



Q3 2021 Earnings
November 9, 2021

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 our financial outlook for Q4 2021 under the heading “Outlook,” 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 13, 2021 and other periodic SEC filings, and 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; disruptions in the credit markets; 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.

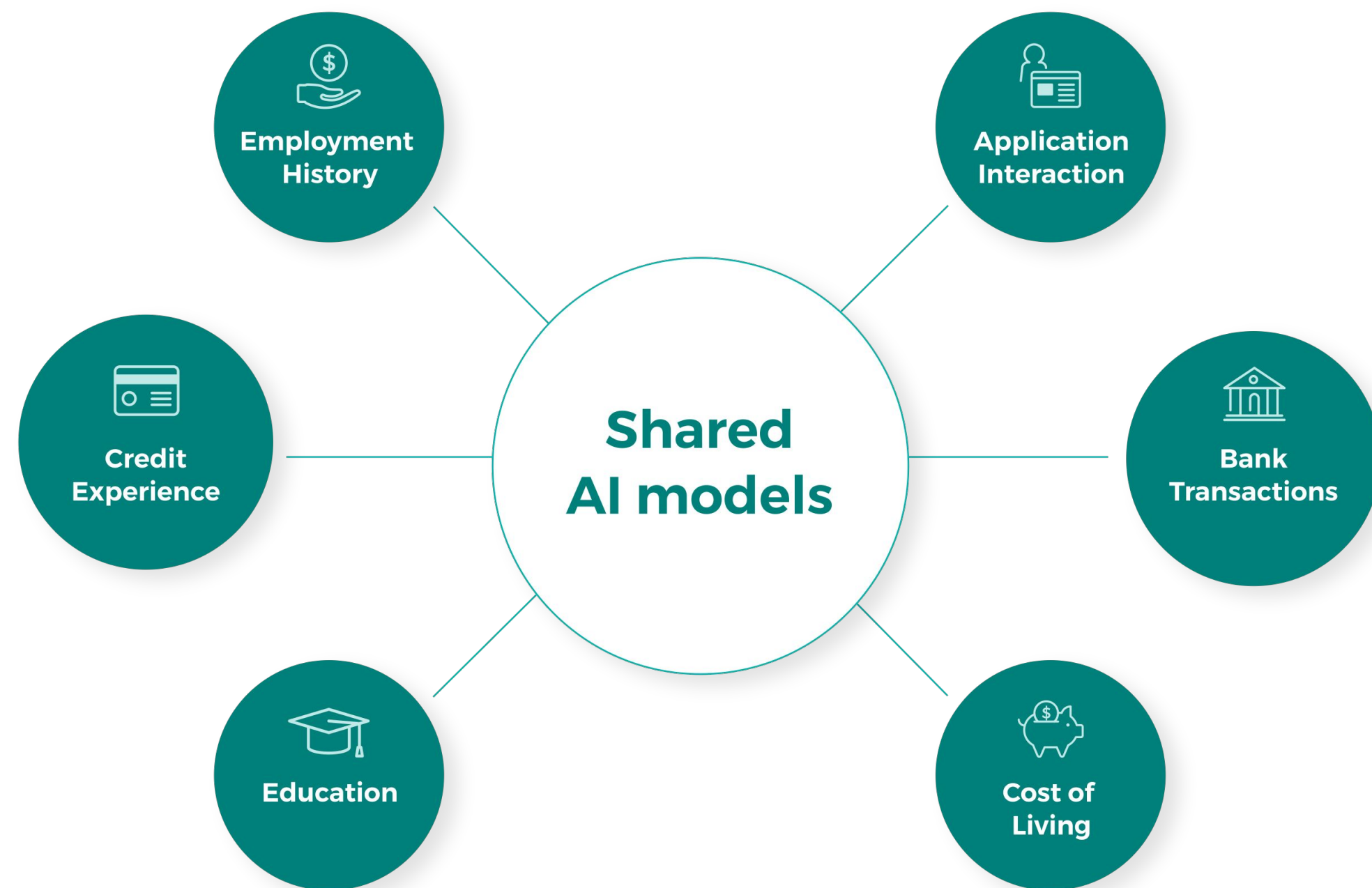
This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned 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 data after the date of this presentation.

This presentation includes non-GAAP financial measures, including contribution profit (loss), contribution margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income or loss, and adjusted net income or loss per share. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures. For example, other companies may calculate similarly-titled non-GAAP financial measures differently. Refer to slides 20-22 for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures.

**Enable effortless credit
based on true risk**

Upstart at a glance

Upstart is an AI lending platform partnering with banks to improve access to affordable credit



A leading AI lending platform with scale, rapid growth and profits

Two-sided business – connects consumers to AI-enabled bank partners

Growth driven by **continual improvement of AI models**

67% of loans instantly approved and fully automated¹

92% of revenue – fees from banks or servicing with no credit exposure¹

GAAP net income **profitable**²

• ¹ In Q3 2021.
• ² GAAP net income profitable since FY 2020.

