Upstart

Q1 2025 earnings
May 6, 2025

Forward looking statements

This presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including but not limited to, information or predictions concerning our future financial performance, including our financial outlook for Q2 2025 and the full fiscal year 2025 under the heading “Outlook” and management’s estimates under the heading “Marketplace Update”, projected growth and other strategies, business plans and objectives, potential market and growth opportunities, competitive position, technological or market trends and industry environment. These statements may include words such as “aim”, "anticipate", “becoming”, "believe", "can have", “continue”, “could”, “estimate”, “expect”, “intend”, “likely”, “look forward”, “may”, “ongoing”, “plan”, “potential”, “predict”, "project", "intend", "should", “target”, “aim”, "believe", "may", "will", "should", “becoming”, “look forward”, “could”, "can have", "likely", "will", “would” or the negative of these terms or other comparable terminology in connection with any discussion of the timing or nature of future operating or financial performance or other events that do not relate strictly to historical or current facts. 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 and should not be read as a guarantee of future performance or results. Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. We undertake 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.

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 (the "SEC"), including “Risk Factors” in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, copies of which may be obtained by visiting our investor relations website at ir.upstart.com or the SEC’s website at www.sec.gov. These risks and uncertainties include, but are not limited to: our ability to manage the adverse effects of macroeconomic conditions and disruptions in the banking sector and credit markets, including inflation and related changes in interest rates and monetary policy; our ability to access sufficient loan funding, including through securitizations, committed capital and other co-investment arrangements, whole loan sales and warehouse credit facilities; the effectiveness of our credit decisioning models and risk management efforts, including reflecting the impact of macroeconomic conditions on borrowers’ credit risk; our ability to retain existing, and attract new, lending partners; our future growth prospects and financial performance; our ability to manage risks associated with the loans on our balance sheet; our ability to improve and expand our platform and products; 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 us 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.

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.

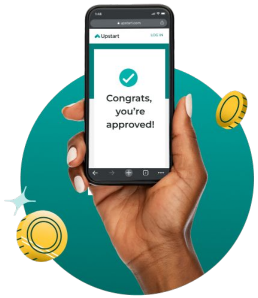
This presentation includes non-GAAP financial measures, including contribution profit, contribution margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), and adjusted net income (loss) per share. These non-GAAP financial measures are in addition to, and not a substitute for or 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 31-32 for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures. A reconciliation of non-GAAP guidance financial measures to corresponding GAAP guidance financial measures is not available on forward-looking basis without unreasonable effort due to the uncertainty and potential variability of expenses that may be incurred in the future and cannot be reasonably determined or predicted at this time. It is important to note that these factors could be material to our results of operations computed in accordance with GAAP.

Results and outlook

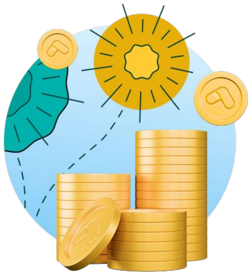
Q1’25 results: growth with improved profitability

Focused execution against our 2025 priorities

Originations: $2.1B
+89% YoY



Total Revenue: $213M
+67% YoY



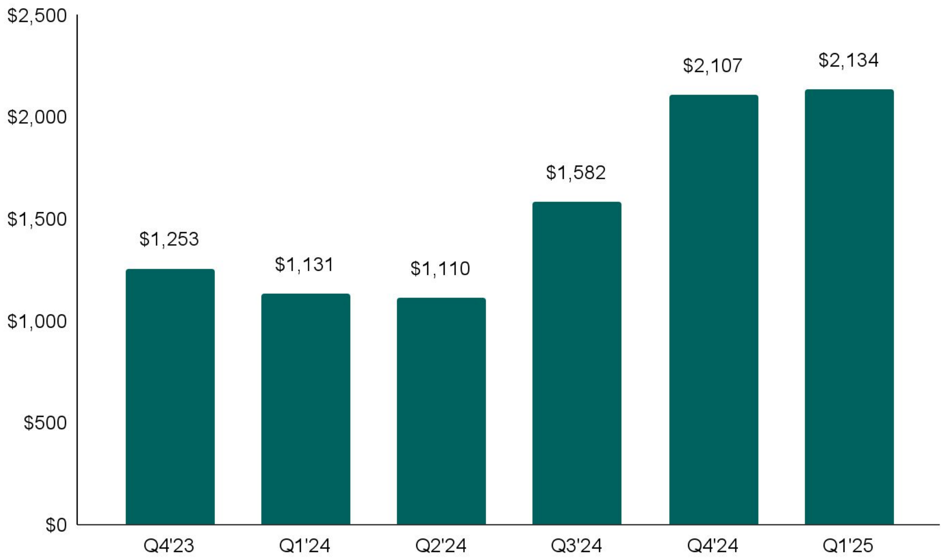
GAAP Net Loss: ($2M)
Near breakeven

Adj. EBITDA: $43M
20% margin

Note: Originations refers to Transaction Volume, Dollars.

Transaction Volume, Dollars

($M)



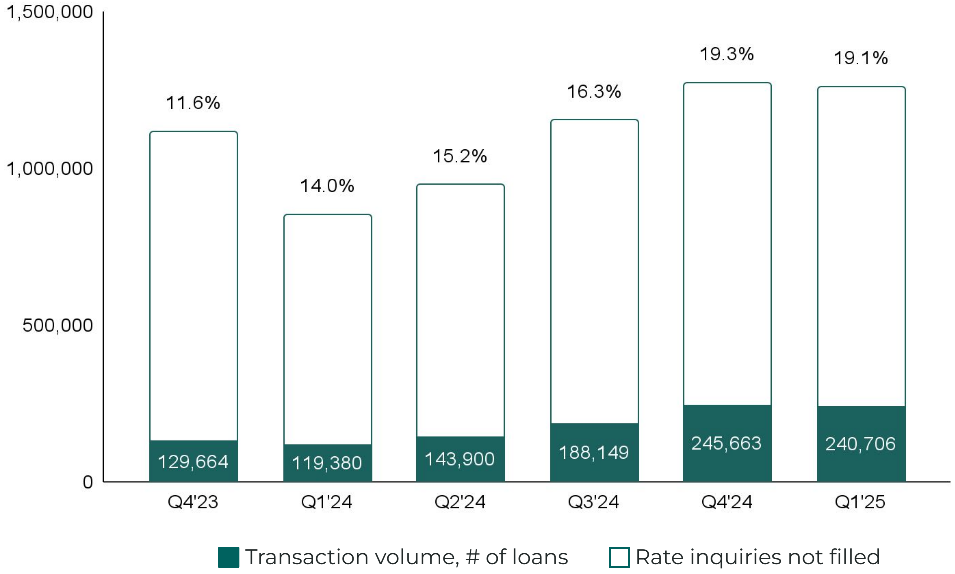
YoY Growth: **+13%** **-6%** **+30%** **+68%** **+89%**

