UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

August 8, 2022
Date of Report (Date of earliest event reported)

Upstart Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-39797**	**46-4332431**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2950 S. Delaware Street, Suite 300
San Mateo, CA 94403
(Address of principal executive offices, including zip code)

(650) 204-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol:	Name of each exchange on which registered:
Common Stock, par value $0.0001 per share	**UPST**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 8, 2022, Upstart Holdings, Inc. (“Upstart”) reported financial results for the fiscal quarter ended June 30, 2022. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated by reference herein.

Upstart is making reference to non-GAAP financial information in both the press release and the conference call. A reconciliation of these non-GAAP financial measures to the comparable GAAP financial measures is contained in the attached press release.

Item 7.01 Regulation FD Disclosure.

On August 8, 2022, Upstart also published on its website a presentation titled “Upstart Credit Performance FAQ” and a blogpost titled "Update on Upstart's Credit Performance and Funding Model." A copy of the presentation is attached as Exhibit 99.2 to this report and is incorporated by reference herein. A copy of the blogpost is attached as Exhibit 99.3 to this report and is incorporated by reference herein.

The information contained in this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3 attached hereto, is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information shall not be deemed incorporated by reference into any other filing with the Securities and Exchange Commission made by Upstart regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.
(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued by Upstart Holdings, Inc. dated August 8, 2022
99.2	Presentation published by Upstart Holdings, Inc. dated August 8, 2022
99.3	Blogpost published by Upstart Holdings, Inc. dated August 8, 2022
104	Cover Page Interactive Data File (Cover page XBRL tags are embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		Upstart Holdings, Inc.
Dated: August 8, 2022	By:	/s/ Sanjay Datta
		Sanjay Datta
		Chief Financial Officer

Exhibit 99.1

Upstart Announces Second Quarter 2022 Results

SAN MATEO, Calif. – August 8, 2022 – Upstart Holdings, Inc. (NASDAQ: UPST), a leading artificial intelligence (AI) lending marketplace, today announced financial results for its second quarter of fiscal year 2022 ended June 30, 2022. Upstart will host a conference call and webcast at 1:30 p.m. Pacific Time today. An earnings presentation and link to the webcast are available at ir.upstart.com.

"This quarter's results are disappointing and reflect a difficult macroeconomic environment that led to funding constraints in our marketplace," said Dave Girouard, co-founder and CEO of Upstart. "In response we're taking the necessary actions to build a more resilient and committed funding model over time. We're confident that our AI-based risk model is more accurate than ever, and provides the opportunity for long-term, sustainable growth."

Second Quarter 2022 Financial Highlights

- **Revenue.** Total revenue was $228 million, an increase of 18% from the second quarter of 2021. Total fee revenue was $258 million, an increase of 38% year-over-year.

- **Transaction Volume and Conversion Rate.** Bank partners originated 321,138 loans, totaling $3.3 billion, across our platform in the second quarter, up 12% from the same quarter of the prior year. Conversion on rate requests was 13% in the second quarter of 2022, down from 24% in the same quarter of the prior year.

- **Income (Loss) from Operations.** Loss from operations was $(32.1) million, down from $36.3 million the prior year.

- **Net Income (Loss) and EPS.** GAAP net loss was $(29.9) million, down from $37.3 million in the second quarter of 2021. Adjusted net income was $1.0 million, down from $58.5 million in the same quarter of the prior year. Accordingly, GAAP diluted loss per share was $(0.36), and diluted adjusted earnings per share was $0.01 based on the weighted-average common shares outstanding during the period.

- **Contribution Profit.** Contribution profit was $120.9 million, up 25% year-over-year in the second quarter of 2022, with a contribution margin of 47% compared to a 52% contribution margin in the same quarter of the prior year.

- **Adjusted EBITDA.** Adjusted EBITDA was $5.5 million, down from $59.5 million in the same quarter of the prior year. The second quarter 2022 adjusted EBITDA margin was 2% of total revenue, down from 31% in the second quarter of 2021.

- **Share Repurchases.** Upstart repurchased 3.5 million shares of UPST totaling approximately $125 million.

Financial Outlook

For the third quarter of 2022, Upstart expects:

- **Revenue** of approximately $170 million
- **Contribution Margin** of approximately 59%
- **Net Income** of approximately ($42) million
- **Adjusted Net Income** of approximately ($9) million
- **Adjusted EBITDA** of approximately $0
- **Basic Weighted-Average Share Count** of approximately 81.8 million shares
- **Diluted Weighted-Average Share Count** of approximately 85.5 million shares

Upstart has not reconciled the forward-looking non-GAAP measures above to comparable forward-looking GAAP measures because of the potential variability and uncertainty of incurring these costs and expenses in the future. Accordingly, a reconciliation is not available without unreasonable effort.

Key Operating Metrics and Non-GAAP Financial Measures

For a description of our key operating measures, please see the section titled “Key Operating Metrics” below.

Reconciliations of non-GAAP financial measures to the most directly comparable financial results as determined in accordance with GAAP are included at the end of this press release following the accompanying financial data. For a description of these non-GAAP financial measures, including the reasons management uses each measure, please see the section titled "About Non-GAAP Financial Measures” below.