Our value propositions to consumers and bank partners



Consumers

Higher approval rates, lower APRs
67% instantly approved - no document uploads, calls or waiting¹
More inclusive - improved credit access for all demographics tested



Banks

Highly automated, all-digital experience
Customizable to bank's credit policies and risk appetite
More inclusive and profitable lending programs



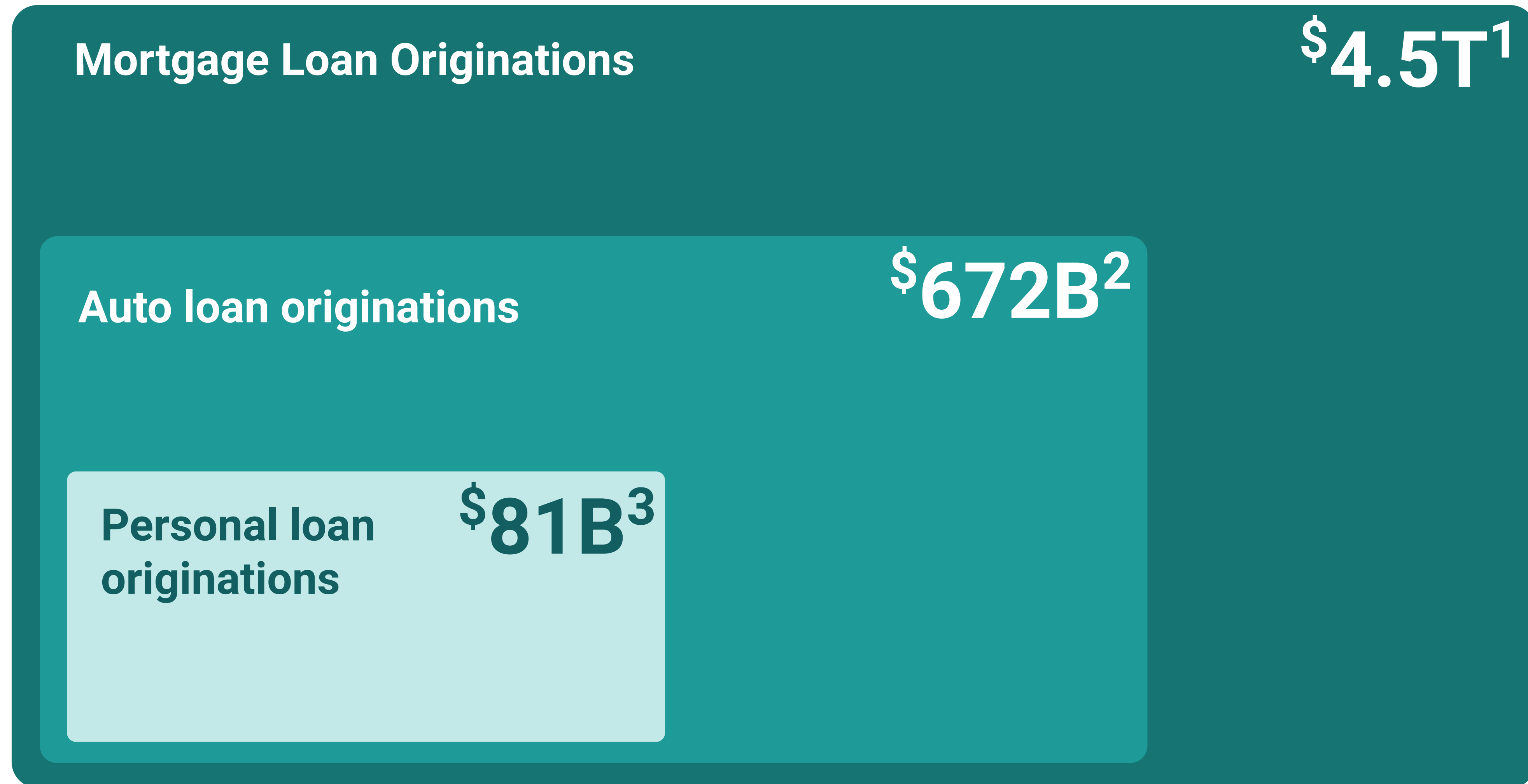
“Thank you Upstart for really being that light at the end of a tunnel. Sometimes you feel so lost and don't know where you're headed — especially in your early 20s. Upstart opened up so many doors for me because now I am no longer in debt. It made me more money-conscious as well.”



— *Dayana*

¹ In Q3 2021

Large and growing market



¹ Total mortgage originations using data provided by TransUnion for Q2 2020 – Q1 2021

² Total auto loans using data provided by TransUnion for Q2 2020 – Q1 2021

³ Total unsecured personal loans using data provided by TransUnion for Q2 2020 – Q1 2021

Auto opportunity update



Prodigy is now “Upstart Auto Retail”