Q1'25 originations

$2.1B

+89% YoY

Loan conversion funnel

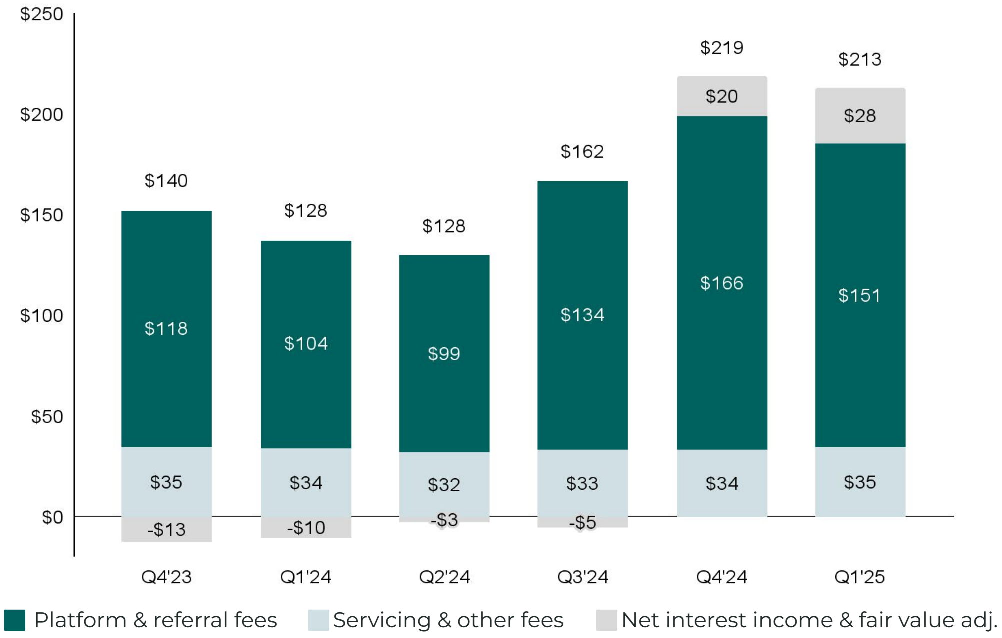


Q1'25 loans:

241K

19.1% Conversion Rate

Total Revenue
($M)



YoY Growth:	+24%	-6%	+20%	+56%	+67%

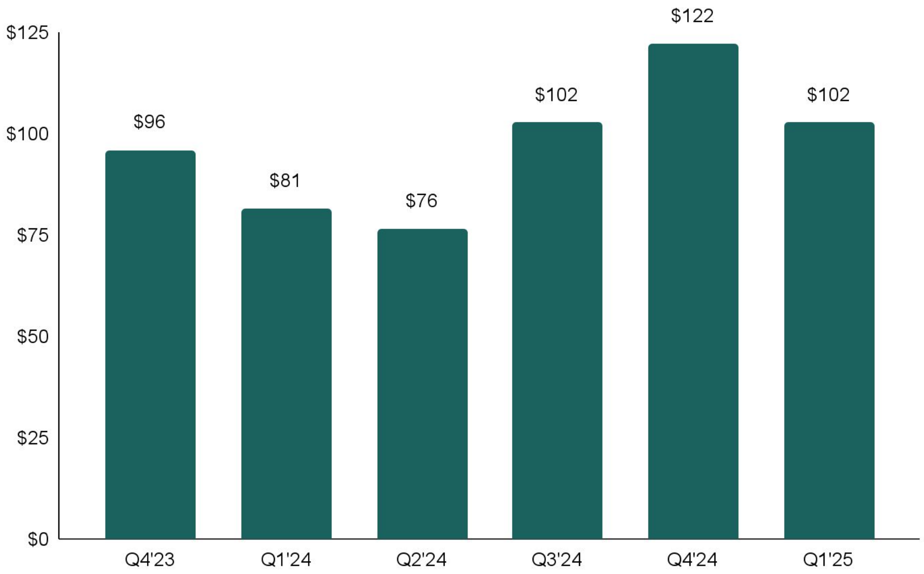
Q1'25 Revenue:

$213M

+67% YoY

Contribution Profit

($M)



Contribution Margin:	59%	58%	61%	61%	55%

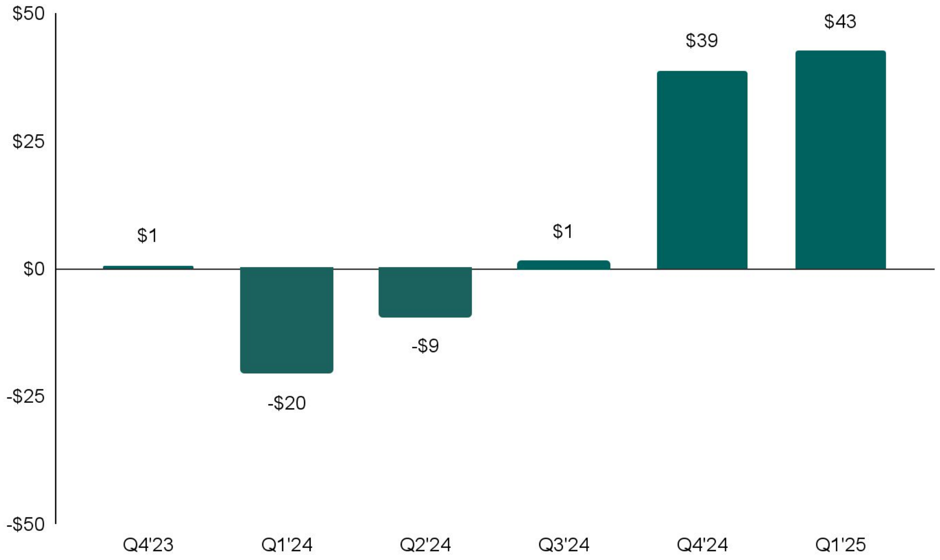
Q1’25 Contribution:

$102M

55% Contribution Margin

Reflects faster expansion into super-prime and new products than anticipated.

Adjusted EBITDA
($M)



Adj. EBITDA Margin:	**-16%**	**-7%**	**1%**	**18%**	**20%**

Q1'25 Adjusted EBITDA:

$43M

20% Adj. EBITDA Margin

Outlook

	Q2'25	FY 2025
Total Revenue	$225 million	$1.01 billion
Revenue from fees, net	$210 million	$920 million
Net interest income (loss)	$15 million	$90 million
Contribution Margin	55%	-
GAAP Net Income (Loss)	($10) million	Positive in 2H'25 and positive for full-year 2025
Non-GAAP Adjusted Net Income (Loss)	$25 million	-
Adjusted EBITDA	$37 million	-
Adjusted EBITDA Margin (% of Total Revenue)	-	19%
Basic weighted average share count	96 million	-
Diluted weighted average share count	104 million	-

