

Investor Day 2023 |  **blend**

Welcome to Blend's 2023 Investor Day

September 26, 2023

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, operating model, cash flows and capital expenditures, Blend's ability to generate cash and Blend's cash needs, operating margins, plans for future operations, competitive positions, technological capabilities, strategic relationships, Blend's opportunity to increase market share and penetration in its existing customers, Blend's ability to scale its products and relationships, projections and estimates of mortgage loan origination volumes, other macroeconomic and industry conditions, Blend's ability to improve efficiency, Blend's addressable market, Blend's ability to create long-term value for its customers, and Blend's expectations for revenue growth and sales of its products. 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 its 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 Annual Report on Form 10-K for the year ended December 31, 2022 and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, and June 30, 2023. 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, non-GAAP gross margin %, non-GAAP operating expenses, non-GAAP loss from operations, non-GAAP net loss, free cash flow and unlevered free cash flow. These non-GAAP financial measures adjust the related GAAP financial measures to exclude non-cash stock-based compensation and warrant amortization expense, compensation realignment costs, amortization of acquired intangible assets, impairment of intangible assets and goodwill, restructuring costs, litigation contingencies, and transaction-related costs. 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.

Blend's Investor Day Agenda

9:00 am	Blend's Vision Nima Ghamsari Head of Blend
9:30 am	Product Strategy and Innovation Erik Wrobel Head of Product
10:00 am	Product Demos Erik Wrobel & Nima Ghamsari
10:30 am	Break
11:00 am	Unlocking Customer Value Sebastian Joll Head of Revenue
11:30 am	Execution and Operating Rhythm Amir Jafari Head of Finance & Administration
12:00 pm	Q&A Session Blend Executive Team
12:30 pm	Lunch



Head of Blend

Nima Ghamsari

Blend's Investor Day Presenters



Nima Ghamsari

Founder & Head of Blend



Erik Wrobel

Head of Product



Sebastian Joll

Head of Revenue



Amir Jafari

Head of Finance & Administration

Execution since IPO

2021 Q3

Mortgage
Growth

12%

Mortgage Market
Share¹

\$66

Mortgage
Economic Value per Loan²

Consumer
Banking
Progress

\$4M

Consumer Banking
Revenue

90

Consumer Banking
Logos³

Operations

\$62M

Non-GAAP Operating Expenses⁴

2023 Q3E

~20%

Mortgage Market
Share¹

~\$86

Mortgage
Economic Value per Loan²

~\$6M

Consumer Banking
Revenue

114

Consumer Banking
Logos³

~\$38M

Non-GAAP Operating Expenses⁴

¹Please refer to footnote 6 in the appendix of this presentation.

²Please refer to footnote 4 in the appendix of this presentation.

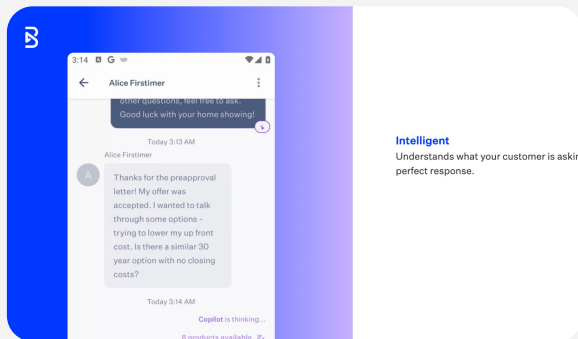
³Customer count as of September 30, 2021.

⁴GAAP to non-GAAP reconciliation schedules can be found in the appendix to this presentation.