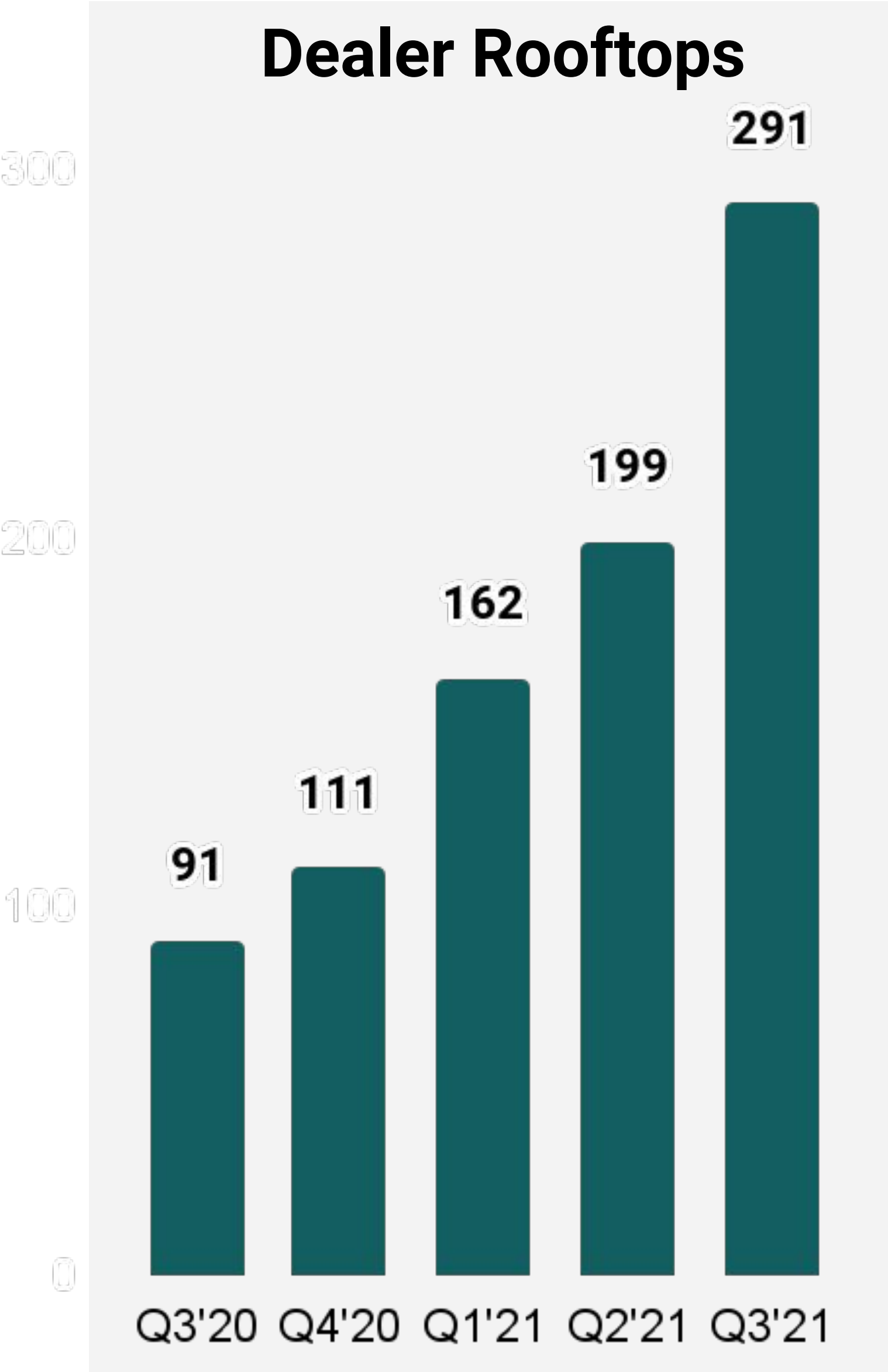
Tripled dealership footprint Y|Y
Now adding an average of over one rooftop per day



First Upstart-powered loan originated on our Upstart Auto Retail software



Seven Banks Partners
signed up for auto lending on our platform



¹ Total auto loans using data provided by TransUnion for Q2 2020 – Q1 2021
³ Total unsecured personal loans using data provided by TransUnion for Q2 2020 – Q1 2021

Q3'21 Key financial highlights



Revenue:
\$228M, up 250% Y|Y



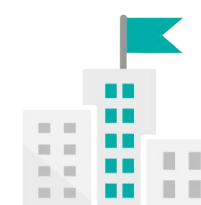
Income from Operations:
\$28.6M, up 134% Y|Y



Contribution Profit:
\$95.9M, up 184% Y|Y, and representing 46% of fee revenue



Net Income:
\$29.1M, up up 201% Y|Y



Adjusted EBITDA:
\$59.1M, or 26% of revenue, up 224 bps Y|Y

Q3'21 summary P&L and non-GAAP metrics

(in millions, except ratios and per share data)

	Q3'21	Q2'21	Q Q	Q3'20	Y Y
Revenue	\$228.4	\$193.9	18%	\$65.4	250%
Revenue from Fees	\$210.4	\$187.3	12%	\$62.9	235%
Income from Operations	\$28.6	\$36.3	(21%)	\$12.2	134%
Net Income	\$29.1	\$37.3	(22%)	\$9.7	201%
Adjusted Net Income	\$57.8	\$58.5	(2%)	\$12.3	368%
Earnings Per Share (Diluted)	\$0.30	\$0.39	(23%)	\$0.10	200%
Adjusted Earnings Per Share (Diluted)	\$0.60	\$0.62	(3%)	\$0.16	275%
Contribution Profit	\$95.9	\$96.7	(1%)	\$33.8	184%
Contribution Margin	46%	52%	(6.0pts)	54%	(7.7pts)
Operating Expenses	\$199.9	\$157.7	27%	\$53.2	276%
Adjusted EBITDA	\$59.1	\$59.5	(1%)	\$15.5	283%