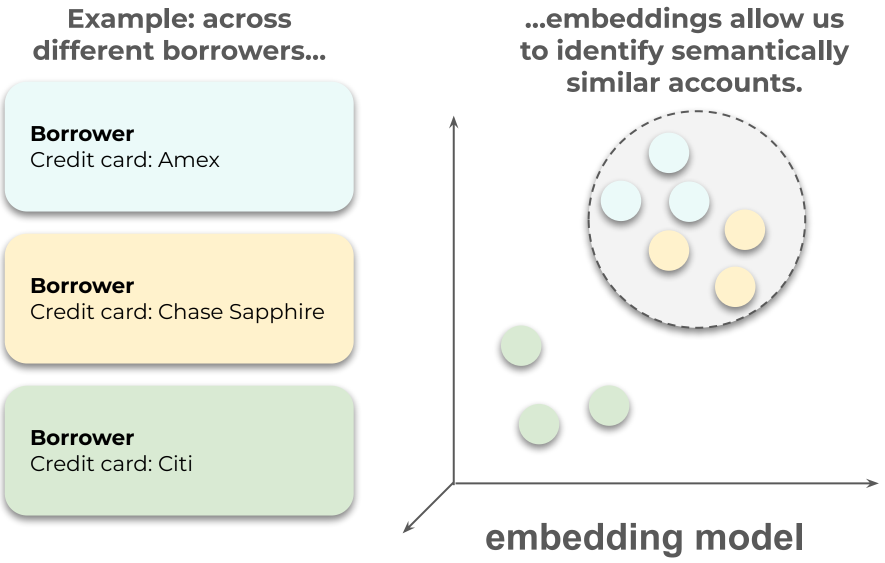
Note: Guidance figures are approximate.

Technology and product highlights

Q1'25 product progress: embeddings

Clustering unstructured data to improve model accuracy

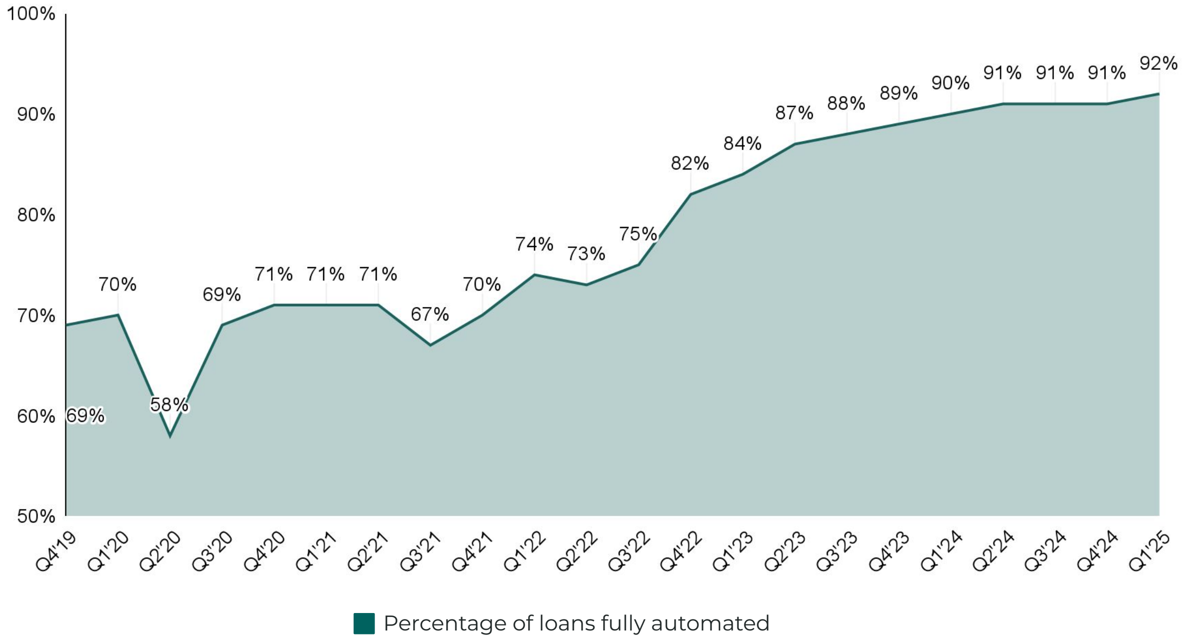
- In Q1'25 we introduced embedding algorithms into our core personal loan underwriting model.
- Embeddings are a machine-learning technique that converts complex, unstructured data into useful model inputs, allowing us to uncover subtle patterns that would be impossible to identify manually.
- The result: better model generalization, improved accuracy and more informed credit decisions.



Note: The example is for illustrative purposes.

Upstart AI supports scale and leads to radically better consumer experiences

Q1'25: 92% of loans were fully automated, with no human intervention by Upstart



More automation can drive higher loan volumes

Breaking down the math - how we arrive at the percentage of loans fully automated

Step 1

318K

rate offers accepted and evaluated by our verification model in Q1’25

Step 2

239K

applications (75%) were approved automatically

79K

applications (25%) were manually reviewed

Step 3

221K ~9 of 10 applications converted to loans

20K ~2.5 of 10 applications converted to loans

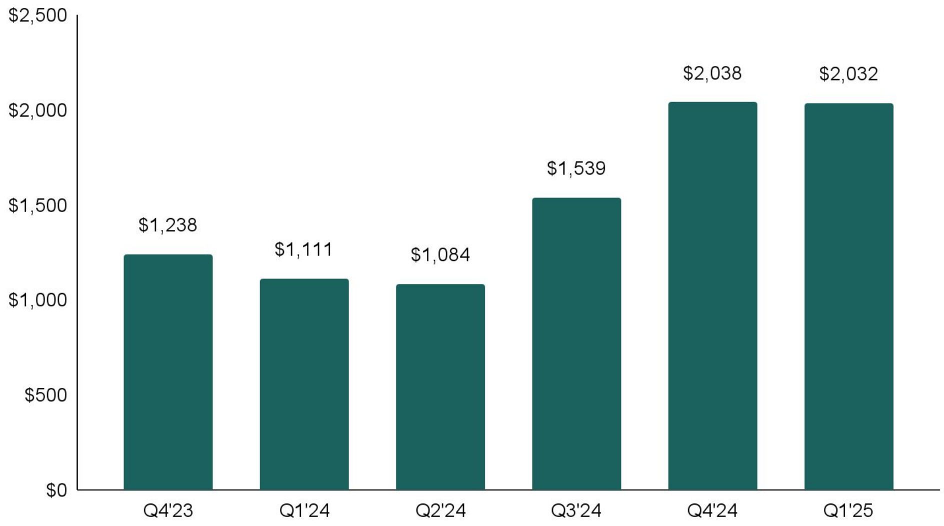
92%

of 241K funded loans were fully automated in Q1’25, with no human intervention by Upstart

Automated approvals converted at >3x the rate of those reviewed manually.