Conference Call and Webcast

- **Live Conference Call and Webcast at 1:30 p.m. PT on August 8, 2022.** To access the call in the U.S. and Canada, dial +1 800-289-0720, conference code 2205299, and outside of the U.S. and Canada, dial +1 313-209-5140, conference code 2205299. A webcast is available at ir.upstart.com.
- **Event Replay.** To replay the call in the U.S. and Canada, dial +1 888-203-1112 (code 2205299), and outside of the U.S. and Canada, dial +1 719-457-0820 (code 2205299). A call replay is available through August 15, 2022. The webcast will be archived for one year at ir.upstart.com.

About Upstart

Upstart is a leading AI lending marketplace partnering with banks and credit unions to expand access to affordable credit. By leveraging Upstart's AI marketplace, Upstart-powered banks and credit unions can have higher approval rates and lower loss rates for every race, ethnicity, age, and gender, while simultaneously delivering the exceptional digital-first lending experience their customers demand. More than two-thirds of Upstart loans are approved instantly and are fully automated. Upstart was founded by ex-Googlers in 2012 and is based in San Mateo, California and Columbus, Ohio.

Press

press@upstart.com

Investors

Jason Schmidt
Vice President, Investor Relations
ir@upstart.com

Forward-Looking Statements

This press release contains forward-looking statements, including but not limited to, statements regarding our outlook for the third quarter of 2022. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate", "estimate", "expect", "project", "plan", "intend", "target", "aim", "believe", "may", "will", "should", "becoming", "look forward", "could", "can have", "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements give our current expectations and projections relating to our financial condition; macroeconomic factors; plans; objectives; product development; growth opportunities; assumptions; risks; future performance; business and any investments; and results of operations, including revenue, contribution margin, net income (loss), non-GAAP adjusted net income, adjusted EBITDA, adjusted EBITDA margin, basic weighted-average share count and diluted weighted-average share count. Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. The forward-looking statements included in this press release and on the related teleconference call relate only to events as of the date hereof. Upstart undertakes no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. More information about factors that could affect our results of operations and risks and uncertainties are provided in our public filings with the Securities and Exchange Commission, copies of which may be obtained by visiting our investor relations website at www.upstart.com or the SEC’s website at www.sec.gov. These risks and uncertainties include, but are not limited to, our ability to sustain our growth rates; the effectiveness of our credit decisioning models and risk management efforts; overall economic conditions, including interest rate changes; geopolitical events, such as the Russia-Ukraine conflict; disruptions in the credit markets; our ability to retain existing, and attract new, bank partners and lenders; our ability to access sufficient loan funding; and our ability to operate successfully in a highly-regulated industry.

Key Operating Metrics

We review a number of operating metrics, including transaction volume, dollars; transaction volume, number of loans; and conversion rate to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions.

We define “transaction volume, dollars” as the total principal of loans transacted on our platform between a borrower and the originating bank during the period presented. We define “transaction volume, number of loans” as the number of loans facilitated on our platform between a borrower and the originating bank during the period presented. We believe these metrics are good proxies for our overall scale and reach as a platform.

We define “conversion rate” as the number of loans transacted in a period divided by the number of rate inquiries received that we estimate to be legitimate, which we record when a borrower requests a loan offer on our platform. We track this metric to understand the impact of improvements to the efficiency of our borrower funnel on our overall growth.

About Non-GAAP Financial Measures

In addition to our results determined in accordance with generally accepted accounting principles in the United States (“GAAP”), we believe the non-GAAP measures of contribution profit, contribution margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, and adjusted net income per share are useful in evaluating our operating performance. Certain of these non-GAAP measures exclude stock-based compensation and certain payroll tax expense, warrant expenses, depreciation, amortization, and other non-operating expenses. We exclude stock-based compensation and income and expense on warrants and other non-operating expenses because they are non-cash in nature and excluded in order to facilitate comparisons to other companies’ results.

We believe non-GAAP information is useful in evaluating the operating results, ongoing operations, and for internal planning and forecasting purposes. We also believe that non-GAAP financial measures provide consistency and comparability with past financial performance and assist investors with comparing Upstart to other companies, some of which use similar non-GAAP financial measures to supplement their GAAP results. Non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP and may be different from similarly titled non-GAAP financial measures used by other companies.

Key limitations of our non-GAAP financial measures include:

- Contribution Profit is not a GAAP financial measure of, nor does it imply, profitability. Even if our revenue exceeds variable expenses over time, we may not be able to achieve or maintain profitability, and the relationship of revenue to variable expenses is not necessarily indicative of future performance;
- Contribution Profit does not reflect all of our variable expenses and involves some judgment and discretion around what costs vary directly with loan volume. Other companies that present contribution profit calculate it differently and, therefore, similarly titled measures presented by other companies may not be directly comparable to ours;
- Although depreciation expense is a non-cash charge, the assets being depreciated may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes stock-based compensation expense and certain employer payroll taxes on employee stock transactions. Stock-based compensation expense has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy. The amount of employer payroll tax-related expense on employee stock transactions is dependent on our stock price and other factors that are beyond our control and which may not correlate to the operation of the business;
- Adjusted EBITDA does not reflect: (1) changes in, or cash requirements for, our working capital needs; (2) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us; or (3) tax payments that may represent a reduction in cash available to us;
- The expenses and other items that we exclude in our calculation of Adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from Adjusted EBITDA when they report their operating results.

Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP financial measures used in this press release are included below.