Balance Sheet items and key operating metrics

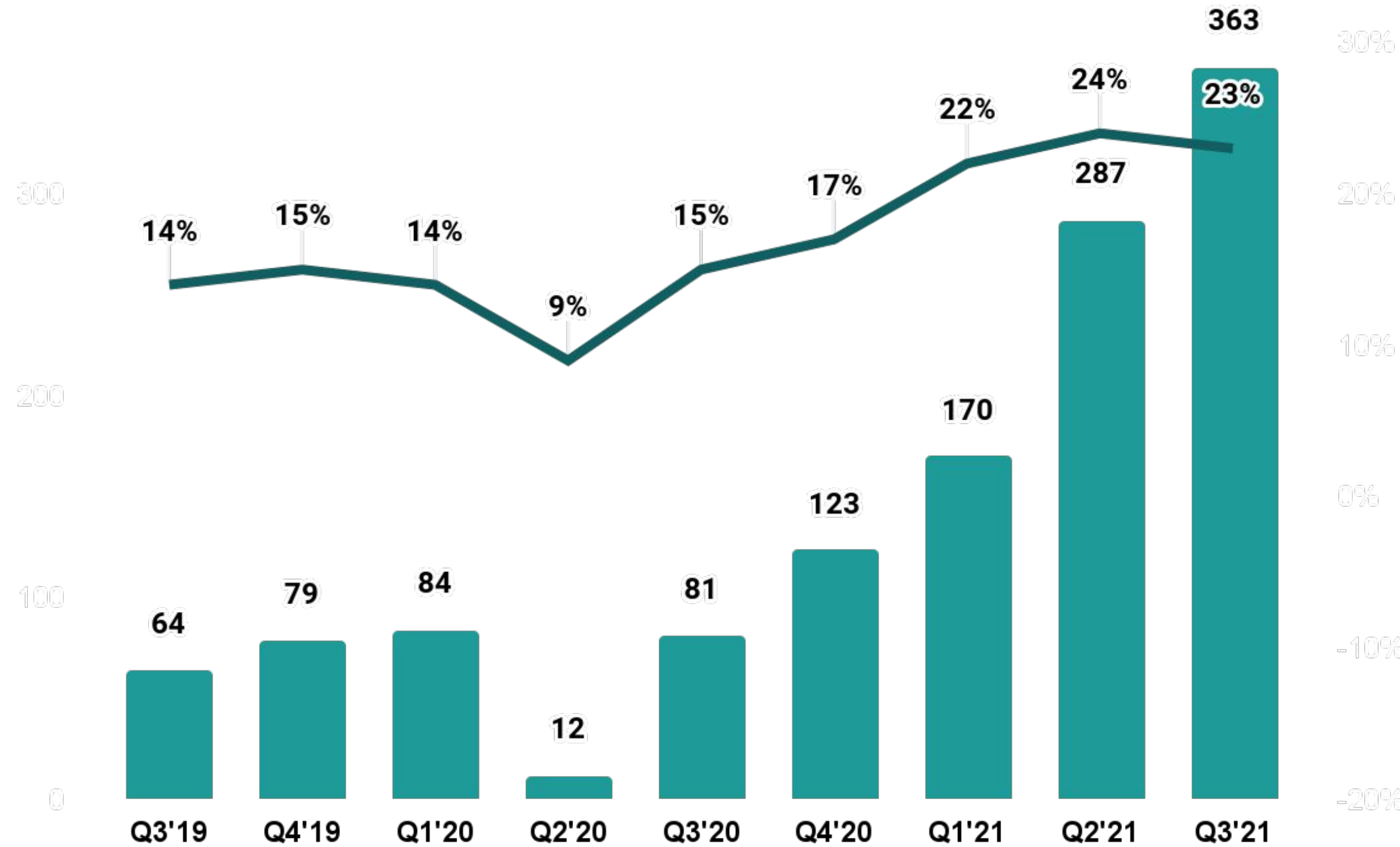
(in millions, except Transaction Volume (number of loans), % fully automated, ratios and conversion rate)

	Q3'21	Q2'21	Q3'20
Cash and Restricted Cash	\$1,171.8	\$617.5	\$110.7
Loans, Notes, and Residuals	\$140.1	\$95.3	\$144.8
Total Assets	\$1,606.1	\$904.6	\$309.8
Total Liabilities	\$887.0	\$188.5	\$194.6
Transaction Volume, Number of Loans	362,780	286,864	80,893
Transaction Volume, Dollars	\$3,130	\$2,795	\$909.2
% Fully Automated	67%	71%	69%
Conversion Rate*	23.0%	24.4%	15.2%

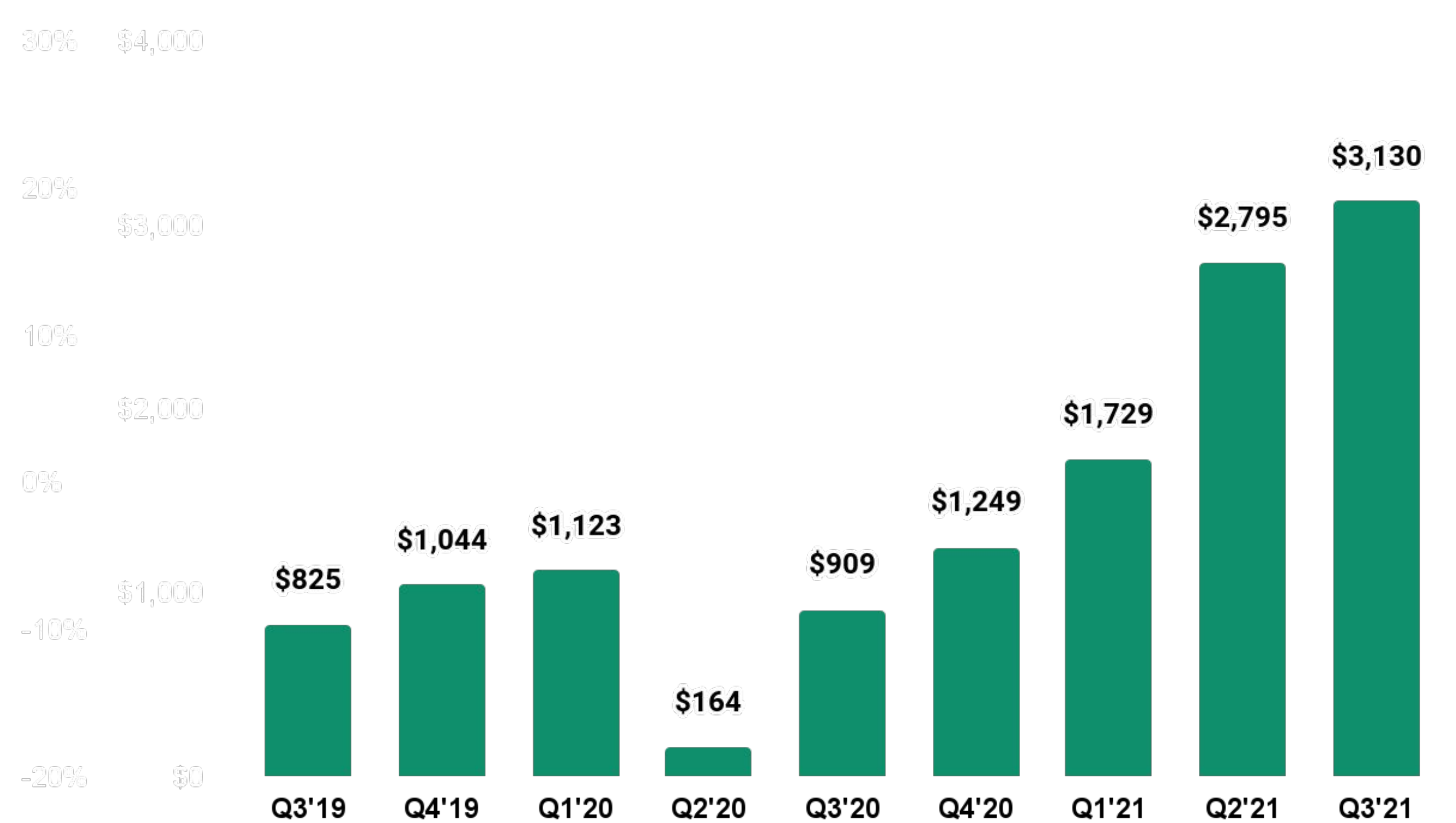
*Until June 30, 2021, Conversion Rate considered all rate inquiries received on our platform. In the third quarter of 2021, we modified our calculation of Conversion Rate to remove what we believe to be fraudulent loan requests from the total number of rate inquiries received to better reflect actual borrower behavior. Using the prior methodology for calculating Conversion Rate, which did not exclude estimated fraudulent loan requests, our Conversion Rate for the three months ended September 30, 2021 would have been 13.5%. The impact of this change in calculating our Conversion Rate for prior periods is immaterial.