Personal loan originations

($M)



	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
# of loans	129,078	118,743	143,066	186,786	243,495	237,641

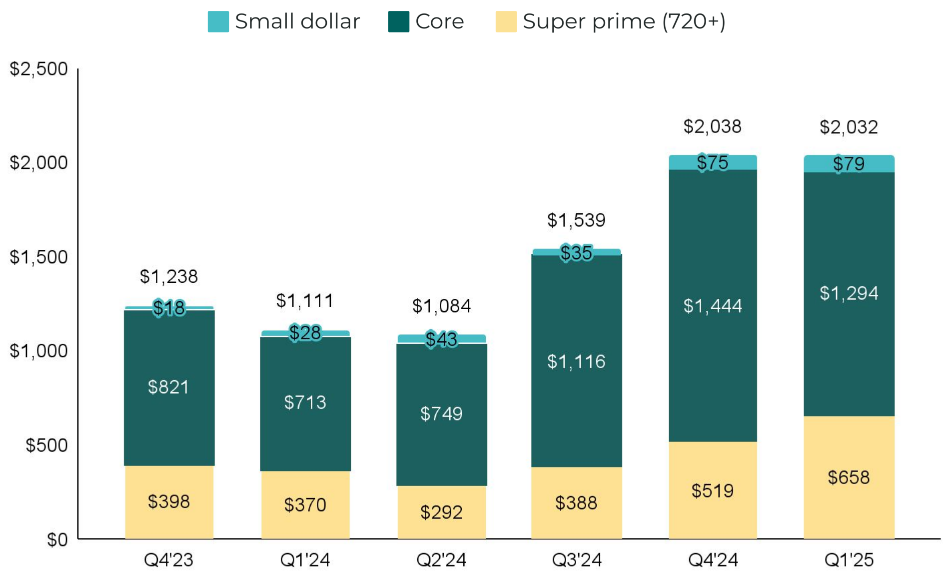
Q1'25 originations

$2.0B

Personal loan originations grew 83% YoY

Personal loan originations by borrower segment

($M)



	Q4’23	Q1’24	Q2’24	Q3’24	Q4’24	Q1’25
# of loans	129,078	118,743	143,066	186,786	243,495	237,641

Upstart

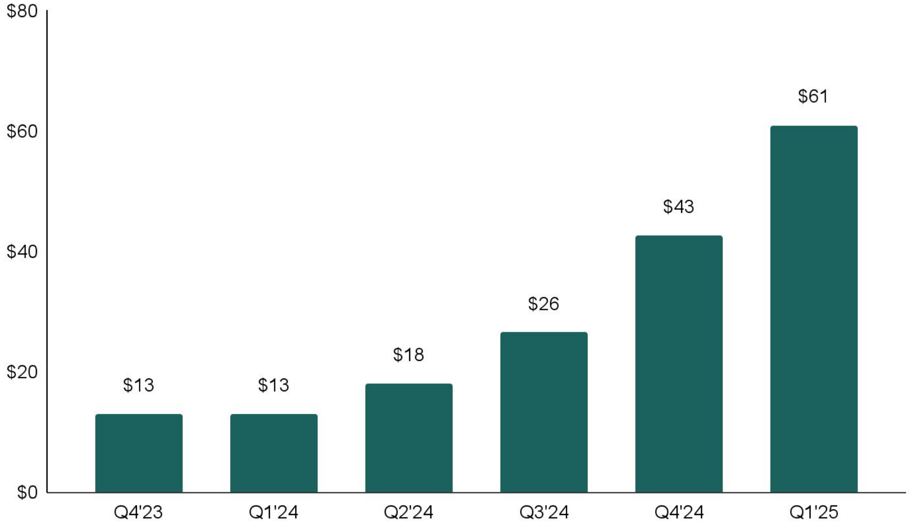
Q1’25 originations

$2.0B

Super prime was 32% of personal loan originations. “Best rates for all” is creating a more balanced portfolio.

Auto originations

($M)



	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
# of loans	542	526	708	1,080	1,715	2,399

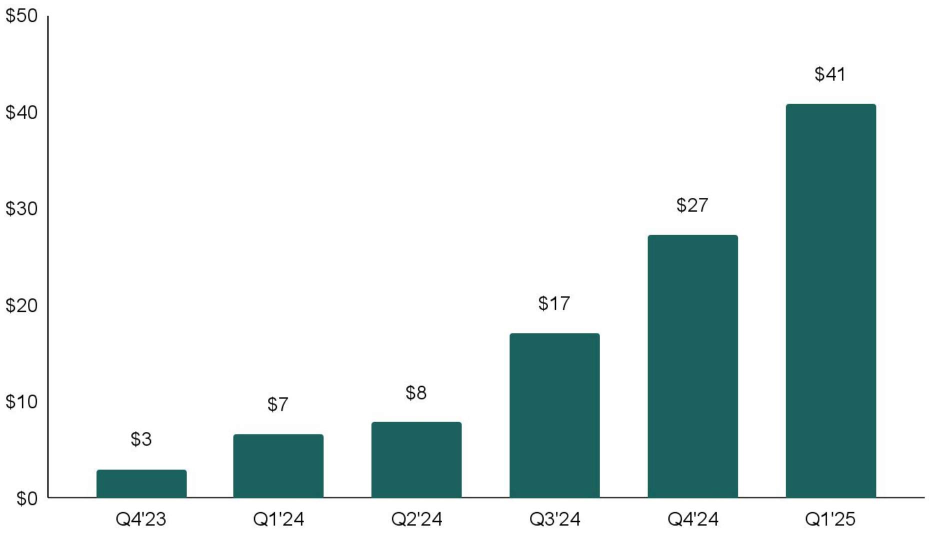
Q1'25 originations

$61M

Auto originations grew 5X since Q1'24 and 42% sequentially

Home originations

($M)



	Q4’23	Q1’24	Q2’24	Q3’24	Q4’24	Q1’25
# of loans	44	111	126	283	453	666

Note: Home originations are defined as total committed amount the borrower can draw against.

Q1’25 originations

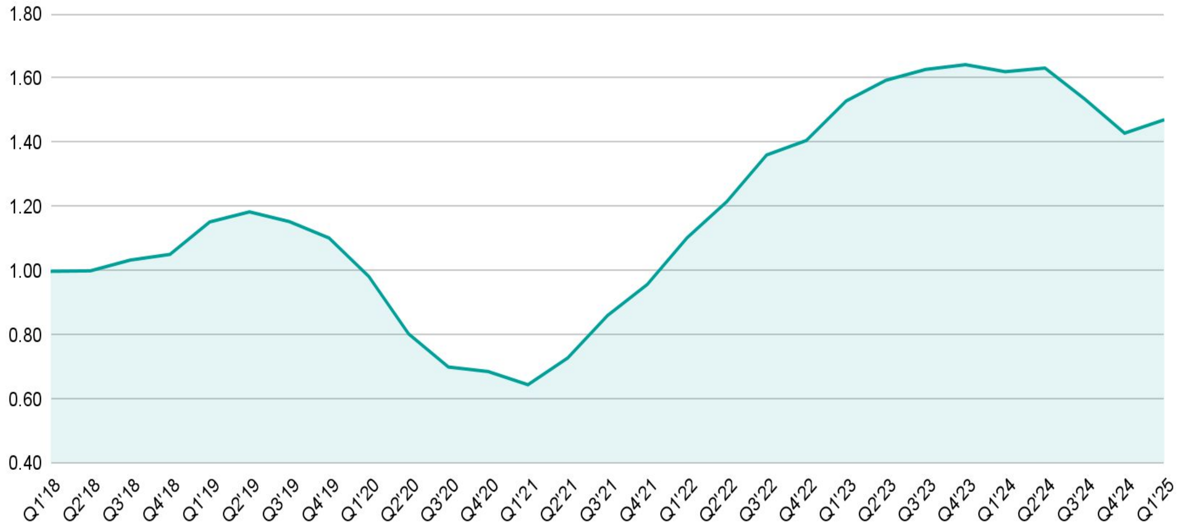
$41M

Launched toward the end of 2023, home originations grew 6X since Q1’24 and 52% sequentially.

