



# Blend Labs, Inc.

**Q1 2025 Earnings**

Supplemental Slides

## Forward-Looking Statements and Non-GAAP Financial Measures

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, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or Blend's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "would," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Blend's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this presentation include, but are not limited to, statements regarding Blend's financial condition and operating performance, including its outlook, market size and growth opportunities, capital expenditures, and plans for future operations, Blend's opportunity to increase market share and penetration in its existing customers, projections for mortgage loan origination volumes, other macroeconomic and industry conditions, Blend's ability to create long-term value for its customers, Blend's expectations for revenue growth, Blend's strategic initiatives, including its decision to exit its Title business, and Blend's expectations regarding its share repurchase program. If any of the risks or uncertainties related to the forward-looking statements develop or if any of the assumptions related to the forward-looking statements prove incorrect, actual results could differ materially from those projected, expressed, or implied by our forward-looking statements. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in Blend's filings with the Securities and Exchange Commission, including its Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 and its Annual Report on Form 10-K for the year ended December 31, 2024 that was recently filed. All forward-looking statements in this presentation are based on information available to Blend and assumptions and beliefs as of the date hereof, and Blend disclaims any obligation to update any forward-looking statements, except as required by law.

In addition to financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes certain non-GAAP financial measures, including non-GAAP gross profit and non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income (loss) from operations, non-GAAP operating margin, non-GAAP net income (loss) from continuing operations, and non-GAAP diluted net income (loss) per share from continuing operations attributable to common stockholders. These non-GAAP financial measures adjust the related GAAP financial measures to exclude non-cash stock-based compensation, compensation realignment costs, restructuring costs, foreign currency gains and losses, and non-recurring transaction-related costs. In addition, our non-GAAP financial measures include measures related to our liquidity, such as free cash flow, unlevered free cash flow and free cash flow margin. Free cash flow is defined as net cash flow from operating activities less cash spent on additions to property, equipment, internal-use software and intangible assets. Unlevered free cash flow is defined as free cash flow plus cash paid for interest on our outstanding debt. Free cash flow margin is defined as free cash flow divided by total revenue. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. Blend's management uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to the corresponding GAAP financial measures, in evaluating Blend's ongoing operational performance and trends, in allowing for greater transparency with respect to measures used by Blend's management in their financial and operational decision making, and in comparing Blend's results of operations with other companies in the same industry, many of which present similar non-GAAP financial measures to help investors understand the operational performance of their businesses. However, it is important to note that the particular items excluded from, or included in, these non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies in the same industry. In addition, other companies may utilize metrics that are not similar to Blend's.

The non-GAAP financial information is presented for supplemental informational purposes only and is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. There are material limitations associated with the use of non-GAAP financial measures since they exclude significant expenses and income that are required by GAAP to be recorded in Blend's financial statements. Please see the reconciliation tables at the end of this presentation for the reconciliation of GAAP and non-GAAP results. Management encourages investors and others to review Blend's financial information in its entirety and not rely on a single financial measure.

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 Blend's internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to such information. Blend has not independently verified the accuracy or completeness of the information contained in the industry publications and other publicly available information. Accordingly, Blend makes no representations as to the accuracy or completeness of that information nor does Blend undertake to update such information after the date of this presentation.

## First Quarter 2025 Highlights

**01**

Simplify Blend is translating to operating leverage. \$1.0 million of non-GAAP net operating income marks the third consecutive quarter of profitability

**02**

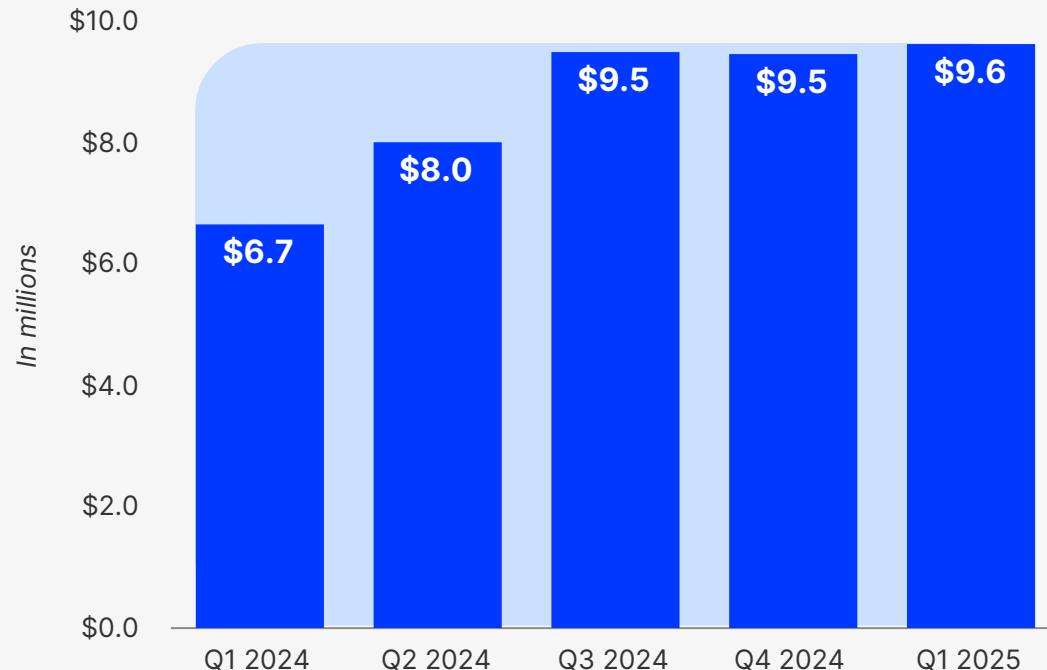
Revenue of \$26.8 million exceeds the midpoint of guidance, powered by the diversification of our solutions

**03**

Delivered \$15.5 million of free cash flow, resulting in 58% free cash flow margin, by focusing on delivering value to new and existing customers