UPSTART HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	December 31, 2021	June 30, 2022
Assets		
Cash	$ 986,608	$ 790,431
Restricted cash	204,633	123,990
Loans (at fair value)	252,477	623,763
Property, equipment, and software, net	24,259	36,054
Operating lease right of use assets	96,118	90,352
Non-marketable equity securities	40,000	41,000
Goodwill	67,062	67,062
Intangible assets, net	19,906	17,768
Other assets (includes $26,676 and $39,869 at fair value as of December 31, 2021 and June 30, 2022, respectively)	129,392	126,598
Total assets	$ 1,820,455	$ 1,917,018
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable	$ 6,563	$ 22,030
Payable to investors	107,598	105,712
Borrowings	695,432	856,555
Accrued expenses and other liabilities (includes $13,095 and $11,812 at fair value as of December 31, 2021 and June 30, 2022, respectively)	103,418	75,785
Operating lease liabilities	100,366	99,865
Total liabilities	1,013,377	1,159,947
Stockholders' equity:		
Common stock, $0.0001 par value; 700,000,000 shares authorized; 83,659,665 and 82,188,372, shares issued and outstanding as of December 31, 2021 and June 30, 2022, respectively	8	8
Additional paid-in capital	740,849	688,021
Retained earnings	66,221	69,042
Total stockholders' equity	807,078	757,071
Total liabilities and stockholders' equity	$ 1,820,455	$ 1,917,018

UPSTART HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS and COMPREHENSIVE INCOME (LOSS)
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2022	2021	2022
Revenue:				
Revenue from fees, net	$ 187,297	$ 258,345	$ 303,467	$ 572,327
Interest income and fair value adjustments, net	6,649	(30,183)	11,824	(34,029)
Total revenue	193,946	228,162	315,291	538,298
Operating expenses:				
Sales and marketing	75,916	105,212	125,292	238,661
Customer operations	24,164	51,072	41,552	99,479
Engineering and product development	31,431	57,045	50,419	107,036
General, administrative, and other	26,141	46,940	46,160	90,396
Total operating expenses	157,652	260,269	263,423	535,572
Income (loss) from operations	36,294	(32,107)	51,868	2,726
Other income (expense)	2	2,260	(5,249)	138
Net income (loss) before income taxes	36,296	(29,847)	46,619	2,864
(Benefit) provision for income taxes	(988)	24	(767)	43
Net income (loss)	$ 37,284	$ (29,871)	$ 47,386	$ 2,821
Net income (loss) per share, basic	$ 0.49	$ (0.36)	$ 0.63	$ 0.03
Net income (loss) per share, diluted	$ 0.39	$ (0.36)	$ 0.51	$ 0.03
Weighted-average number of shares outstanding used in computing net income (loss) per share, basic	76,674,129	83,833,963	75,160,037	84,031,109
Weighted-average number of shares outstanding used in computing net income (loss) per share, diluted	94,802,123	83,833,963	93,193,153	94,509,060

UPSTART HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2021	**2022**
Cash flows from operating activities		
Net income	$ 47,386	$ 2,821
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Change in fair value of financial instruments	(4,167)	49,103
Stock-based compensation	29,808	55,379
Gain on loan servicing arrangement, net	(2,102)	(17,732)
Depreciation and amortization	2,799	6,135
Non-cash interest expense	216	1,537
Net changes in operating assets and liabilities:		
Purchase of loans for immediate resale	(3,414,231)	(4,797,036)
Proceeds from immediate resale of loans	3,414,231	4,797,036
Purchase of loans held-for-sale	(38,311)	(1,125,765)
Principal payments received for loans held-for-sale	3,676	66,790
Proceeds from sale of loans held-for-sale	57,183	634,599
Other assets	(19,651)	13,196
Operating lease liability and right-of-use asset	448	5,265
Accounts payable	3,380	15,079
Payable to investors	31,446	(1,886)
Accrued expenses and other liabilities	23,785	(24,959)
Net cash provided by (used in) operating activities	135,896	(320,438)
Cash flows from investing activities		
Purchase of loans held-for-investment	(42,548)	(13,876)
Proceeds from sale of loans held-for-investment	9,718	83
Principal payments received for loans held-for-investment	7,488	18,524
Principal payments received for notes receivable and repayments of residual certificates	6,349	3,912
Purchase of non-marketable equity security	—	(1,000)
Purchase of property and equipment	(1,997)	(5,578)
Capitalized software costs	(2,148)	(6,829)
Acquisition, net of cash acquired	(16,561)	—
Net cash used in investing activities	(39,699)	(4,764)
Cash flows from financing activities		
Repurchases of common stock	—	(125,042)
Proceeds from secondary offering, net of underwriting discounts, commissions, and offering costs	263,931	—
Proceeds from borrowings	5,831	261,199
Repayments of borrowings	(62,455)	(101,613)
Taxes paid related to net share settlement of equity awards	(236)	—
Proceeds from issuance of common stock under employee stock purchase plan	—	4,431
Proceeds from exercise of stock options	2,932	9,407
Net cash provided by financing activities	210,003	48,382
Change in cash and restricted cash	306,200	(276,820)

UPSTART HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2021	**2022**
Cash and restricted cash at beginning of period	311,333	1,191,241
Cash and restricted cash at end of period	$ 617,533	$ 914,421