Marketplace update

Macroeconomic risk to consumer health has improved since mid-2024

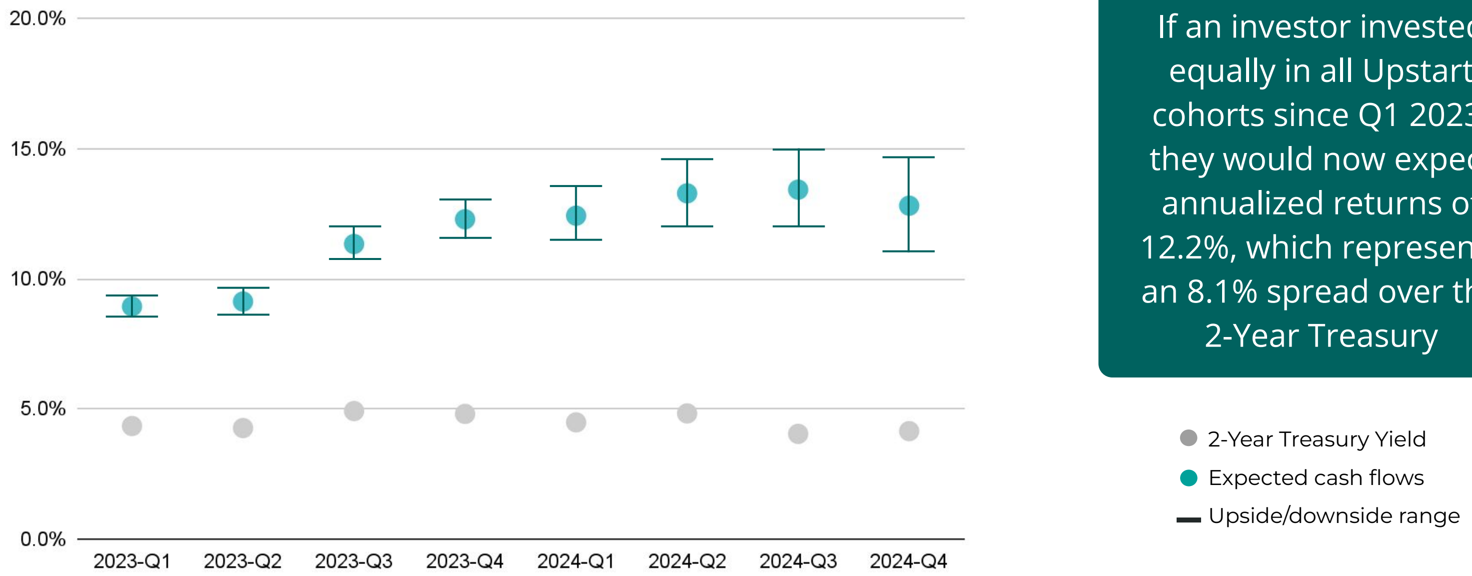
Recent UMI trends signal improvement in borrower repayment behavior



Note: UMI estimates the impact of the macroeconomy on actual credit losses based on Upstart-powered unsecured personal loan data, see: https://www.upstart.com/umi.

Upstart has delivered solid returns to capital partners

Net annualized return compared to the 2-year Treasury Yield



If an investor invested equally in all Upstart cohorts since Q1 2023, they would now expect annualized returns of 12.2%, which represents an 8.1% spread over the 2-Year Treasury

Note: This presentation shows net annualized return and is a change versus our prior presentations, which were gross. All data are as of 3/31/25. "Upside," "expected" and "downside" are Upstart's internal estimates of the returns observed for each vintage since Q1 2023. Q1 2025 is excluded due to limited seasoning available. Net annualized return includes an assumption of future cash flows based on performance after servicing fees.

Value of Upstart's co-investments in committed capital partnerships

Upstart shares in the risk of our committed capital partnerships, via various forms of minority co-investment.

Capital co-invested

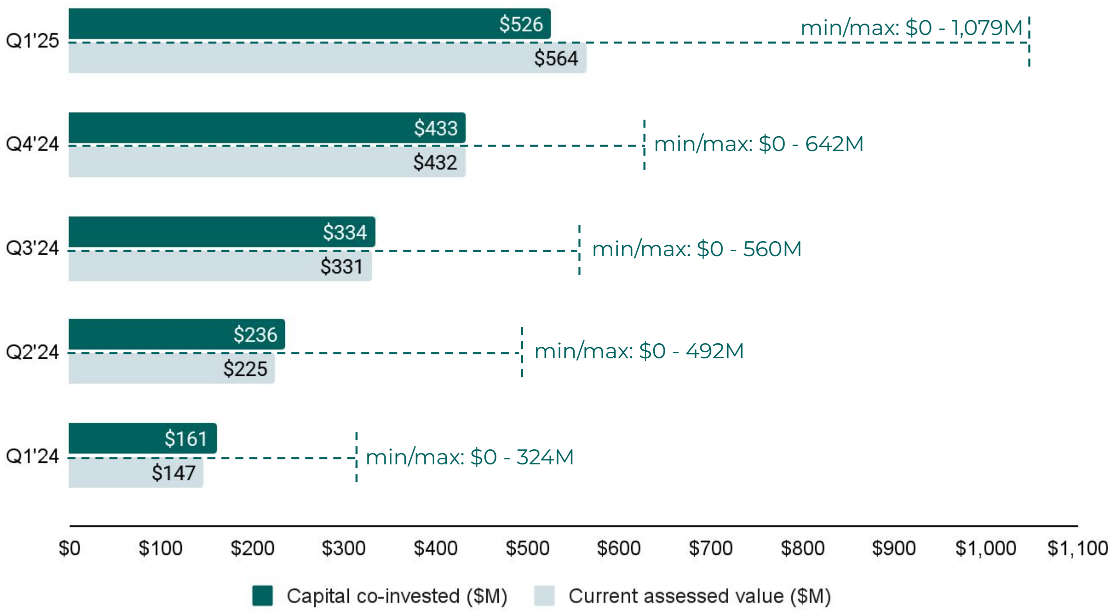
$526M is the cumulative outstanding amount that Upstart has invested into these capital agreements as of Q1'25.

Current assessed value

As of Q1'25, $564M is the (undiscounted) amount of cash Upstart expects to receive over the duration of these agreements.

Min/max possible values

In Upstart's assessment, the maximum possible amount of cash Upstart could receive from these agreements is $1,079M, and the minimum possible amount is $0. The ultimate number will depend on the performance of the loans.



Note: "Capital co-invested" is based on Upstart's GAAP disclosure of maximum exposure to losses excluding certain amounts that management does not view as at risk totaling: $9M Q1'24, $24M Q2'24, $24M Q3'24, $25M Q4'24, $28M Q1'25. See our SEC filings for more information.