## Consumer Banking Suite revenue reaches 45% year-over-year growth

### Consumer Banking Suite\* Revenue



### Mortgage Suite\* Revenue

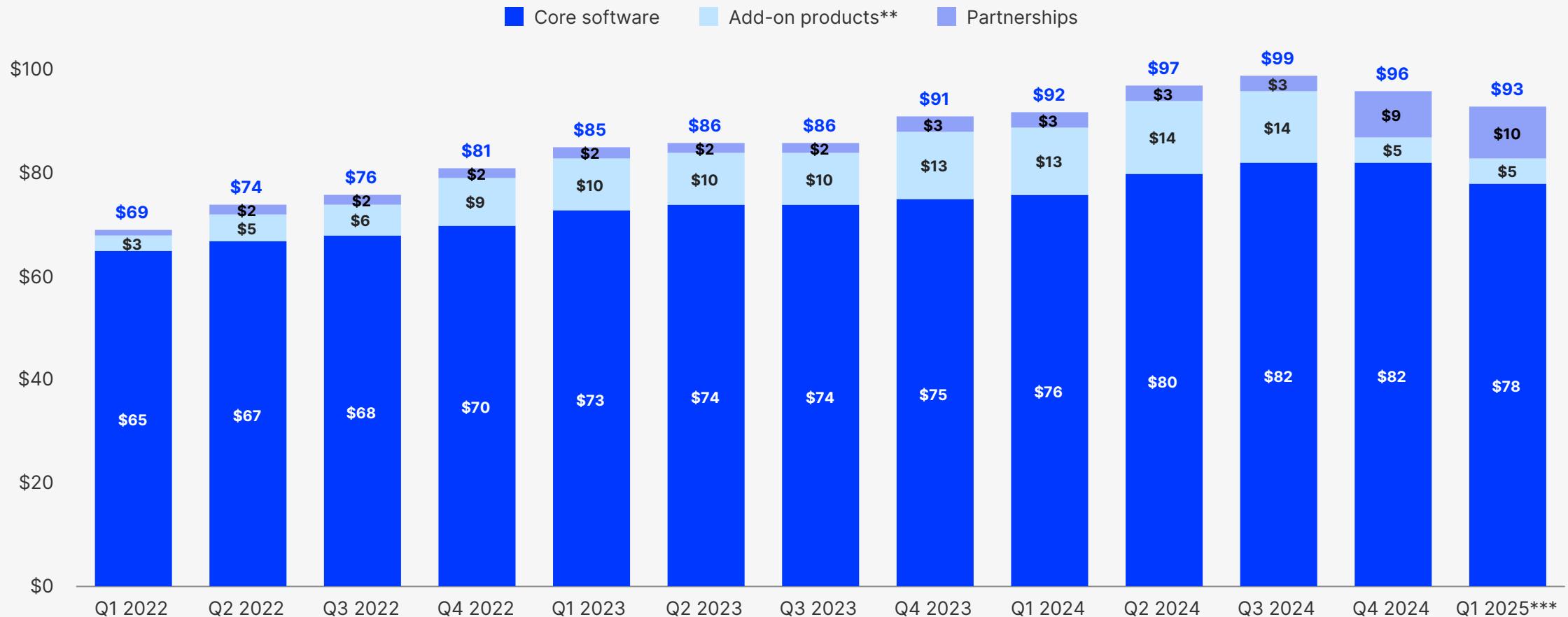


\*See Note 2 included in Appendix

\*See Note 3 included in Appendix

## Mortgage Suite economic value per funded loan\*

Focusing on the efficiency of the business with high margin add-on products and ecosystem partnerships