UPSTART HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2022**	**2021**	**2022**
Revenue from fees, net	$ 187,297	$ 258,345	$ 303,467	$ 572,327
Income (loss) from operations	36,294	(32,107)	51,868	2,726
Operating Margin	19 %	(12)%	17 %	0 %
Sales and marketing, net of borrower acquisition costs[1]	$ 4,984	$ 11,927	$ 8,237	$ 21,562
Customer operations, net of borrower verification and servicing costs[2]	4,469	6,941	7,595	13,021
Engineering and product development	31,431	57,045	50,419	107,036
General, administrative, and other	26,141	46,940	46,160	90,396
Interest income and fair value adjustments, net	(6,649)	30,183	(11,824)	34,029
Contribution Profit	$ 96,670	$ 120,929	$ 152,455	$ 268,770
Contribution Margin	52 %	47 %	50 %	47 %

(1) Borrower acquisition costs were $70.9 million and $93.3 million for the three months ended June 30, 2021 and 2022, respectively, and were $117.1 million and $217.1 million for the six months ended June 30, 2021 and 2022, respectively. Borrower acquisition costs consist of our sales and marketing expenses adjusted to exclude costs not directly attributable to attracting a new borrower, such as payroll-related expenses for our business development and marketing teams, as well as other operational, brand awareness and marketing activities.

(2) Borrower verification and servicing costs were $19.7 million and $44.1 million for the three months ended June 30, 2021 and 2022, respectively, and were $34.0 million and $86.5 million for the six months ended June 30, 2021 and 2022, respectively. Borrower verification and servicing costs consist of payroll and other personnel-related expenses for personnel engaged in loan onboarding, verification and servicing, as well as servicing system costs. It excludes payroll and personnel-related expenses and stock-based compensation for certain members of our customer operations team whose work is not directly attributable to onboarding and servicing loans.

UPSTART HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2022**	**2021**	**2022**
Total revenue	$ 193,946	$ 228,162	$ 315,291	$ 538,298
Net income (loss)	37,284	(29,871)	47,386	2,821
Net Income (loss) Margin	19 %	(13)%	15 %	1 %
Adjusted to exclude the following:				
Stock-based compensation and certain payroll tax expenses[1]	$ 21,186	$ 30,836	$ 29,808	$ 56,765
Depreciation and amortization	1,983	3,354	2,799	6,135
Expense on convertible notes	13	1,170	31	2,339
(Benefit) provision for income taxes	(988)	24	(767)	43
Acquisition-related costs	17	—	1,237	—
Adjusted EBITDA	$ 59,495	$ 5,513	$ 80,494	$ 68,103
Adjusted EBITDA Margin	31 %	2 %	26 %	13 %

(1) Excludes the amount of employer payroll tax-related expense on employee stock transactions, as the amount is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of our business.

UPSTART HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2022**	**2021**	**2022**
Net income (loss)	$ 37,284	$ (29,871)	$ 47,386	$ 2,821
Adjusted to exclude the following:				
Stock-based compensation and certain payroll tax expenses[1]	21,186	30,836	29,808	56,765
Acquisition-related costs	17	—	1,237	—
Adjusted Net Income	$ 58,487	$ 965	$ 78,431	$ 59,586
Net income (loss) per share:				
Basic	$ 0.49	$ (0.36)	$ 0.63	$ 0.03
Diluted	$ 0.39	$ (0.36)	$ 0.51	$ 0.03
Adjusted Net Income per Share:				
Basic	$ 0.76	$ 0.01	$ 1.04	$ 0.71
Diluted	$ 0.62	$ 0.01	$ 0.84	$ 0.63
Weighted-average common shares outstanding:				
Basic	76,674,129	83,833,963	75,160,037	84,031,109
Diluted	94,802,123	93,340,659	93,193,153	94,509,060

(1) Excludes the amount of employer payroll tax-related expense on employee stock transactions, as the amount is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of our business.

Exhibit 99.2

Upstart

Upstart Credit Performance - FAQ
August 8, 2022

Disclaimer

This presentation contains "forward-looking" statements that are based on our management's beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements, other than statements of historical fact contained in this presentation, including but not limited to, information or predictions concerning our future financial performance, including modeled default rates on page 5, gross annualized returns on page 7, model assumptions about the macroeconomic environment, projected growth and other strategies, business plans and objectives, potential market and growth opportunities, competitive position, technological or market trends and industry environment. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," anticipate," "believe," "estimate," "predict," "intend," "potential," "would," "continue," "ongoing" or the negative of these terms or other comparable terminology. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

Forward-looking statements are based on information available at the time those statements are made or management's good faith beliefs and assumptions as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in, or suggested by, the forward-looking statements. In light of these risks and uncertainties, the events and circumstances contemplated by the forward-looking statements made in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties are described in greater detail under the heading "Risk Factors" in our 10-Q that we filed with the Securities and Exchange Commission (the "SEC") on August 8, 2022 and other periodic SEC filings, and include, but are not limited to, our ability to sustain our growth rates; to manage the adverse effects of macroeconomic conditions and disruptions in the credit markets; our ability to maintain diverse and robust loan funding programs; the effectiveness of our credit decisioning models and risk management efforts; our ability to retain existing, and attract new, bank partners and lenders; and our ability to operate successfully in a highly-regulated industry. Moreover, we operate in very competitive and rapidly changing environments, and new risks may emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Additional information will be available in other future reports that we file with the SEC from time to time, which could cause actual results to vary from expectations. Except as required by law, Upstart does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such date after the date of this presentation.

We wanted to take an opportunity to provide the following responses to frequently asked questions regarding credit performance on Upstart's platform.