Loans held by Upstart

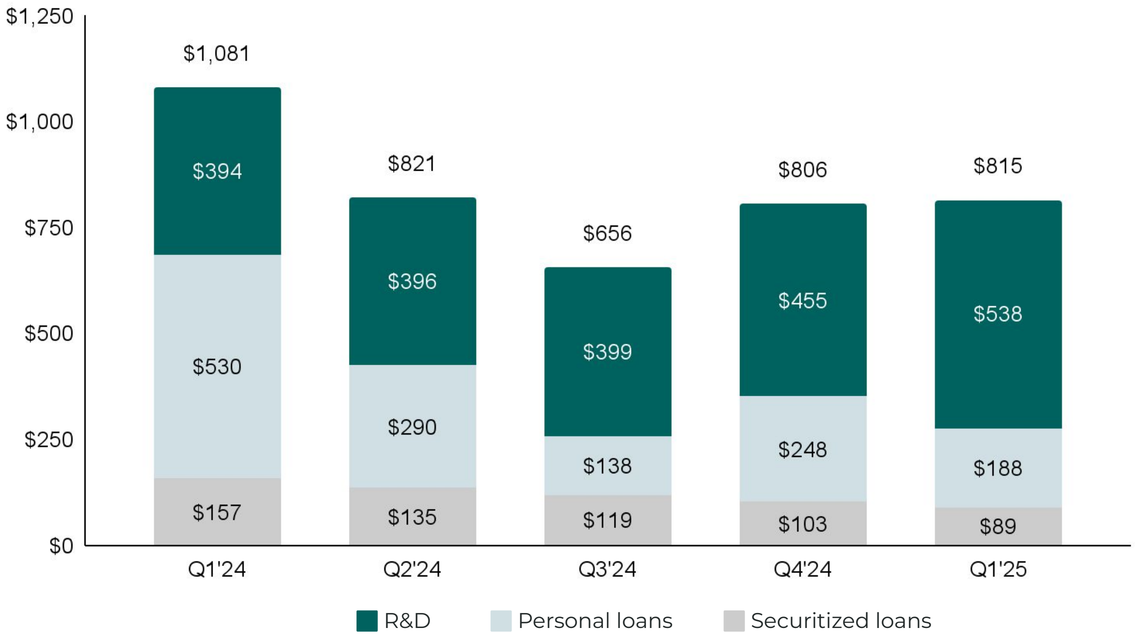
A closer look at $815M in Q1'25:

Securitized loans

$89M relates to an asset-backed securitization from Q3'23, reflecting GAAP treatment. Upstart's actual retained value was $13M as of 3/31/25.

Directly held loans

The remaining $726M in whole loans is largely related to R&D of $538M, while personal loans of $188M were -65% YoY and -24% QoQ.



Note: "R&D" loans are to test and evaluate the accuracy of our AI models.

Financial appendix

Condensed Consolidated Balance Sheet

($ in millions)

	Fiscal 2023	Fiscal 2024				Fiscal 2025
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Assets						
Cash and cash equivalents	$ 368.4	$ 300.5	$ 374.8	$ 445.3	$ 788.4	$ 599.8
Restricted cash	99.4	138.6	185.8	210.5	187.8	239.8
Loans (at fair value) (1)	1,156.4	1,080.9	820.6	656.1	806.3	814.7
Property, equipment, and software, net	42.7	40.6	39.7	38.3	39.0	42.4
Operating lease right of use assets	54.7	51.9	49.1	46.3	43.5	40.6
Beneficial interest assets (at fair value)	41.0	62.2	97.8	131.5	176.8	216.6
Non-marketable equity securities	41.3	41.3	41.3	41.3	41.3	41.3
Goodwill	67.1	67.1	67.1	67.1	67.1	67.1
Other assets	146.2	144.6	144.0	172.7	216.8	234.2
Total assets	**$ 2,017.1**	**$ 1,927.7**	**$ 1,820.2**	**$ 1,809.0**	**$ 2,367.0**	**$ 2,296.3**

1 Includes $179.1 million, $157.3 million, $135.1 million, $118.5 million, $102.9 million, and $88.9 million of loans, at fair value, contributed as collateral for the consolidated securitization as of December 31, 2023, March 31, 2024, June 30, 2024, September 30, 2024, December 31, 2024, and March 31, 2025, respectively.

Note: Amounts presented in tables may not add up to totals presented due to rounding.

Condensed Consolidated Balance Sheet (cont.)

($ in millions)

	Fiscal 2023	Fiscal 2024				Fiscal 2025
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Liabilities and Stockholders' Equity						
Liabilities:						
Payable to investors	$ 53.6	$ 59.1	$ 65.5	$ 60.8	$ 60.2	$ 83.1
Borrowings	1,040.4	1,005.3	912.7	887.4	1,402.2	1,334.9
Payable to securitization note holders (at fair value)	141.4	129.1	113.7	100.3	87.3	75.9
Accrued expenses and other liabilities	84.1	62.1	77.3	111.6	133.8	78.7
Operating lease liabilities	62.3	59.4	56.4	53.3	50.3	47.1
Total liabilities	**1,381.8**	**1,314.9**	**1,225.5**	**1,213.4**	**1,733.7**	**1,619.6**
Stockholders' equity:						
Common stock	-	-	-	-	-	-
Additional paid-in capital	917.9	960.0	996.3	1,003.9	1,044.4	1,090.2
Accumulated deficit	(282.6)	(347.2)	(401.6)	(408.4)	(411.2)	(413.6)
Total stockholders' equity	635.3	612.8	594.7	595.5	633.2	676.6
Total liabilities and stockholders' equity	**$ 2,017.1**	**$ 1,927.7**	**$ 1,820.2**	**$ 1,809.0**	**$ 2,367.0**	**$ 2,296.3**

Note: Amounts presented in tables may not add up to totals presented due to rounding.

Condensed Consolidated Statement of Operations

(in millions, except share and per share data)