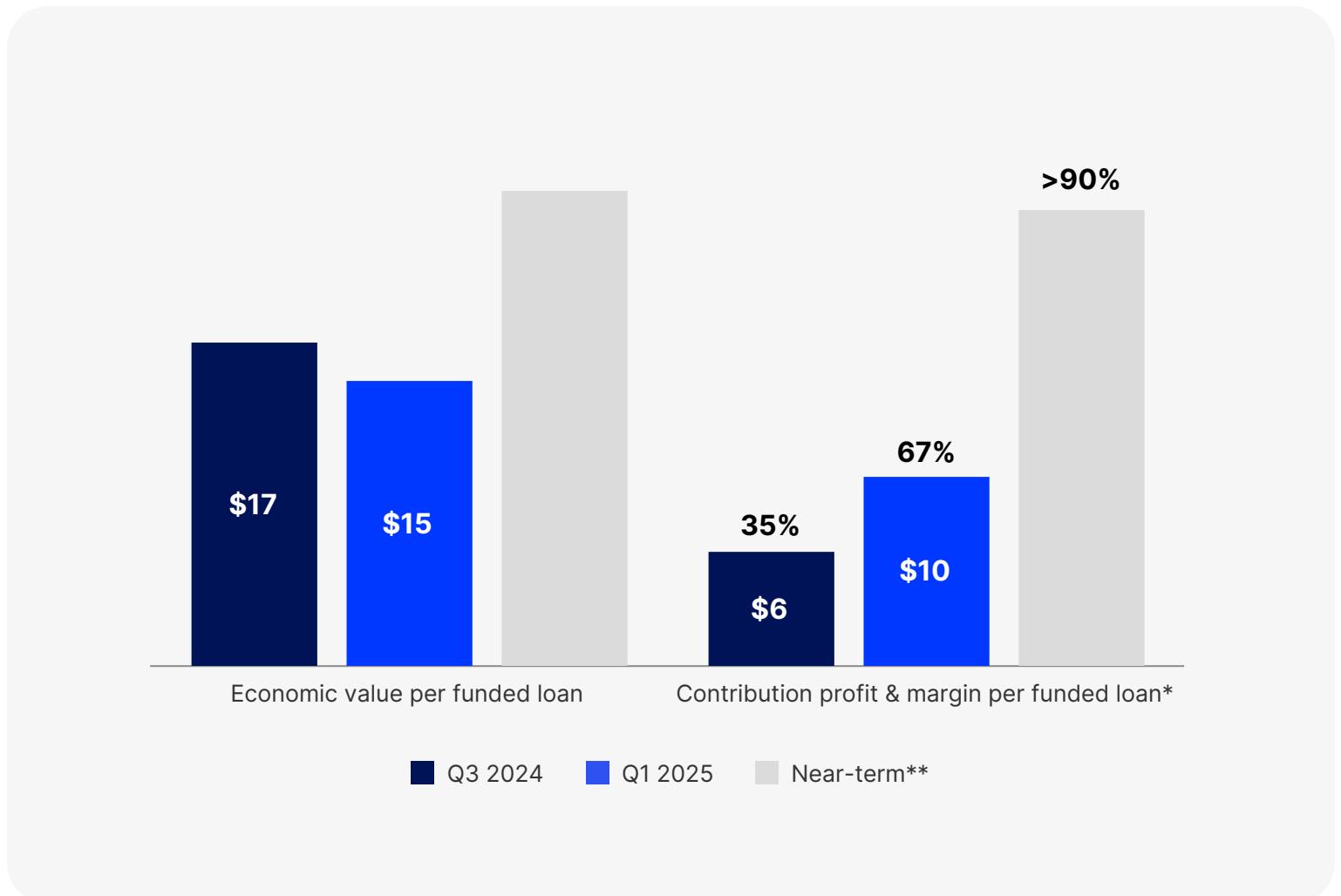
\*See Note 4 included in Appendix

\*\*Represents add-on products that are currently transitioning to a partnership model

\*\*\*Includes estimated transactions from funded loan reports not yet received

## Partnerships and add-on products unit economics

- Q3 2024's \$17 of economic value per funded loan generated contribution margin of 35% under our legacy approach to owning and building non-core solutions
- Our Platform enables us to accelerate our growth through partnerships. Results in Q1 2025 exemplify the margin expansion which will continue to grow until the transition is complete
- In the near-term our economic value will re-accelerate through the increased utilization of existing partners and enabling new features and functions with new partners. All while we continue to expand contribution margin to 90%+

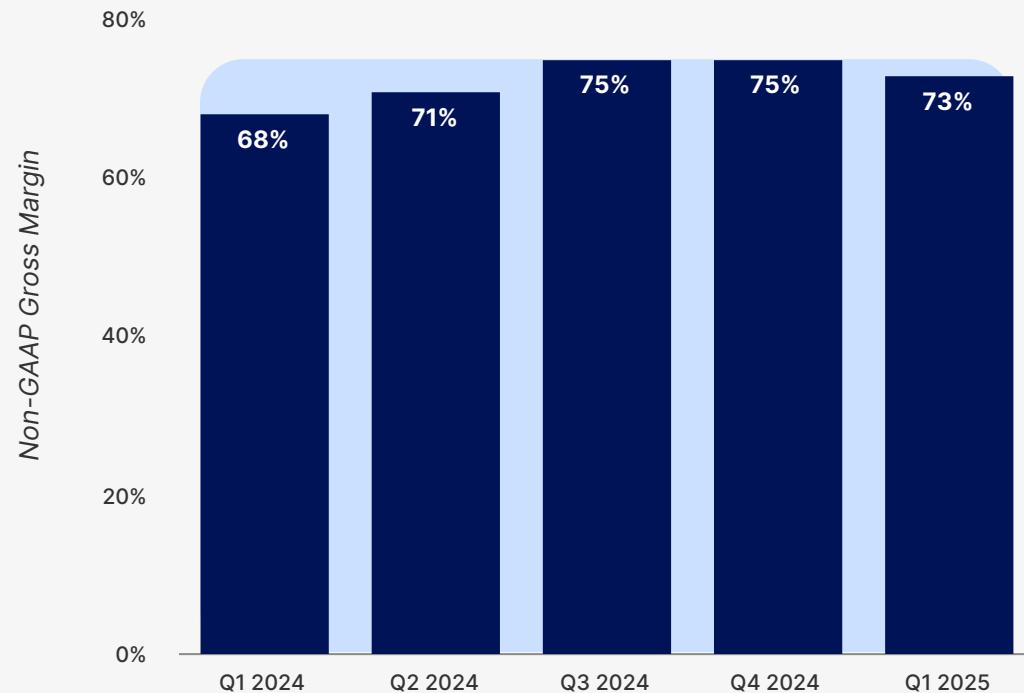


\*See Note 5 included in Appendix

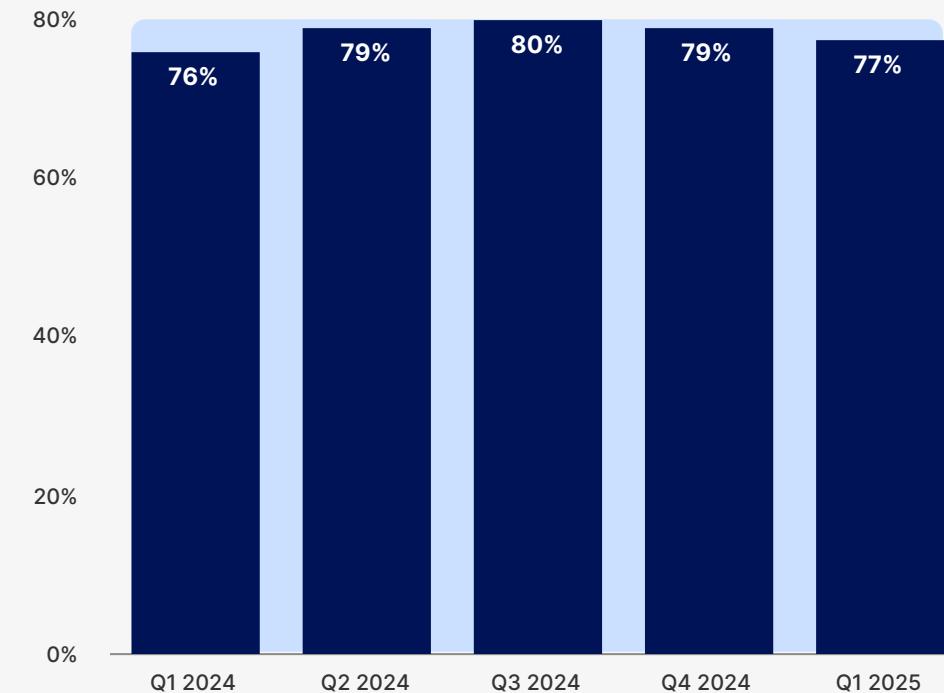
\*\*Near-term is defined as the next 12-18 months

