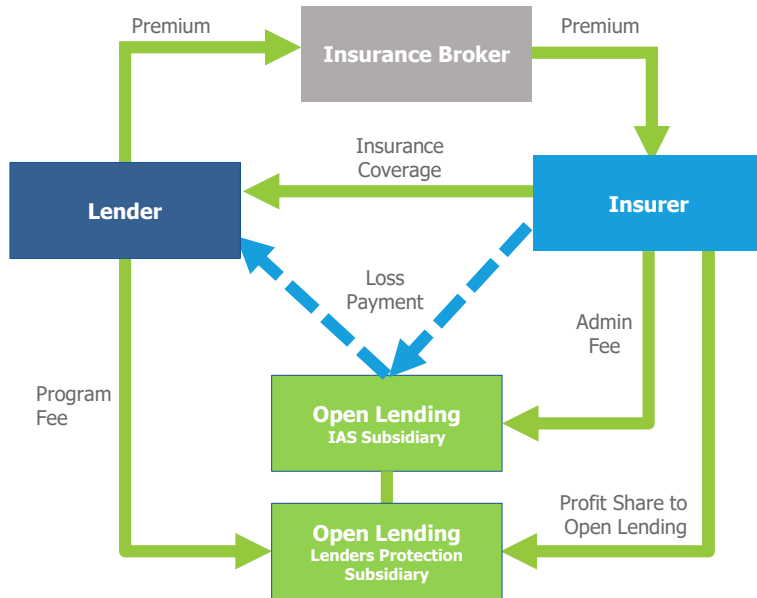
Develop Brand Loyalty

- ✓ Increase near and non-prime repeat buyers
- ✓ Optimized sales process for dealers



Strong Value Proposition for Insurance Partners

Payment Flows



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 positive results to carriers for years
- ✓ Exclusive agreements with each carrier

Financial Stability

- ✓ "A" ("Excellent")⁽¹⁾ 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.



Attractive Revenue Model

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



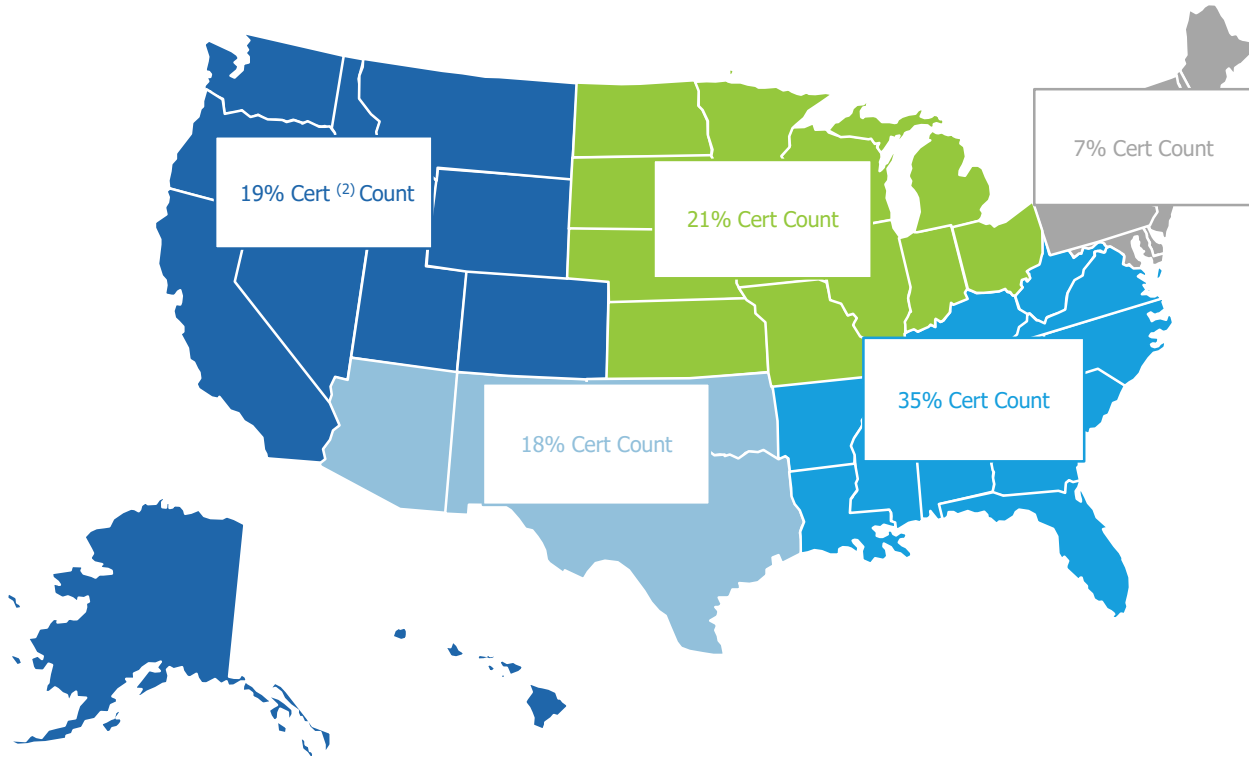
- 1 Program Fee**
 - ~3% fee based on initial loan amount
 - Recognized upfront and majority paid upfront
- 2 Administration Fee**
 - ~3% fixed % of monthly earned insurance premium
 - Paid monthly over life of loan
- 3 Profit Share ⁽¹⁾**
 - ~72% fixed % of monthly underwriting profit for all lenders
 - Recognized upfront (subject to adjustment over time) and received from carrier over life of loan



(1) Direct model shown above. For indirect model, dealers intermediates between the consumer and the lender. Refer to appendix for indirect example.



National Footprint



406 Active Automotive Lenders⁽¹⁾

50 States

\$24.3bn+ Loans Facilitated



 **OpenLending**
Say YES to more automotive loans.