	Fiscal 2023	Fiscal 2024				Fiscal 2025
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Revenue:						
Revenue from fees, net	$ 152.8	$ 138.1	$ 130.5	$ 167.6	$ 199.3	$ 185.5
Interest income, interest expense, and fair value adjustments, net:						
Interest income (1)	52.1	51.2	52.9	40.8	41.5	40.6
Interest expense (1)	(14.1)	(10.7)	(11.5)	(10.8)	(7.4)	(7.0)
Fair value and other adjustments (1)	(50.5)	(50.7)	(44.3)	(35.5)	(14.3)	(5.7)
Total interest income, interest expense, and fair value adjustments, net	(12.5)	(10.3)	(2.9)	(5.5)	19.7	27.9
Total revenue	140.3	127.8	127.6	162.1	219.0	213.4
Operating expenses:						
Sales and marketing	38.8	35.2	33.0	43.2	55.5	59.0
Customer operations	36.1	39.4	38.7	39.3	40.6	40.5
Engineering and product development	57.2	63.1	58.5	64.9	67.2	57.8
General, administrative, and other	55.8	57.6	53.0	59.9	60.4	60.6
Total operating expenses	187.8	195.3	183.1	207.3	223.7	217.9
Loss from operations	(47.5)	(67.5)	(55.5)	(45.2)	(4.8)	(4.5)
Other income, net	6.3	4.1	2.2	6.4	6.1	7.0
Expense on convertible notes	(1.2)	(1.2)	(1.2)	(1.3)	(4.0)	(5.0)
Gain on debt extinguishment	-	-	-	33.4	-	-
Net loss before income taxes	(42.3)	(64.6)	(54.5)	(6.7)	(2.6)	(2.4)
Provision for income taxes	0.1	-	-	-	0.1	-
Net loss	$ (42.4)	$ (64.6)	$ (54.5)	$ (6.8)	$ (2.8)	$ (2.4)
Net loss per share, basic	$ (0.50)	$ (0.74)	$ (0.62)	$ (0.07)	$ (0.03)	$ (0.03)
Net loss per share, diluted	$ (0.50)	$ (0.74)	$ (0.62)	$ (0.07)	$ (0.03)	$ (0.03)
Weighted-average number of shares outstanding used in computing net loss per share, basic	85,569,351	87,030,695	88,435,893	90,119,481	92,174,306	94,274,538
Weighted-average number of shares outstanding used in computing net loss per share, diluted	85,569,351	87,030,695	88,435,893	90,119,481	92,174,306	94,274,538

1 Balances for the three months ended December 31, 2023 include $9.6 million of interest income, ($3.0) million of interest expense, and ($5.9) million of fair value and other adjustments, net related to the consolidated securitization. Balances for the three months ended March 31, 2024 include $8.6 million of interest income, ($2.8) million of interest expense, and ($10.7) million of fair value and other adjustments, net related to the consolidated securitization. Balances for the three months ended June 30, 2024 include $7.7 million of interest income, ($2.5) million of interest expense, and ($9.3) million of fair value and other adjustments, net related to the consolidated securitization. Balances for the three months ended September 30, 2024 include $6.7 million of interest income, ($2.3) million of interest expense, and ($5.7) million of fair value and other adjustments, net related to the consolidated securitization. Balances for the three months ended December 31, 2024 include $5.9 million of interest income, ($2.1) million of interest expense, and ($3.8) million of fair value and other adjustments, net related to the consolidated securitization. Balances for the three months ended March 31, 2025 include $5.1 million of interest income, ($1.8) million of interest expense, and ($3.8) million of fair value and other adjustments, net related to the consolidated securitization.

Note: Amounts presented in tables may not add up to totals presented due to rounding.

Condensed Consolidated Statement of Cash Flows

(in millions)

	Fiscal 2023	Fiscal 2024				Fiscal 2025
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Cash flows from operating activities						
Net loss	$ (42.4)	$ (64.6)	$ (54.5)	$ (6.8)	$ (2.8)	$ (2.4)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:						
Change in fair value of loans	59.1	54.0	49.8	63.8	(42.5)	7.1
Change in fair value of servicing assets	5.3	4.3	3.9	4.6	3.7	4.1
Change in fair value of servicing liabilities	(0.4)	(0.5)	(0.4)	(0.1)	(0.4)	(0.3)
Change in fair value of beneficial interest assets	12.5	(4.5)	3.4	(34.8)	41.0	(17.6)
Change in fair value of beneficial interest liabilities	5.7	5.0	4.4	3.3	(0.1)	(0.1)
Change in fair value of other financial instruments	1.3	1.6	(5.9)	12.6	(4.1)	-
Stock-based compensation	32.8	35.8	34.2	33.6	29.8	29.8
Gain on loan servicing rights, net	(3.3)	(2.9)	(3.0)	(5.6)	(4.0)	(4.9)
Gain on debt extinguishment	-	-	-	(33.4)	-	-
Depreciation and amortization	9.1	5.6	4.8	5.4	4.7	6.4
Loan premium amortization	(1.6)	(2.5)	(3.5)	(4.8)	(6.1)	(8.4)
Non-cash interest expense and other	0.8	0.8	0.8	0.6	1.1	1.3
Net changes in operating assets and liabilities:						
Purchases of loans held-for-sale	(929.8)	(796.5)	(773.5)	(1,056.2)	(1,683.0)	(1,345.3)
Proceeds from sale of loans held-for-sale	639.3	772.7	719.3	1,121.0	1,488.9	1,316.7
Principal payments received for loans held-for-sale	50.2	52.8	62.5	41.7	35.9	38.3
Principal payments received for loans held by consolidated securitization	12.5	12.3	12.4	11.8	11.5	10.3
Settlements of beneficial interest liabilities	(0.6)	(0.7)	(1.7)	(1.3)	(3.0)	(6.0)
Proceeds from beneficial interest assets (derivatives)	-	-	-	-	-	0.7
Settlements of beneficial interest assets (derivatives)	-	-	-	-	-	(0.5)
Other assets	(9.0)	(0.8)	6.5	(7.8)	(6.6)	6.4
Operating lease liability and right-of-use asset	(8.4)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
Payable to investors for beneficial interest assets [1]	-	(1.4)	1.4	-	-	-
Accrued expenses and other liabilities	21.3	(25.8)	12.7	31.8	25.5	(48.8)
Net cash provided by (used in) operating activities	$ (145.6)	$ 44.3	$ 73.6	$ 179.3	$ (110.9)	$ (13.5)

1 During 2024, the Company elected to change the presentation of changes in the payable to investors balance on the condensed consolidated statement of cash flows. Under the new presentation, a portion of the payable to investors balance related to fiduciary cash was reclassified from operating to financing activities.

Note: Amounts presented in tables may not add up to totals presented due to rounding.

Condensed Consolidated Statement of Cash Flows (cont.)

(in millions)

	Fiscal 2023	Fiscal 2024				Fiscal 2025
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Cash flows from investing activities						
Purchases and originations of loans held-for-investment	(35.9)	(46.2)	(64.8)	(85.6)	(126.5)	(149.9)
Proceeds from sale of loans held-for-investment	0.2	-	-	-	-	1.6
Principal payments received for loans held-for-investment	24.1	27.2	33.0	39.6	45.5	57.4
Principal payments received for notes receivable and repayments of residual certificates	0.8	1.2	1.5	1.3	1.9	2.7
Acquisition of beneficial interest assets	(17.4)	(18.1)	(45.1)	-	-	(0.3)
Settlements of beneficial interest assets (hybrid instruments)	-	-	-	-	(4.5)	(0.3)
Proceeds from beneficial interest assets (hybrid instruments)	-	-	1.7	1.1	9.1	16.4
Purchases of property and equipment	(0.2)	(0.7)	-	(0.1)	-	-
Capitalized software costs	(1.4)	(1.1)	(2.3)	(2.4)	(3.4)	(6.2)
Net cash used in investing activities	$ (29.9)	$ (37.5)	$ (76.1)	$ (46.2)	$ (77.9)	$ (78.6)

Note: Amounts presented in tables may not add up to totals presented due to rounding.

Condensed Consolidated Statement of Cash Flows (cont.)