**Gross margins saw healthy growth compared to the prior year**

### Blend Platform Segment



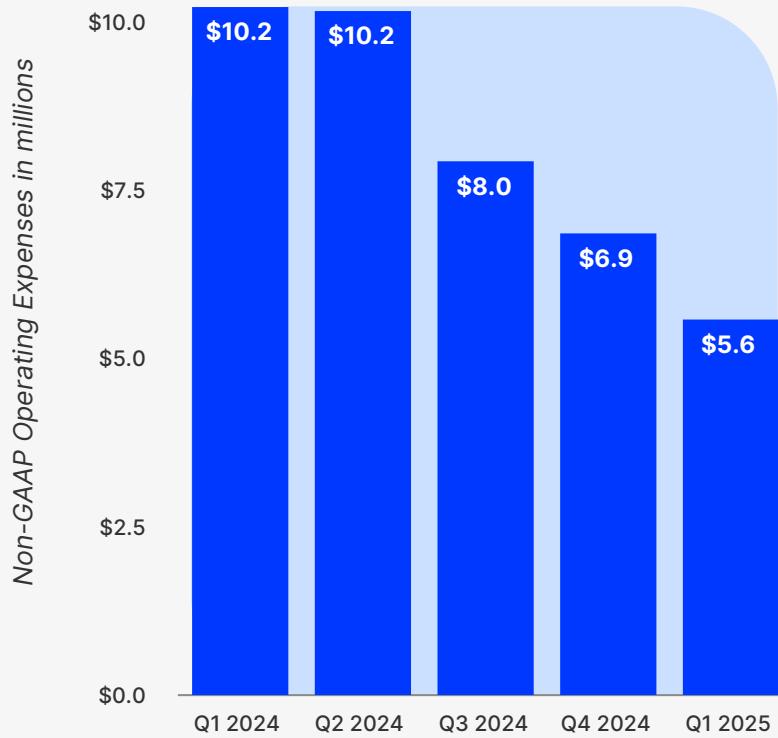
### Software Platform



## Generating leverage through expense rationalization

Significantly reduced non-GAAP operating expense year over year

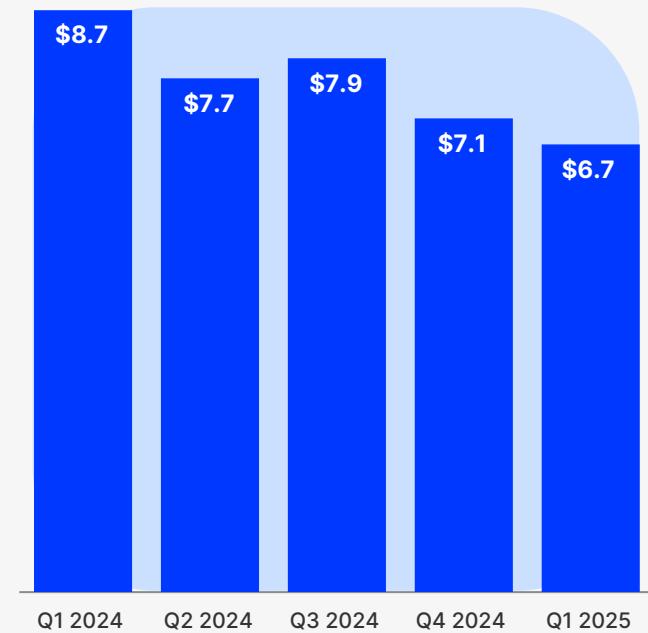
### Research & Development



### Sales & Marketing



### General & Administrative

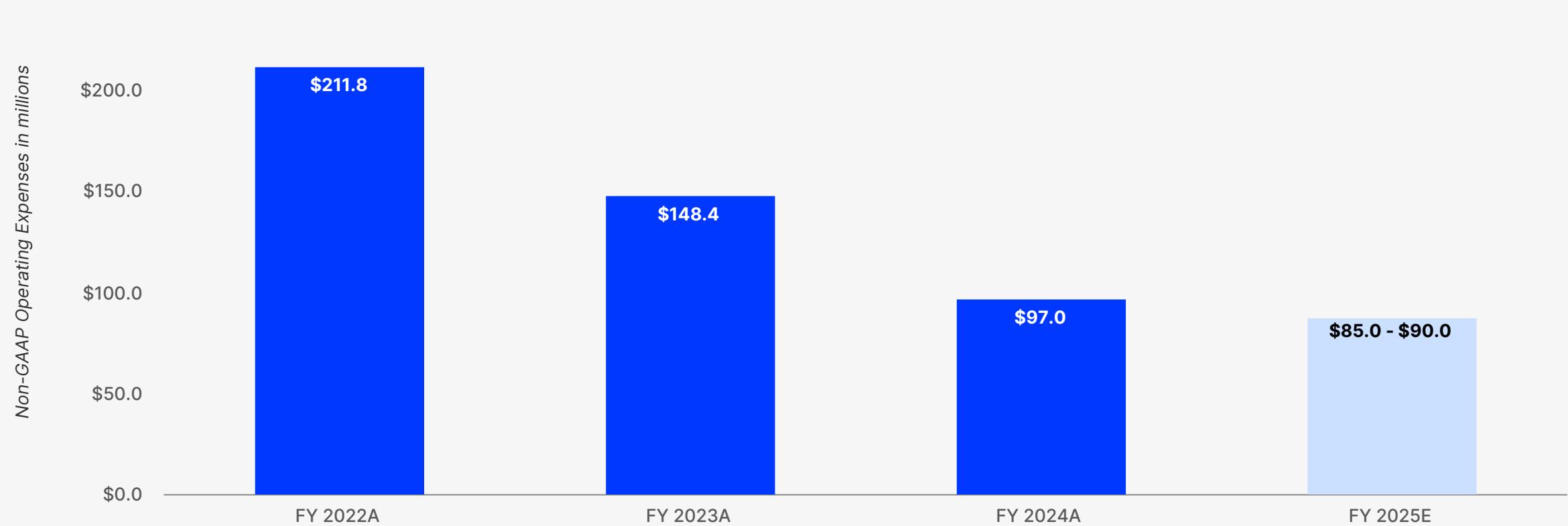


\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis

\*\*Q3'24 to Q4'24 sequential Sales and Marketing expense reduction from Homeowners Insurance business sale and partnership with Covered insurance Solutions was ~\$1.3m

## Narrowing the Focus of Our Operating Model

### Operating Expenses



\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis for each fiscal year

# Illustrative Hypothetical Share Count Under Various Stock Price Scenarios

(in thousands)

		Illustrative Shares at various BLND stock prices											
		\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00	\$7.50	\$8.00	
<b>Common Stock</b>		Outstanding As of 3/31/2025											
Class A common stock outstanding		255,078	255,078	255,078	255,078	255,078	255,078	255,078	255,078	255,078	255,078	255,078	
Class B common stock outstanding		3,747	3,747	3,747	3,747	3,747	3,747	3,747	3,747	3,747	3,747	3,747	
<b>Total Common Stock</b>		<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	<b>258,825</b>	
<b>Preferred Stock</b>													
Series A redeemable convertible preferred stock <sup>1</sup>		46,154	–	46,154	46,154	46,154	46,154	46,154	46,154	46,154	46,154	46,154	
<b>Stock-based compensation awards</b>													
Outstanding stock options <sup>2</sup>		16,608	5,137	6,129	6,924	7,563	8,074	8,493	8,843	9,139	9,393	9,619	
Non-plan Co-Founder and Head of Blend options		20,194	–	–	–	–	–	–	–	–	–	–	
Unvested restricted stock units <sup>3</sup>		14,364	14,364	14,364	14,364	14,364	14,364	14,364	14,364	14,364	14,364	14,364	
Unvested performance stock awards <sup>3</sup>		8,975	–	–	–	0	0	0	0	0	1,963	1,963	
<b>Total stock-based compensation awards</b>		<b>60,141</b>	<b>19,501</b>	<b>20,493</b>	<b>21,288</b>	<b>21,927</b>	<b>22,438</b>	<b>22,857</b>	<b>23,207</b>	<b>23,503</b>	<b>25,720</b>	<b>25,946</b>	<b>26,154</b>
<b>Warrants</b>													
Series G Warrant		598	–	–	–	–	–	–	–	–	–	–	
Common stock warrants		11,111	–	–	–	–	1,111	2,020	2,778	3,419	3,968	4,444	
<b>TOTAL</b>		<b>376,829</b>	<b>278,326</b>	<b>325,472</b>	<b>326,267</b>	<b>326,906</b>	<b>328,528</b>	<b>329,856</b>	<b>330,964</b>	<b>331,901</b>	<b>334,667</b>	<b>335,369</b>	<b>335,994</b>