- Sanjay Datta, CFO

Q: Does Upstart's credit model continue to provide an advantage over traditional credit scores?

A: Yes. Upstart's model provides about 5X more risk separation than FICO for loans on our platform, allowing more accurate risk-based pricing. Our model continues to improve, as measured by "Area Under the Curve" (AUC).

Upstart separates risk significantly better than FICO

(annualized default rates)[1]

Upstart Risk Grades

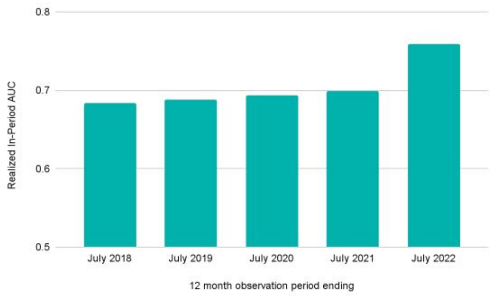
FICO Score	A+	B	C	D	E-	Average
700 or Above	0.7%	2.2%	4.3%	6.4%	10.2%	**3.6%**
680 to 699	0.7%	2.1%	3.9%	5.7%	9.3%	**4.5%**
660 to 679	0.9%	2.2%	3.9%	5.7%	9.5%	**5.5%**
640 to 659	1.0%	2.3%	3.8%	5.8%	10.4%	**6.6%**
639 or Below	1.3%	2.7%	4.4%	6.7%	14.3%	**10.7%**
Average	**0.7%**	**2.2%**	**4.0%**	**6.1%**	**11.5%**	

~3x default separation between highest and lowest credit score

~16x default separation between highest and lowest Upstart risk grade

By evaluating Upstart's loans segmented by FICO versus segmented by Upstart risk grade, one can see that the Upstart risk grade has created significantly more separation than FICO. The loss rates within each risk grade (represented by each column) are similar despite a wide range of FICO scores.

Upstart accuracy has continually improved[2]

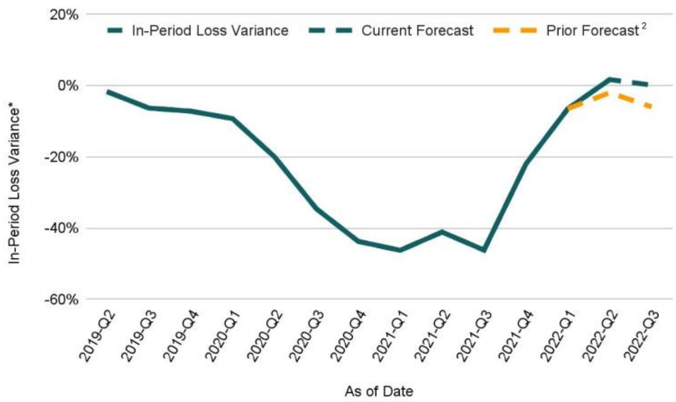


AUC measures the degree of the model's ability to separate high and low risk loans by quantifying the fraction of loans you could approve while staying under a certain level of loss, at every level of loss. AUC ranges in value from 0 to 1. A model whose predictions are 100% wrong has an AUC of 0.0; one whose predictions are 100% correct has an AUC of 1.0.

1. Upstart internal performance data as of July 29, 2022. Consists of all originations made 2018-Q1 to 2021-Q4 "vintages."
2. Upstart internal model performance data as of July 29, 2022.

Q:	Have Upstart defaults increased significantly?
A:	Yes. However, this increase in defaults was expected, as it followed a stimulus-driven period during 2020 where defaults were approximately 50% below expectations. A reversion to pre-stimulus default rates and a shift in credit risk profiles accounted for a large majority of the increase in late 2021 and beyond.

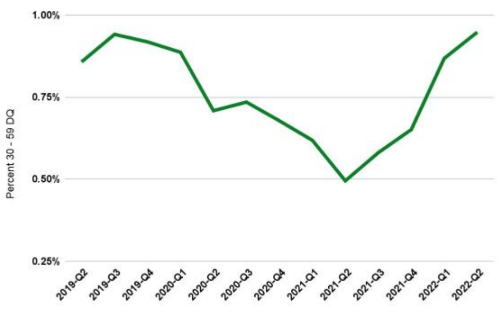
In-Period Defaults vs. Modeled (Prior 4 Year Vintages)[1]



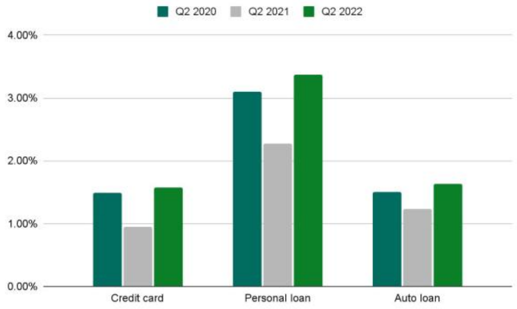
***Loss variance** represents [Actual In-Period Loss / Expected In-Period Loss - 1]
1. Data is for total originations made via the Upstart platform as of July 29, 2022.
2. Prior Forecast as shown during pre announcement on July 5, 2022.

Q:	Have these higher delinquency rates in 2021 vintages been Upstart-specific or industry wide?
A:	Industry data across personal loans, credit cards and auto loan illustrate a common pattern of rapid reduction in delinquencies in early 2021, followed by a rapid return to prior delinquency levels or higher in 2022.