(in millions)

	Fiscal 2023	Fiscal 2024				Fiscal 2025
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Cash flows from financing activities						
Proceeds from warehouse borrowings	97.4	74.3	173.3	50.1	89.7	53.7
Proceeds from convertible notes issuance, net of debt issuance costs paid to lender	-	-	-	423.0	490.4	-
Payment of debt issuance costs to third party	-	-	-	(1.5)	(2.5)	(0.4)
Repayments of warehouse borrowings	(61.1)	(110.2)	(44.8)	(138.2)	(64.2)	(122.3)
Payments for repurchases of convertible notes	-	-	-	(325.3)	-	-
Purchase of capped calls	-	-	-	(40.9)	-	-
Settlement of capped calls	-	-	-	0.6	-	-
Principal payments made on securitization notes	(13.3)	(13.6)	(14.9)	(14.3)	(12.7)	(11.4)
Payable to investors [1]	1.9	8.3	9.4	(4.7)	(0.6)	22.9
Proceeds from issuance of common stock under employee stock purchase plan	-	4.6	-	3.1	-	4.7
Proceeds from exercise of stock options	3.4	1.2	1.0	10.1	9.1	8.2
Net cash provided by (used in) financing activities	$ 28.3	$ (35.4)	$ 124.0	$ (38.0)	$ 509.3	$ (44.7)
Change in cash, cash equivalents and restricted cash	(147.2)	(28.6)	121.5	95.1	320.5	(136.7)
Cash, cash equivalents and restricted cash						
Cash, cash equivalents and restricted cash at beginning of period	615.0	467.8	439.2	560.6	655.8	976.3
Cash, cash equivalents and restricted cash at end of period	$ 467.8	$ 439.2	$ 560.6	$ 655.8	$ 976.3	$ 839.5

1 During the year ended December 31, 2024, the Company elected to change the presentation of changes in the payable to investors balance on the condensed consolidated statement of cash flows. Under the new presentation, a portion of the payable to investors balance related to fiduciary cash was reclassified from operating to financing activities.

Note: Amounts presented in tables may not add up to totals presented due to rounding.

Reconciliation of non-GAAP financial measures

(in millions, except ratios)

	Fiscal 2023	Fiscal 2024				Fiscal 2025
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Total revenue	$ 140.3	$ 127.8	$ 127.6	$ 162.1	$ 219.0	$ 213.4
Net loss	(42.4)	(64.6)	(54.5)	(6.8)	(2.8)	(2.4)
Net Loss Margin	(30%)	(51%)	(43%)	(4%)	(1%)	(1%)
Adjusted to exclude the following:						
Stock-based compensation and certain payroll tax expenses [1]	$ 33.4	$ 37.4	$ 35.4	$ 34.8	$ 32.1	$ 33.6
Depreciation and amortization	9.1	5.6	4.8	5.4	4.7	6.4
Reorganization expenses	-	-	3.8	-	0.6	-
Expense on convertible notes	1.2	1.2	1.2	1.3	4.0	5.0
Gain on debt extinguishment	-	-	-	(33.4)	-	-
Net gain on lease modification	(0.7)	-	-	-	-	-
Provision for income taxes	0.1	-	-	-	0.1	-
Adjusted EBITDA	$ 0.6	$ (20.3)	$ (9.3)	$ 1.4	$ 38.8	$ 42.6
Adjusted EBITDA Margin	0%	(16%)	(7%)	1%	18%	20%

1 Payroll tax expenses include the 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.

Note: Amounts presented in tables may not add up to totals presented due to rounding.

Reconciliation of non-GAAP financial measures

(in millions, except ratios)

	Fiscal 2023	Fiscal 2024				Fiscal 2025
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Revenue from fees, net	$ 152.8	$ 138.1	$ 130.5	$ 167.6	$ 199.3	$ 185.5
Loss from operations	(47.5)	(67.5)	(55.5)	(45.2)	(4.8)	(4.5)
Operating Margin	(31%)	(49%)	(43%)	(27%)	(2%)	(2%)
Sales and marketing, net of borrower acquisition costs (1)	$ 10.6	$ 10.3	$ 9.7	$ 10.5	$ 11.2	$ 10.4
Customer operations, net of borrower verification and servicing costs (2)	7.0	7.3	7.5	6.8	7.5	6.0
Engineering and product development	57.2	63.1	58.5	64.9	67.2	57.8
General, administrative, and other	55.8	57.6	53.0	59.9	60.4	60.6
Interest income, interest expense, and fair value adjustments, net	12.5	10.3	2.9	5.5	(19.7)	(27.9)
Contribution Profit	$ 95.6	$ 81.1	$ 76.1	$ 102.4	$ 121.9	$ 102.4
Contribution Margin	63%	59%	58%	61%	61%	55%

1 Borrower acquisition costs were $28.2 million, $24.8 million, $23.2 million, $32.7 million, $44.2 million, and $48.6 million for the three months ended December 31, 2023, March 31, 2024, June 30, 2024, September 30, 2024, December 31,2024, and March 31,2025, 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. These costs do not include reorganization expenses.

2 Borrower verification and servicing costs were $29.1 million, $32.1 million, $31.2 million, $32.5 million, $33.1 million, and $34.5 million for the three months ended December 31, 2023, March 31, 2024, June 30, 2024, September 30, 2024, December 31, 2024, and March 31, 2025, 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. These costs do not include reorganization expenses.

Note: Amounts presented in tables may not add up to totals presented due to rounding.

Key Operating Metrics & Non-GAAP Financial Measures

We define Transaction Volume, Dollars as the total principal of loan originations (or committed amounts for HELOCs) facilitated on our marketplace during the periods presented. We define Transaction Volume, Number of Loans as the number of loan originations (or commitments issued for HELOCs) facilitated on our marketplace during the periods presented. We believe these metrics are good proxies for our overall scale and reach as a platform.

We define Conversion Rate as the Transaction Volume, Number of Loans 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.

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 for personal loans and small dollar loans and from initial rate request to signing of the loan agreement for auto loans) with no human involvement required by the Company divided by the Transaction Volume, Number of Loans in the same period.

To derive Contribution Profit, we subtract from revenue from fees, net our borrower acquisition costs as well as our borrower verification and servicing costs. To calculate Contribution Margin we divide Contribution Profit by revenue from fees, net.

We calculate Adjusted EBITDA as net income (loss) adjusted to exclude stock-based compensation expense and certain payroll tax expenses, depreciation and amortization, expense on convertible notes, provision for income taxes, gain on debt extinguishment, net gain on lease modification and reorganization expenses. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenue. Adjusted EBITDA and Adjusted EBITDA Margin includes interest expense from corporate debt and warehouse credit facilities which is incurred in the course of earning corresponding interest income.

We define Adjusted Net Income (Loss) as net income (loss) exclusive of stock-based compensation expense and certain payroll tax expenses as well as certain items that are not related to core business and ongoing operations, such as gain on debt extinguishment, net gain on lease modification and reorganization expenses. Adjusted Net Income (Loss) Per Share is calculated by dividing Adjusted Net Income (Loss) Per Share by the weighted-average common shares outstanding.

Thank You