**Note:** These scenarios assume Blend uses the option and warrant exercise proceeds to purchase shares at the prevailing market price. These scenarios do not contemplate the add back of unrecognized stock-based compensation cost as additional assumed proceeds as would be required for the purposes of calculating dilutive shares under US GAAP. Additional information regarding Blend's Common Stock, Preferred Stock, Stock-based compensation awards and Warrants can be found on Blend's Investor Relations website at [investor.blend.com](http://investor.blend.com) and in Blend's SEC filings.

- Assumes all Preferred Stock is dilutive on an "as-converted" basis when the prevailing market price is in excess \$3.25. The scenarios do contemplate potential anti-dilution due to the application of the two class method as would be required for the purposes of calculating dilutive shares under US GAAP.
- Assumes all options outstanding with a strike price less than the prevailing market price are "in the money" and counted towards dilution.
- Restricted stock units and performance stock awards are presented on a gross basis. Under net share settlement, the dilution from restricted stock units will equate to approximately 60% of the total gross shares.

## Guidance

### Blend guidance reflects the following:

- Blend's Q2 2025 guidance reflects our expectation that U.S. aggregate industry mortgage originations will be higher in 2Q 2025 relative to 1Q 2025 based on application volume observed to date through our customer base and our analysis of the latest relevant macroeconomic data, including our view of the mortgage market size. We view the mortgage market size based on HMDA<sup>1</sup> data. For Q2 2025, we expect that market size to be between 1,150,000 and 1,250,000 units

### Q2 2025

#### Blend Platform Revenue

\$30.5M - \$32.5M

#### Blend Platform Non-GAAP Net Operating Income

\$3.5M - \$5.0M

### FY 2025

#### Blend Platform Non-GAAP Operating Expenses

\$85.0M - \$90.0M

<sup>1</sup> See Note 1 included in Appendix

# Appendix

## Revenue Disaggregation

(dollars in thousands)

	Three Months Ended March 31,					
	2025		2024		YoY change	
Blend Platform:						
Mortgage Suite	\$ 14,638	55 %	\$ 15,078	63 %	\$ 14,638	(3) %
Consumer Banking Suite	9,622	36 %	6,658	28 %	9,622	45 %
Total Software Platform	24,260	91 %	21,736	91 %	24,260	12 %
Professional Services	2,510	9 %	2,104	9 %	2,510	19 %
<b>Total revenue</b>	<b>\$ 26,770</b>	<b>100 %</b>	<b>\$ 23,840</b>	<b>100 %</b>	<b>\$ 26,770</b>	<b>12 %</b>