Key operating metrics

Transaction Volume, Number of Loans (000s), Conversion Rate⁽¹⁾



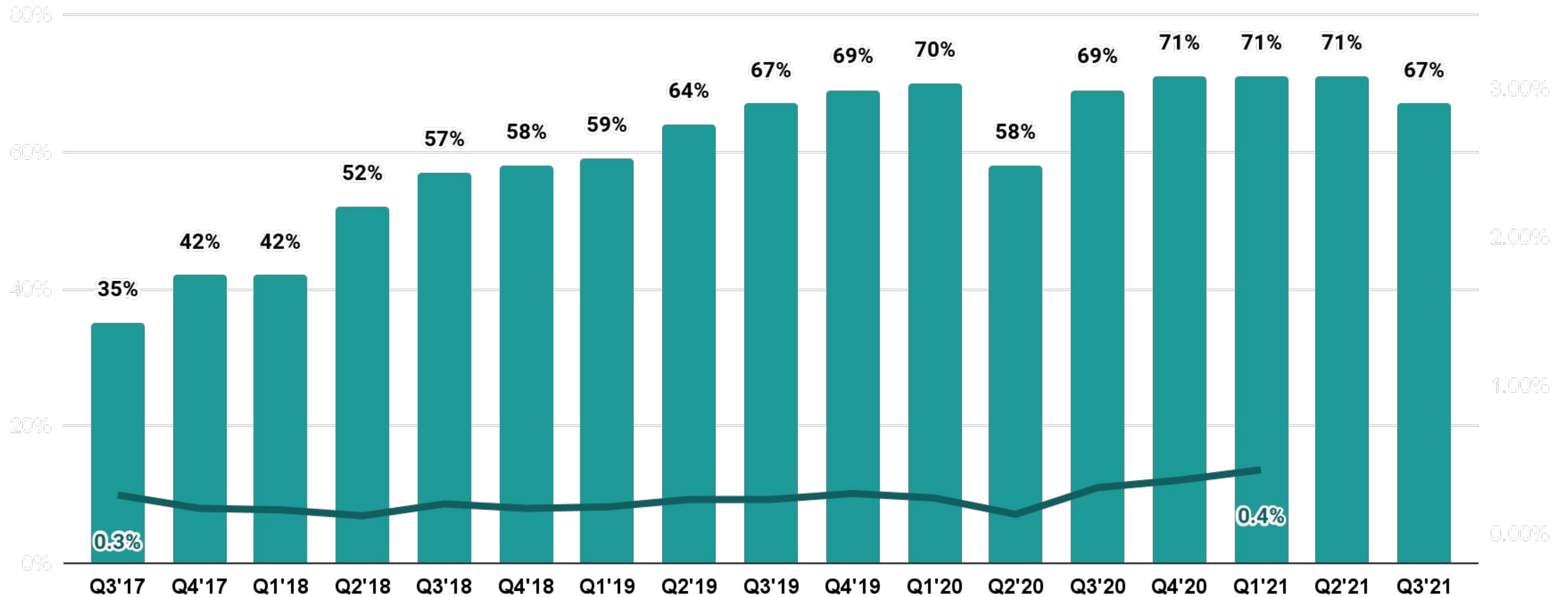
Transaction Volume, Dollars (Millions)



¹ Conversion Rate equals number of loans transacted in a period divided by the number of rate inquiries received that we believe to be legitimate. In the third quarter of 2021, we modified our calculation of Conversion Rate to remove what we believe to be fraudulent loan requests from the total number of rate inquiries received to better reflect actual borrower behavior. Using the prior methodology for calculating Conversion Rate, which did not exclude estimated fraudulent loan requests, our Conversion Rate for the three months ended September 30, 2021 would have been 13.5%. The impact of this change in calculating our Conversion Rate for prior periods is immaterial.