Personal loan 30-60 Day Delinquencies(dV01)[1]



Credit Card, Personal Loan, and Auto Loan Delinquencies (Transunion)[2]



1. Source: dv01 Consumer Unsecured Benchmark.

2. Source: TransUnion
https://www.yahoo.com/lifestyle/serious-delinquencies-normalizing-pre-pandemic-120000688.html

Upstart

Q: How have Upstart loans performed?

A: Against a target of approximately 8% gross return since Q1 2018, the Upstart platform has seen 12 vintages overperform, with 5 expected to underperform.

Upstart Platform Gross Annualized Returns by Cohort[1]

Vintage	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1'22
Target Gross Return	**7.8%**	**8.4%**	**8.7%**	**8.9%**	**9.0%**	**8.1%**	**7.6%**	**7.4%**	**7.3%**	**9.3%**	**9.7%**	**9.1%**	**8.4%**	**7.7%**	**7.7%**	**7.5%**	**7.4%**
Current Expected Return																	
Optimistic	8.4%	9.0%	10.2%	11.4%	12.4%	12.5%	11.8%	11.5%	11.7%	13.7%	13.3%	11.4%	8.7%	5.7%	4.4%	4.3%	6.3%
Baseline	**8.4%**	**9.0%**	**10.2%**	**11.3%**	**12.3%**	**12.4%**	**11.7%**	**11.3%**	**11.5%**	**13.5%**	**13.0%**	**11.1%**	**8.2%**	**5.0%**	**3.5%**	**3.3%**	**5.2%**
Stress	8.4%	9.0%	10.1%	11.3%	12.2%	12.3%	11.6%	11.2%	11.3%	13.3%	12.7%	10.7%	7.7%	4.4%	2.6%	2.3%	4.2%

If an investor invested equally in all Upstart cohorts, they would now expect a **9.8%** gross annualized return.[2]

Investing in the US High Yield Bond Index over this same time would have produced an annualized total return of **2.9%**[3]**.**

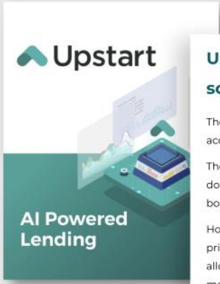
1. Upstart internal performance data as of July 29, 2022. "Optimistic", "baseline" and "stress" percentages are based on Upstart's own internal estimates of the returns observed on each vintage to date.
2. Gross annualized return per Upstart internal calculation including assumption of future cash flows based on most recent performance data.
3. https://www.spglobal.com/spdji/en/indices/fixed-income/sp-us-high-yield-corporate-bond-index/#overview

Our model today includes a healthy accommodation for economic degradation in the coming months, consistent with high inflation, fear of recession, and an increase in unemployment.

Specifically, our model has been calibrated for an economy in the next two years that will be significantly worse than the 2014 - 2019 period.

- Sanjay Datta, CFO

Q:	Did Upstart veer into riskier lending in 2021 in order to grow?
A:	We have not altered our goals or mission. There are tens of millions of Americans who deserve to receive properly priced credit from our nation's banking system, yet fail to do so through no fault of their own. We aim to fix this and are unique in this important endeavor.



Upstart's mission is and has been to leverage modern technology and data science to improve access to affordable credit.

There are tens of millions of Americans who deserve access to reasonably priced credit from our nation's banking system, yet are denied access through no fault of their own. We're unique among our FinTech peers in that we aim to tackle this problem directly.

The terms non-prime, near-prime, and sub-prime - these are words the industry invented to describe people that our current systems don't understand. The truth is that the vast majority of these Americans are entirely creditworthy. Upstart's mission is to identify those borrowers, and provide them with access to affordable credit - and we haven't wavered from that challenge.

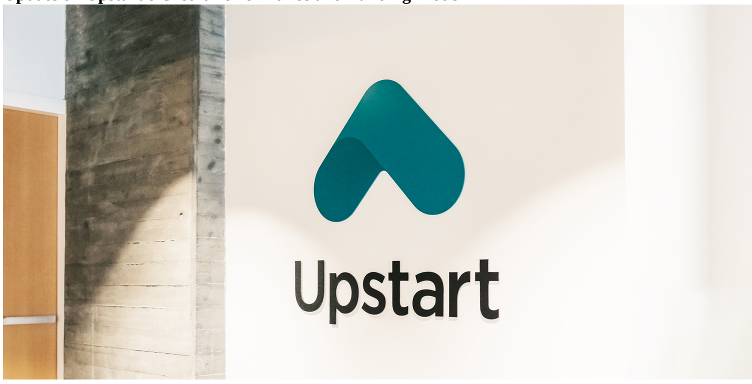
How does growth fit in? We approach our business as a waterfall of priorities, in a way analogous to structured credit. Upstart's highest priority - our A bond, if you will - is credit quality. Our goal is to reliably deliver the return the lender or investor expects for a specific allocation of risk. Our B-bond, or next highest priority, is unit economics or gross profits. We don't strive for loan transactions that lose money for Upstart and generally seek to avoid them. And finally, whatever is left over goes to platform transaction growth - our residual, so to speak. In truth, growth isn't a specific target for us - it's a plug based on our waterfall of priorities. The reasons for this ordering are clear: without strong credit performance and solid unit economics, growth over the long term would be unsustainable.