\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis

# GAAP Financial Results

(in thousands)

	Three Months Ended March 31,	
	2025	2024
Revenue		
Software	\$ 24,260	\$ 21,736
Professional services	2,510	2,104
Total revenue	<u>26,770</u>	<u>23,840</u>
Cost of revenue		
Software	5,865	5,175
Professional services	1,947	2,623
Total cost of revenue	<u>7,812</u>	<u>7,798</u>
Gross profit	18,958	16,042
Operating expenses:		
Research and development	7,520	14,183
Sales and marketing	7,188	9,755
General and administrative	11,224	12,353
Restructuring	719	972
Total operating expenses	<u>26,651</u>	<u>37,263</u>
Loss from operations	(7,693)	(21,221)
Interest expense	—	(5,099)
Other income (expense), net	<u>1,114</u>	<u>5,653</u>
Loss before income taxes	(6,579)	(20,667)
Income tax expense	(30)	(42)
Loss from continuing operations	(6,609)	(20,709)
Net (loss) income from discontinued operations, net of tax	<u>(2,803)</u>	<u>46</u>
Net loss	(9,412)	(20,663)
Less: Net loss (income) attributable to noncontrolling interest included in discontinued operations	<u>182</u>	<u>(5)</u>
Net loss attributable to Blend Labs, Inc.	(9,230)	(20,668)
Less: Accretion of redeemable noncontrolling interest to redemption value from discontinued operations	(1,254)	(1,461)
Less: Accretion of Series A redeemable convertible preferred stock to redemption value	(4,202)	—
Net loss attributable to Blend Labs, Inc. common stockholders	<u>\$ (14,686)</u>	<u>\$ (22,129)</u>

## GAAP Financial Results (cont.)

(in thousands except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Net loss per share attributable to Blend Labs, Inc. common stockholders - basic and diluted:		
Continuing operations	\$ (0.04)	\$ (0.08)
Discontinued operations	\$ (0.01)	\$ (0.01)
Weighted average shares used in calculating net loss per share:		
Basic and diluted	258,832	250,932

## Reconciliation of GAAP to Non-GAAP Measures

(dollars in thousands)

Gross Profit Reconciliation	Q1 2025		Q4 2024		Q3 2024		Q2 2024		Q1 2024	
	Gross Profit	Gross Margin								
<b>Blend Platform</b>										
GAAP Software platform	\$ 18,395	76 %	\$ 21,673	78 %	\$ 24,772	80 %	\$ 20,801	79 %	\$ 16,561	76 %
Stock-based compensation <sup>(1)</sup>	1		3		3		3		4	
Amortization of capitalized internal-use software <sup>(8)</sup>	388		249		219		23		—	
Non-GAAP Software platform	18,784	77 %	21,925	79 %	24,994	80 %	20,827	79 %	16,565	76 %
GAAP Professional services	563	22 %	665	27 %	(272)	(13) %	(460)	(21) %	(519)	(25) %
Stock-based compensation <sup>(1)</sup>	169		142		101		119		135	
Non-GAAP Professional services	732	29 %	807	32 %	(171)	(8) %	(341)	(15) %	(384)	(18) %
<b>GAAP Gross Profit</b>	<b>18,958</b>	<b>71 %</b>	<b>22,338</b>	<b>74 %</b>	<b>24,500</b>	<b>74 %</b>	<b>20,341</b>	<b>71 %</b>	<b>16,042</b>	<b>67 %</b>
Stock-based compensation <sup>(1)</sup>	170		145		104		122		139	
Amortization of capitalized internal-use software <sup>(8)</sup>	388		249		219		23		—	
<b>Non-GAAP Gross Profit</b>	<b>\$ 19,516</b>	<b>73 %</b>	<b>\$ 22,732</b>	<b>75 %</b>	<b>\$ 24,823</b>	<b>75 %</b>	<b>\$ 20,486</b>	<b>71 %</b>	<b>\$ 16,181</b>	<b>68 %</b>

## Reconciliation of GAAP to Non-GAAP Measures (cont.)

(in thousands)

	Three Months Ended March 31,			
	2025	2024		
<b>GAAP operating expenses</b>	\$ 26,651	\$ 37,263		
Non-GAAP adjustments:				
Stock-based compensation <sup>(1)</sup>	5,878	7,889		
Workforce reduction costs <sup>(2)</sup>	719	972		
Abandoned and terminated facilities costs <sup>(3)</sup>	507	—		
Compensation realignment costs <sup>(4)</sup>	—	901		
Litigation contingencies and related professional services costs <sup>(5)</sup>	787	—		
Transaction-related costs <sup>(6)</sup>	140	—		
Impairment of capitalized internal-use software <sup>(7)</sup>	81	—		
<b>Non-GAAP operating expenses</b>	<b>\$ 18,539</b>	<b>\$ 27,501</b>		

\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis



## Reconciliation of GAAP to Non-GAAP Measures (cont.)

(in thousands)

	Three Months Ended March 31,	
	2025	2024
	\$	\$
<b>GAAP loss from operations</b>	<b>\$ (7,693)</b>	<b>\$ (21,221)</b>
Non-GAAP adjustments:		
Stock-based compensation <sup>(1)</sup>	6,048	8,045
Workforce reduction costs <sup>(2)</sup>	719	972
Abandoned and terminated facilities costs <sup>(3)</sup>	507	—
Compensation realignment costs <sup>(4)</sup>	—	901
Litigation contingencies and related professional services costs <sup>(5)</sup>	787	—
Transaction-related costs <sup>(6)</sup>	140	—
Impairment of capitalized internal-use software <sup>(7)</sup>	81	—
Amortization of capitalized internal-use software <sup>(8)</sup>	388	—
<b>Non-GAAP income (loss) from operations</b>	<b>\$ 977</b>	<b>\$ (11,303)</b>
<b>GAAP operating margin</b>	<b>(29)%</b>	<b>(89)%</b>
<b>Non-GAAP operating margin</b>	<b>4 %</b>	<b>(47)%</b>