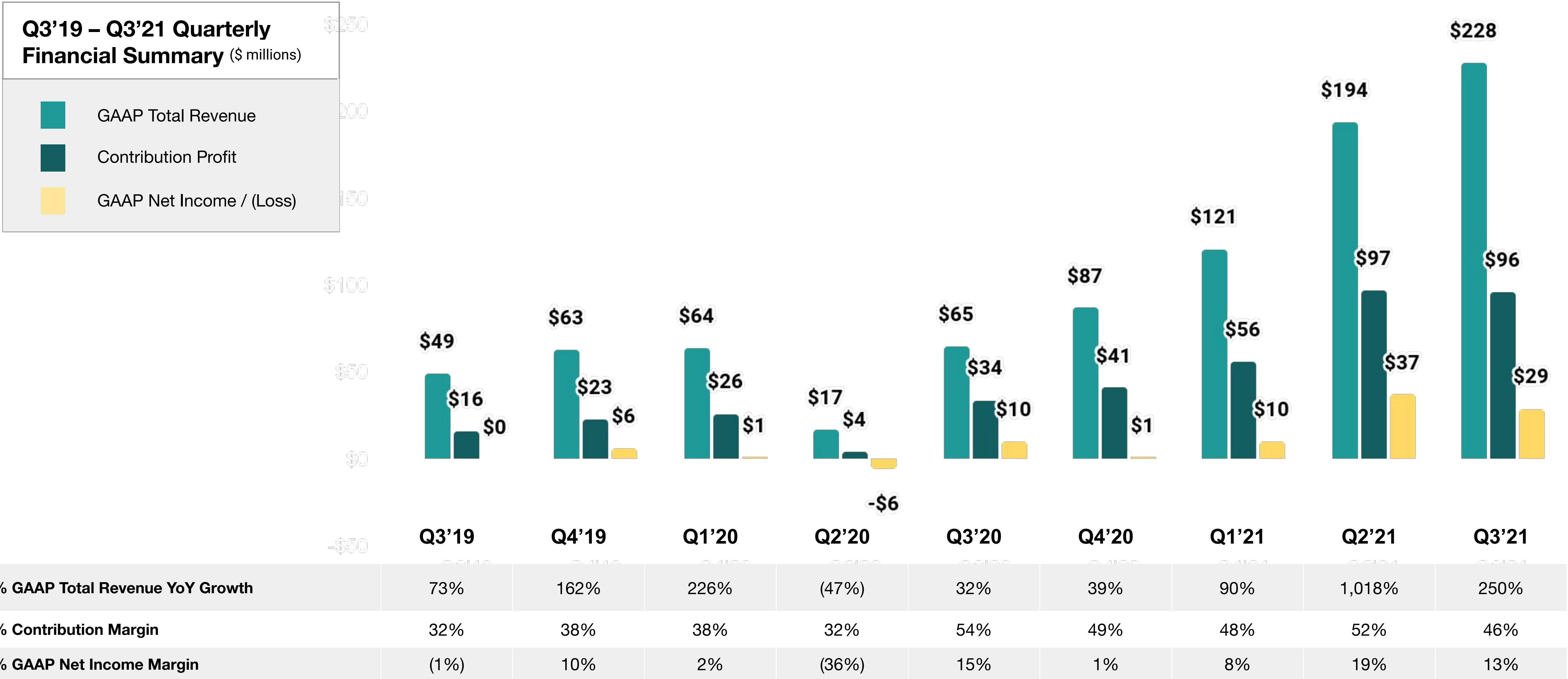
Fully automated loans

67% of Upstart loans were fully automated and instantly approved in Q3'21 while fraud rates remained minimal



Note: Fraud rate represents recorded instances of ID theft and first payment charge offs as a percent of total funded loans. The tightening of verification procedures in response to COVID emergency in late March 2020 resulted in the Q2'20 fraud rate being lower than our historical average. Q2'21 and Q3'21 fraud data not yet available

Continued profitable growth



Note: Contribution margin calculated by dividing Contribution Profit by revenue from fees. GAAP net income margin calculated as a percent of GAAP total revenue. We define Contribution Profit as our revenue from fees, net, less certain costs that we consider to be variable and closely correlated to our fee revenue. See slides 19-21 for a reconciliation of Contribution Profit to the most directly comparable financial measure stated in accordance with GAAP.

Outlook

	Q4'21
Revenue	\$255 to \$265 million
Contribution Margin	approximately 47%
Net Income	\$16 to 20 million
Non-GAAP Adjusted Net Income	\$48 to \$50 million
Adjusted EBITDA	\$51 to \$53 million
Diluted weighted average share count	approximately 96.7 million shares

Financial Statements

(in thousands, except share and per share data)

	December 31, 2020	September 30, 2021
Assets		
Cash	\$ 250,819	\$ 1,041,460
Restricted cash	60,514	130,301
Loans (at fair value)	78,460	129,625
Notes receivable and residual certificates (at fair value)	19,074	10,489
Property, equipment, and software, net	10,032	18,898
Operating lease right of use assets	18,310	70,025
Non-marketable equity securities	—	40,000
Goodwill	—	66,866
Intangible assets, net	—	20,975
Other assets (includes \$6,831 and \$12,380 at fair value as of December 31, 2020 and September 30, 2021, respectively)	40,046	77,491
Total assets	\$ 477,255	\$ 1,606,130
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable	\$ 13,775	\$ 9,381
Payable to investors	45,501	84,312
Borrowings	62,626	649,222
Accrued expenses and other liabilities (includes \$9,530 and \$10,522 at fair value as of December 31, 2020 and September 30, 2021, respectively)	35,669	71,951
Operating lease liabilities	19,432	72,175
Total liabilities	177,003	887,041
Stockholders' equity:		
Common stock, \$0.0001 par value; 700,000,000 shares authorized; 73,314,026 and 81,539,547, shares issued and outstanding as of December 31, 2020 and September 30, 2021, respectively	7	8
Additional paid-in capital	369,467	711,804
Retained earnings (accumulated deficit)	(69,222)	7,277
Total stockholders' equity	300,252	719,089
Total liabilities and stockholders' equity	\$ 477,255	\$ 1,606,130