-Dave Girouard, Second Quarter 2022 Earnings Conference Call

Thank you

Exhibit 99.3

Update on Upstart's Credit Performance and Funding Model



By Dave Girouard, CEO & co-founder, Upstart

August 8, 2022

Today we released our earnings results for Q2 2022. While we reported 18% growth in revenue year-on-year, we also guided toward a 25% reduction in revenue from the second quarter to the third, reflecting funding constraints in our marketplace. A decline in revenue is obviously disappointing, and it's natural to ask whether our AI-based credit model continues to work as designed. We're confident it does, so we want to explain what's happening and how we're addressing it.

<u>Credit performance</u>

When lenders underwrite loans, their goal is to approve the good loans and decline the bad ones. However, this isn't a simple yes or no decision; approved loans need to be priced relative to their likelihood of successful repayment (known as risk-based pricing). So an important way to assess the accuracy and value of a credit model is to look at how well it identifies and separates high and low risk borrowers.

How does Upstart's AI model separate risk relative to a standard credit score? The table in Figure 1 contains the actual annualized default rates for the last four years of Upstart-powered loans—segmented into rows by credit score and segmented into columns by the Upstart risk grade. These are actual default rates for almost two million loans[1].

[1] Upstart internal performance data as of July 29, 2022. Consists of all originations made 2018-Q1 to 2021-Q4 "vintages."

Figure 1

Upstart separate risk significantly better than FICO (annualized default rates)[2]

Upstart Risk Grades

FICO Score	A+	B	C	D	E-	Average
700 or Above	0.7%	2.2%	4.3%	6.4%	10.2%	**3.6%**
680 to 699	0.7%	2.1%	3.9%	5.7%	9.3%	**4.5%**
660 to 679	0.9%	2.2%	3.9%	5.7%	9.5%	**5.5%**
640 to 659	1.0%	2.3%	3.8%	5.8%	10.4%	**6.6%**
639 or Below	1.3%	2.7%	4.4%	6.7%	14.3%	**10.7%**
Average	**0.7%**	**2.2%**	**4.0%**	**6.1%**	**11.5%**	

~3x default separation between highest and lowest credit score

~16x default separation between highest and lowest Upstart risk grade

By evaluating Upstart's loans segmented by FICO versus segmented by Upstart risk grade, one can see that the Upstart risk grade has created significantly more separation than FICO. The loss rates within each risk grade (represented by each column) are similar despite a wide range of FICO scores.

Our credit model continues to assess risk better than traditional credit scores

If you look across any row, you can see how Upstart's risk grades predict a steadily increasing default rate from left to right as the borrowers get riskier, as it should. But if you look at any column from top to bottom, there's relatively little difference between default rates, regardless of FICO score. In fact, across these almost two million loans in our marketplace, Upstart's AI model provides five times more precision than FICO in terms of separating low-risk borrowers from high-risk ones. We are confident that our model has never been more accurate.

By way of background, loans on Upstart are commonly funded in two different ways: for lower-risk borrowers, our bank and credit union partners typically originate loans according to their own credit policy, and hold those loans on their balance sheet. For higher-risk borrowers, the loans are commonly originated by bank partners and then sold later to institutional investors.

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[2] Upstart internal performance data as of July 29, 2022. Consists of all originations made 2018-Q1 to 2021-Q4 "vintages."

So how have Upstart-powered loans performed? For our bank and credit union partners, the answer is extremely well. From 2018 through to the end of 2021, all quarterly loan vintages retained by our bank partners are currently forecasted to meet or exceed the target returns set at the time of origination.

And what about our institutional buyers? Over the same period, they have seen 12 quarterly vintages expected to overperform, with five expected to underperform.

The table below (Figure 2) shows expected returns for each quarterly vintage across the entire Upstart marketplace (including all risk grades).

Figure 2[3]

Upstart Platform Gross Annualized Returns by Cohort

Vintage	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1'22
Target Gross Return	**7.8%**	**8.4%**	**8.7%**	**8.9%**	**9.0%**	**8.1%**	**7.6%**	**7.4%**	**7.3%**	**9.3%**	**9.7%**	**9.1%**	**8.4%**	**7.7%**	**7.7%**	**7.5%**	**7.4%**
Current Expected Return																	
Optimistic	8.4%	9.0%	10.2%	11.4%	12.4%	12.5%	11.8%	11.5%	11.7%	13.7%	13.3%	11.4%	8.7%	5.7%	4.4%	4.3%	6.3%
Baseline	**8.4%**	**9.0%**	**10.2%**	**11.3%**	**12.3%**	**12.4%**	**11.7%**	**11.3%**	**11.5%**	**13.5%**	**13.0%**	**11.1%**	**8.2%**	**5.0%**	**3.5%**	**3.3%**	**5.2%**
Stress	8.4%	9.0%	10.1%	11.3%	12.2%	12.3%	11.6%	11.2%	11.3%	13.3%	12.7%	10.7%	7.7%	4.4%	2.6%	2.3%	4.2%

Our credit performance remains solid.If an investor invested equally in all Upstart cohorts, they would now expect a 9.8% gross annualized return.[4]

Lending has always been a cyclical industry, so it's important to take a long-term view. If a loan buyer invested equally in all cohorts since Q1 2018, they would now expect a positive return on all vintages thus far, with an overall 9.8% gross annualized return, compared to a target of approximately 8% (Figure 2). This compares to a return of less than 3% in the US High Yield Bond Index over that same period[5]. Even our underperforming vintages are expected to outperform the US High Yield Bond Index. You can read more about our credit performance in the FAQ deck on our IR page.