\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis

## Reconciliation of GAAP to Non-GAAP Measures (cont.)

(in thousands)

	Three Months Ended March 31,	
	2025	2024
<b>GAAP net loss from continuing operations</b>	<b>\$ (6,609)</b>	<b>\$ (20,709)</b>
Non-GAAP adjustments:		
Stock-based compensation <sup>(1)</sup>	6,048	8,045
Workforce reduction costs <sup>(2)</sup>	719	972
Abandoned and terminated facilities costs <sup>(3)</sup>	507	—
Compensation realignment costs <sup>(4)</sup>	—	901
Litigation contingencies and related professional services costs <sup>(5)</sup>	787	—
Transaction-related costs <sup>(6)</sup>	140	—
Impairment of capitalized internal-use software <sup>(7)</sup>	81	—
Amortization of capitalized internal-use software <sup>(8)</sup>	388	—
Gain on investment in equity securities <sup>(9)</sup>	—	(4,417)
Foreign currency gains and losses <sup>(10)</sup>	(20)	(7)
<b>Non-GAAP net income (loss) from continuing operations</b>	<b>\$ 2,041</b>	<b>\$ (15,215)</b>

\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis



## Reconciliation of GAAP to Non-GAAP Measures - Operating Expenses

(in thousands)

	Year Ended December 31,		
	2024	2023	2022
<b>GAAP operating expenses</b>	\$ 132,070	\$ 220,063	\$ 326,505
Non-GAAP adjustments:			
Stock-based compensation <sup>(1)</sup>	27,432	44,570	104,026
Workforce reduction costs <sup>(2)</sup>	2,594	20,056	7,497
Litigation contingencies and related professional services costs <sup>(5)</sup>	53	(245)	—
Transaction-related costs <sup>(6)</sup>	—	2,066	3,139
Abandoned and terminated facilities costs <sup>(3)</sup>	3,825	—	—
Compensation realignment costs <sup>(4)</sup>	1,155	5,174	—
<b>Non-GAAP operating expenses</b>	<b>\$ 97,011</b>	<b>\$ 148,442</b>	<b>\$ 211,843</b>

\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis



## Reconciliation of GAAP to Non-GAAP Measures (cont.)

(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
<b>GAAP diluted net loss per share from continuing operations attributable to common stockholders</b>	\$ (0.04)	\$ (0.08)
Per share impact of non-GAAP expenses <sup>(11)</sup>	(0.03)	(0.02)
<b>Non-GAAP diluted income (loss) per share from continuing operations attributable to common stockholders</b>	\$ (0.01)	\$ (0.06)
<b>GAAP diluted weighted average shares used in calculating net loss per share</b>	258,832	250,932
<b>Non-GAAP diluted weighted average shares used in calculating net income (loss) per share</b>	258,832	250,932

	Three Months Ended March 31,	
	2025	2024
<b>Stock-based compensation by function:</b>		
Cost of revenue	\$ 170	\$ 156
Research and development <sup>(12)</sup>	1,636	3,352
Sales and marketing	720	978
General and administrative	3,522	3,559
<b>Total</b>	<b>\$ 6,048</b>	<b>\$ 8,045</b>

\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis

## Reconciliation of GAAP to Non-GAAP Measures (cont.)

(in thousands)

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
<b>GAAP research and development expense</b>	\$ 7,520	\$ 8,861	\$ 10,127	\$ 12,916	\$ 14,183
Non-GAAP adjustments:					
Stock-based compensation <sup>(1)</sup>	1,636	1,782	2,169	2,567	3,352
Abandoned and terminated facilities costs <sup>(3)</sup>	193	213	—	—	—
Compensation realignment costs <sup>(4)</sup>	—	—	—	166	591
Impairment of capitalized internal-use software <sup>(7)</sup>	81	—	—	—	—
<b>Non-GAAP research and development expense</b>	<b>\$ 5,610</b>	<b>\$ 6,866</b>	<b>\$ 7,958</b>	<b>\$ 10,183</b>	<b>\$ 10,240</b>
<b>GAAP sales and marketing expense</b>	<b>\$ 7,188</b>	<b>\$ 6,178</b>	<b>\$ 9,473</b>	<b>\$ 9,004</b>	<b>\$ 9,755</b>
Non-GAAP adjustments:					
Stock-based compensation <sup>(1)</sup>	720	831	862	875	978
Abandoned and terminated facilities costs <sup>(3)</sup>	204	202	—	—	—
Compensation realignment costs <sup>(4)</sup>	—	—	—	50	179
<b>Non-GAAP sales and marketing expense</b>	<b>\$ 6,264</b>	<b>\$ 5,145</b>	<b>\$ 8,611</b>	<b>\$ 8,079</b>	<b>\$ 8,598</b>
<b>GAAP general and administrative expense</b>	<b>\$ 11,224</b>	<b>\$ 10,475</b>	<b>\$ 11,490</b>	<b>\$ 11,369</b>	<b>\$ 12,353</b>
Non-GAAP adjustments:					
Stock-based compensation <sup>(1)</sup>	3,522	3,294	3,498	3,664	3,559
Abandoned and terminated facilities costs <sup>(3)</sup>	110	123	—	—	—
Compensation realignment costs <sup>(4)</sup>	—	—	—	38	131
Litigation contingencies and related professional services costs <sup>(5)</sup>	787	—	53	—	—
Transaction-related costs <sup>(6)</sup>	140	—	—	—	—
<b>Non-GAAP general and administrative expense</b>	<b>\$ 6,665</b>	<b>\$ 7,058</b>	<b>\$ 7,939</b>	<b>\$ 7,667</b>	<b>\$ 8,663</b>