Financial Statements

(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2021	2020	2021
Revenue:				
Revenue from fees, net	\$ 62,861	\$ 210,421	\$ 144,179	\$ 513,888
Interest income and fair value adjustments, net (includes \$0 and \$1,014 from related parties expense and \$0 and \$4,238 of related parties fair value adjustments for the three and nine months ended September 30, 2020, respectively)	2,498	18,029	2,527	29,853
Total revenue	65,359	228,450	146,706	543,741
Operating expenses:				
Sales and marketing	23,725	93,346	65,113	218,638
Customer operations	9,360	34,978	24,792	76,530
Engineering and product development	9,966	37,085	24,651	87,504
General, administrative, and other	10,101	34,442	30,778	80,602
Total operating expenses	53,152	199,851	145,334	463,274
Income from operations	12,207	28,599	1,372	80,467
Other income (expense)	50	22	5,497	(5,196)
Expense on warrants and convertible notes, net	(2,588)	(776)	(2,317)	(807)
Net income before income taxes	9,669	27,845	4,552	74,464
Benefit for income taxes	—	(1,268)	—	(2,035)
Net income before attribution to noncontrolling interests	9,669	29,113	4,552	76,499
Net loss attributable to noncontrolling interests	—	—	(404)	—
Net income attributable to Upstart Holdings, Inc. common stockholders	\$ 9,669	\$ 29,113	\$ 4,956	\$ 76,499
Net income per share attributable to Upstart Holdings, Inc. common stockholders, basic				
Net income per share attributable to Upstart Holdings, Inc. common stockholders, basic	\$ 0.12	\$ 0.37	\$ —	\$ 1.00
Net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted				
Net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted	\$ 0.10	\$ 0.30	\$ —	\$ 0.81
Weighted-average number of shares outstanding used in computing net income per share attributable to Upstart Holdings, Inc. common stockholders, basic				
Weighted-average number of shares outstanding used in computing net income per share attributable to Upstart Holdings, Inc. common stockholders, basic	14,707,717	79,392,600	14,663,623	76,586,395
Weighted-average number of shares outstanding used in computing net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted				
Weighted-average number of shares outstanding used in computing net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted	26,745,480	96,057,210	14,663,623	94,165,325

Financial Statements

(in thousands, except share and per share data)

	Nine Months Ended September 30,	
	2020	2021
Cash flows from operating activities		
Net income before attribution to noncontrolling interests	\$ 4,552	\$ 76,499
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Change in fair value of financial instruments (includes \$(4,238) from related parties for the nine months ended September 30, 2020)	18,801	(5,839)
Stock-based compensation	7,102	50,125
Gain on loan servicing arrangements	(1,747)	(4,223)
Depreciation and amortization	1,631	4,984
Incentive share expense	786	—
Noncash interest expense	54	990
Net changes in operating assets and liabilities:		
Purchase of loans for immediate resale	(1,554,705)	(5,872,988)
Proceeds from immediate resale of loans	1,554,705	5,872,988
Purchase of loans held-for-sale	(109,113)	(80,305)
Principal payments received for loans held-for-sale	15,237	4,398
Net proceeds from sale of loans held-for-sale	6,813	90,537
Other assets	(4,843)	(22,806)
Operating lease liability and right-of-use asset	66	1,028
Accounts payable	(592)	(4,556)
Payable to investors	13,137	38,811
Accrued expenses and other liabilities	(4,701)	29,854
Net cash (used in) provided by operating activities	<u>(52,817)</u>	<u>179,497</u>

Financial Statements

(in thousands, except share and per share data)

	Nine Months Ended September 30,	
	2020	2021
Cash flows from investing activities		
Principal payments received for loans held by consolidated securitizations	24,018	—
Net proceeds from sale of loans held-for-investment	88,136	10,793
Principal payments received for loans held-for-investment	12,277	14,722
Principal payments received for notes receivable and repayments of residual certificates	11,306	9,115
Purchase of loans held-for-investment	(3,774)	(92,738)
Purchase of non-marketable equity securities	—	(40,000)
Purchase of notes receivable and residual certificates	(4)	—
Purchase of property and equipment	(1,282)	(4,956)
Capitalized software costs	(2,967)	(4,476)
Purchase of loans held by consolidated securitizations	—	—
Acquisition, net of cash acquired	—	(16,561)
Net cash (used in) provided by investing activities	127,710	(124,101)

Financial Statements

(in thousands, except share and per share data)

	Nine Months Ended September 30,	
	2020	2021
Cash flows from financing activities		
Proceeds from secondary offering, net of underwriting discounts, commissions, and offering costs	—	263,931
Proceeds from issuance of convertible debt	—	661,250
Payment of debt issuance costs	—	(15,727)
Purchase of capped calls	—	(58,523)
Taxes paid related to net share settlement of equity awards	—	(236)
Payments made on securitization notes and certificates (includes \$1,034 paid to related parties for the nine months ended September 30, 2020)	(26,126)	—
Repayments of borrowings	(99,835)	(65,412)
Distributions made to noncontrolling interests	(622)	—
Proceeds from borrowings	81,761	5,831
Proceeds from issuance of common stock under employee stock purchase plan	—	4,145
Proceeds from exercise of stock options	510	9,773
Net cash (used in) provided by financing activities	(44,312)	805,032
Net increase in cash and restricted cash	30,581	860,428
Cash and restricted cash		
Cash and restricted cash at beginning of period	80,067	311,333
Cash and restricted cash at end of period	\$ 110,648	\$ 1,171,761