The macro impact

While separating good loans from bad is critical to underwriting, it's not the only factor that determines aggregate returns. The overall health of the economy can shift the default rates of all loans up or down. In 2020, the introduction of unprecedented stimulus led to a large decline in default rates for most types of loans, while the end of stimulus in late 2021 led to a large and expected increase in default rates, again for most types of loans.

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[3] Upstart internal performance data as of July 29, 2022. "Optimistic", "baseline" and "stress" percentages are based on Upstart's own internal estimates of the returns observed on each vintage to date.
[4] Gross annualized return per Upstart internal calculation including assumption of future cash flows based on most recent performance data.
[5] https://www.spglobal.com/spdji/en/indices/fixed-income/sp-us-high-yield-corporate-bond-index/#overview

Forecasting macro is inherently difficult, and it’s not realistic for our risk model to reliably predict major economic events or policy changes. Instead, our model aims to be the fastest to react to changes in macroeconomic conditions, to adopt a consensus-driven view of future assumptions, and to deliver target returns on average across a full credit cycle.

Today, we believe our model is well calibrated to the current economic cycle and is making conservative assumptions about the future. Specifically, our model is calibrated to a continued slowing of the economy over the next two years, consistent with high inflation, recessionary conditions, and an increase in unemployment.

Moving toward committed capital

Given the strength of our model, our strong credit performance, and our conservative calibration to the current economic environment, why have some of our lenders and institutional investors paused or reduced their originations? (To be clear, these lenders and investors have not canceled their agreements with Upstart; but rather have paused or reduced their monthly loan volumes).

In short, we’ve seen a greater increase in loss aversion over the past quarter than we expected. Given the unusual uncertainty in the market, our partners are understandably far more worried about potential losses than motivated by potential gains. As a result, some of them have paused or reduced their originations in unsecured lending, which has limited our ability to grow.

However, when there’s less competition among lenders and investors on our platform, as there is right now, we believe there’s a unique opportunity to take conservative positions and yet generate increased profits by adjusting credit and return parameters appropriately. Despite this, we’ve still seen a decline in participation by both lenders and investors.

As a result, we came to the conclusion that we need to move toward bringing committed capital onto our platform, with long-term partnerships with those who recognize the value of Upstart’s unique ability to originate quality credit. While we expect to continue to provide a place for “at-will” credit investors, we aim to bring a significant fraction of our flow under long-term committed agreements.

This won’t happen overnight—these agreements are complex and it’s critical that we work with the right partners. During this transitional phase, we may choose at times to leverage our own balance sheet to bridge to this newer model.

Why do this? We understand better than anybody how our model is performing today. We believe that it’s well calibrated for the current economic environment and that the opportunity to generate outsized profits on our platform is significant right now. So we’re comfortable putting our balance sheet to work as necessary to navigate this transition.

We acknowledge that this is a significant shift relative to what we planned and communicated earlier this year. Yet, if my co-founders and I have learned anything after working together for more than 10 years, it’s that a volatile environment requires thoughtful and nimble execution. We believe betting on our own marketplace will provide stability for the business as we move toward long-term committed capital, demonstrate confidence in our model, and take advantage of some of the economic opportunities we see available on our platform until lenders increase their originations again.

A durable business

In the meantime, we believe we have the financial flexibility to survive and thrive through a variety of market conditions and to achieve our ambitious long-term goals. Our fixed costs are low, our gross margins are high, and we have nearly $800 million of unrestricted cash on our balance sheet, even after repurchasing over three million shares of Upstart stock for approximately $125M in the second quarter.

As you can see from our guidance, even with revenues off significantly from our prior peak, we're still roughly a break-even business and expect to continue to generate positive cash flow.

Our mission is to leverage modern data science and technology to improve access to affordable credit. This means we're on a different journey than peers focused solely on wealthy and traditionally prime consumers. We're confident that our AI-based risk model is more accurate than ever, and that we can help millions of Americans gain access to affordable credit through our nation's banking system while also generating strong returns for investors through good times and bad.

Dave Girouard
CEO & co-founder

Forward-Looking Statements

This post contains forward-looking statements, including but not limited to, statements regarding the performance of our AI model and our future plans. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate", "estimate", "expect", "project", "plan", "intend", "target", "aim", "believe", "potential", "may", "will", "should", "becoming", "look forward", "could", "would", "can have", "continue", "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements give our current expectations and projections relating to our financial condition; macroeconomic factors; plans; objectives; growth opportunities; assumptions; risks; future performance; business; and any investments. Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. The forward-looking statements included in this post and on the related credit performance are made as of the date hereof. Upstart undertakes no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. More information about factors that could affect our results of operations and risks and uncertainties are provided in our public filings with the Securities and Exchange Commission, copies of which may be obtained by visiting our investor relations website at www.upstart.com or the SEC's website at www.sec.gov. These risks and uncertainties include, but are not limited to, our ability to sustain our growth rates; to manage the adverse effects of macroeconomic conditions and disruptions in the credit markets; our ability to maintain diverse and robust loan funding programs; the effectiveness of our credit decisioning models and risk management *efforts; our ability to retain existing, and attract new, bank partners and lenders; and our ability to operate successfully in a highly-regulated industry.*