\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis



## Reconciliation of GAAP to Non-GAAP Measures (cont.)

(dollars in thousands)

	Q1 2025	Q1 2024
<b>Net cash provided by (used in) operating activities</b>	\$ 20,085	\$ (3,027)
Additions to property, equipment and internal-use software development costs	(4,587)	(1,964)
<b>Free cash flow</b>	<b>15,498</b>	<b>(4,991)</b>
Cash paid for interest	—	4,529
<b>Unlevered free cash flow</b>	<b>\$ 15,498</b>	<b>\$ (462)</b>
Revenue	\$ 26,770	\$ 23,840
<b>Free cash flow margin</b>	<b>58 %</b>	<b>(21)%</b>

\*Amounts are presented on "continuing operations" (Blend Platform segment-only) basis

## Reconciliation of GAAP to Non-GAAP Measures (cont.)

### Notes:

(1) **Stock-based compensation** represents the non-cash grant date fair value of stock-based instruments utilized to incentivize our employees, for which the expense is recognized over the applicable vesting or performance period.

(2) **Workforce reduction costs** represent expenses incurred in connection with the workforce restructuring actions executed as part of our broader efforts to improve cost efficiency.

(3) **Abandoned and terminated facilities costs** represent charges related to the early termination of a leased facility and abandonment of another leased facility as part of our broader efforts to better align our operating structure with our business activities.

(4) **Compensation realignment costs** relate to amortization of one-time cash bonus payment (paid in two installments in March and May 2023) to certain employees in lieu of previously committed equity-based awards, driven by an organizational initiative to standardize our equity compensation program.

(5) **Litigation contingencies and related professional services costs** represent reserves for legal settlements and related professional service fees that are unusual or infrequent costs associated with our operating activities.

(6) **Transaction-related costs** include non-recurring financial advisory, legal, and other transactional costs incurred in connection with investing or divesting activities recorded within general and administrative expense.

(7) **Impairment of capitalized internal-use software** represents the non-cash expense related to the write-off of certain internal-use software projects.

(8) **Amortization of capitalized internal-use software** represents the non-cash amortization expense related to our developed technology that is amortized over the estimated useful life.

(9) **Gain on investment in equity securities** represents an adjustment to the carrying value of the non-marketable security without a readily determinable fair value to reflect observable price changes.

(10) **Foreign currency gains and losses** include transaction gains and losses incurred in connection with our operations in India.

(11) **Per share impact of non-GAAP expenses** represents the per share impact of aggregated non-GAAP items included in (1) through (10).

(12) **Stock-based compensation expense** is net of \$1.2 million and \$0.6 million of additions to capitalized internal-use software for the three months ended March 31, 2025 and 2024.

## Footnotes

**Note 1: HMDA Mortgage Originations** The Home Mortgage Disclosure Act (HMDA) requires financial institutions to maintain, report, and publicly disclose loan-level information about mortgages. All transactions are reportable if they are secured by a lien on a dwelling and the financial institution meets the applicable loan-volume thresholds. Each year, HMDA data from the prior year is made available to the public, including reported mortgage originations. HMDA updates the initial snapshot dataset at a one-year and three-year mark to incorporate late submissions and resubmissions. Management filters the HMDA data for closed-end, first lien loans whose purpose was a purchase, refinance or cash-out refinance transaction. Transactions such as business and commercial originations or loans secured by liens on multifamily dwellings are excluded from management's estimate of industry originations. We refer to this subset of data as **HMDA Mortgage Originations**.

**Note 2: Consumer Banking Suite Revenues** consist of home equity, personal lending, credit cards, deposit accounts, auto finance, and other banking products.

**Note 3: Mortgage Suite Revenues** consist of Mortgage revenue, Mortgage add-on revenue from Blend Income Verification and Blend Close, and Marketplace revenue from our partners that use our integrated marketplaces for their services, such as property and casualty insurance.

**Note 4: Economic Value per Funded Loan** in our Mortgage Suite represents the contractual rates for mortgage and mortgage-related products multiplied by the number of loans funded or transactions completed, as applicable, by a customer in the specified period (economic value), divided by the total number of loans funded by all Mortgage Suite customers in that same period. Economic value per funded loan is segregated into three categories: 1) core software, 2) add-on products and 3) partnerships. Core software consists of economic value generated through Mortgage and Blend Close. Add-on products consists of economic value generated through Blend Income Verification and Blend Insurance Agency, prior to their transition to partnership models. Partnerships consists of economic value generated from partners through our integrated marketplace. The value derived from products associated with the mortgage application stage is aligned with the timing of funding the related loan (typically a 1-3 month delay from the time of application). Additionally, the value that is associated with fixed platform fees is recognized as revenue ratably over the contractual period, which naturally creates peaks and troughs that align with quarters of low and high mortgage loans funded. We use Economic Value per Funded Loan to measure our success at broadening the client relationships from the underlying mortgage transactions and selling additional products through our software platform.

**Note 5: Contribution Profit & Margin per Funded Loan:** Contribution profit per funded loan represents Economic Value per Funded Loan less directly attributable expenses. Contribution Margin per Funded Loan represents Contribution Profit per Funded Loan divided by Economic Value per Funded Loan.

**Note 6:** We define **Free Cash Flow**, a non-GAAP financial measure, as net cash flow from operating activities less cash spent on additions to property, equipment, internal-use software and intangible assets. **Unlevered Free Cash Flow** is defined as Free Cash Flow before cash paid for interest on our outstanding debt. **Free Cash Flow Margin** is defined as Free Cash Flow divided by Total Revenue. We believe information regarding Free Cash Flow, Unlevered Free Cash Flow and Free Cash Flow Margin provide useful information to investors as a basis for comparing our performance with other companies in our industry and as a measurement of the cash generation that is available to invest in our business and meet our financing needs. However, given our debt service obligations and other contractual obligations, Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures. In April 2024, we repaid in full all amounts outstanding and payable under our debt obligations and therefore eliminated any debt service obligations.