Reconciliation of non-GAAP financial measures

(in thousands, except ratios)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2021	2020	2021
Revenue from fees, net	\$ 62,861	\$ 210,421	\$ 144,179	\$ 513,888
Income from operations	12,207	28,599	1,372	80,467
<i>Operating Margin</i>	19 %	14 %	1 %	16 %
Sales and marketing, net of borrower acquisition costs ⁽¹⁾	\$ 2,542	\$ 6,239	\$ 5,650	\$ 14,476
Customer operations, net of borrower verification and servicing costs ⁽²⁾	1,462	7,577	3,773	15,201
Engineering and product development	9,966	37,085	24,651	87,504
General, administrative, and other	10,101	34,442	30,778	80,602
Interest income and fair value adjustments, net	(2,498)	(18,029)	(2,527)	(29,853)
Contribution Profit	\$ 33,780	\$ 95,913	\$ 63,697	\$ 248,397
<i>Contribution Margin</i>	54 %	46 %	44 %	48 %

(1) Borrower acquisition costs were \$21.2 million and \$87.1 million for the three months ended September 30, 2020 and 2021, respectively, and were \$59.5 million and \$204.2 million for the nine months ended September 30, 2020 and 2021, 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 \$7.9 million and \$27.4 million for the three months ended September 30, 2020 and 2021, respectively, and were \$21.0 million and \$61.3 million for the nine months ended September 30, 2020 and 2021, 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.

Reconciliation of non-GAAP financial measures

(in thousands, except ratios)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2021	2020	2021
Total revenue	\$ 65,359	\$ 228,450	\$ 146,706	\$ 543,741
Net income attributable to Upstart Holdings, Inc. common stockholders	9,669	29,113	4,956	76,499
<i>Net Income Margin</i>	15 %	13 %	3 %	14 %
Adjusted to exclude the following:				
Stock-based compensation and certain payroll tax expenses ⁽¹⁾	\$ 2,618	\$ 28,333	\$ 7,118	\$ 59,448
Depreciation and amortization	581	2,185	1,631	4,984
Expense on warrants and convertible notes, net ⁽²⁾	2,588	776	2,317	807
Provision for income taxes	—	(1,268)	—	(2,035)
Acquisition-related costs	—	—	—	1,237
Adjusted EBITDA	\$ 15,456	\$ 59,139	\$ 16,022	\$ 140,940
<i>Adjusted EBITDA Margin</i>	24 %	26 %	11 %	26 %

(1) In the third quarter of 2021, we began excluding 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.

(2) Consists of fair value adjustments to our warrant liability for the three and nine months ended September 30, 2020 and interest expense for the three and nine months ended September 30, 2020 and 2021.

Reconciliation of non-GAAP financial measures

(in thousands, except ratios, and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2021	2020	2021
Net income attributable to Upstart Holdings, Inc. common stockholders	\$ 9,669	\$ 29,113	\$ 4,956	\$ 76,499
Adjusted to exclude the following:				
Stock-based compensation and certain payroll tax expenses ⁽¹⁾	2,618	28,333	7,118	59,448
Acquisition-related costs	—	—	—	1,237
Adjusted Net Income	\$ 12,287	\$ 57,446	\$ 12,074	\$ 137,184
Net income per share:				
Basic	\$ 0.12	\$ 0.37	\$ —	\$ 1.00
Diluted	\$ 0.10	\$ 0.30	\$ —	\$ 0.81
Adjusted Net Income per Share				
Basic	\$ 0.84	\$ 0.72	\$ 0.82	\$ 1.79
Diluted	\$ 0.16	\$ 0.60	\$ 0.17	\$ 1.46
Weighted-average common shares outstanding:				
Basic	14,707,717	79,392,600	14,663,623	76,586,395
Diluted	74,978,905	96,057,210	72,022,312	94,165,325

(1) In the third quarter 2021, we began excluding 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.

Key Operating Metrics

Key Operating Metrics

We review a number of operating metrics, including number of loans transacted 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. Until June 30, 2021, Conversion Rate considered all rate inquiries received on our platform. In the third quarter of 2021, we experienced a large and coordinated fraud attack. While we were able to address this incident without significant losses, our borrower funnel conversion metrics were distorted by the volume of unsuccessful attempts to access loans. As a result, we modified our calculation of Conversion Rate to remove what we believe to be fraudulent loan requests from the total number of rate inquiries received to better reflect actual borrower behavior. For the three months ended September 30, 2021, our Conversion Rate was 22.5%. Using the prior methodology for calculating Conversion Rate, which did not exclude estimated fraudulent loan requests, our Conversion Rate for the three months ended September 30, 2021 would have been 13.5%. The impact of this change in calculating our Conversion Rate for prior periods is immaterial.

We define Percentage of Loans Fully Automated as the total number of loans in a given period originated end-to-end (from initial rate request to final funding) with no human involvement divided by Transaction Volume, Number of Loans in the same period.

Non-GAAP Financial Metrics

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 (loss), contribution margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income or loss, and adjusted net income or loss per share are useful in evaluating our operating performance. Certain of these non-GAAP measures exclude stock-based compensation, 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 exclude 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. We believe 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 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 are used in this presentation.

Thank you