Forum Customer Conference: Innovating for Growth



Attended by **more than 70 key customers** across mortgage and consumer lending



Unveiled latest **product roadmap and innovations**



Demonstrated solutions to customer challenges through **hands-on product demos**

**Our vision is to
bring simplicity and
transparency to
financial products**



Blend is capitalizing on the opportunity for innovation across the banking industry

01

Consumers are underserved

80% of bank executives agree that “underdeveloped data” prohibits them from delivering exceptional experiences¹

02

Manual processes

40% of banks are getting by without a consistent technology experience¹

03

Inflexible legacy systems

89% of surveyed bank executives cited legacy infrastructure as a huge challenge²

04

Revenue and benefit left on the table

96% of financial institutions are unable to fully personalize all customer journeys¹

¹Source [Capgemini - The Customer Engagement Imperative \(2022\)](#), The Financial Brand (1, 2)

²American Banker: Bank to the Future

Our Solution

Simplifying and digitizing origination



Increased lifetime value,
lower unit costs

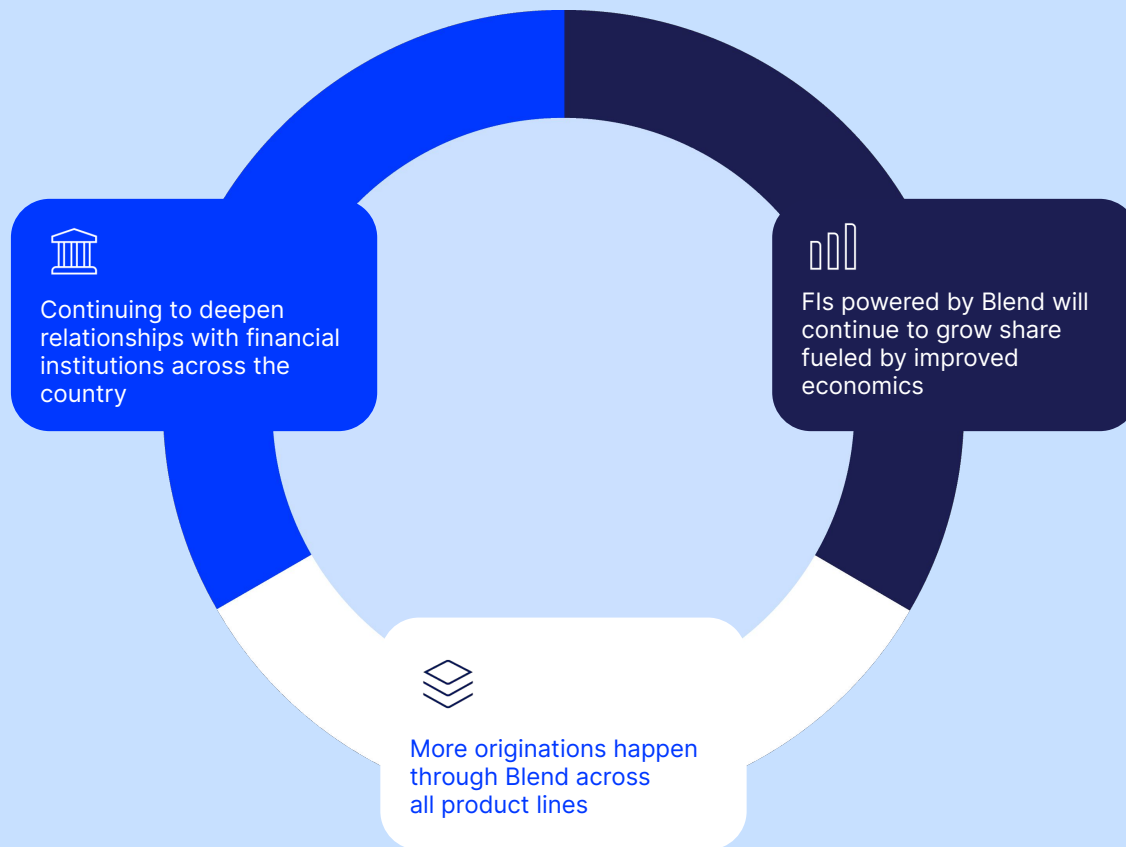


Delivery at scale
through Builder

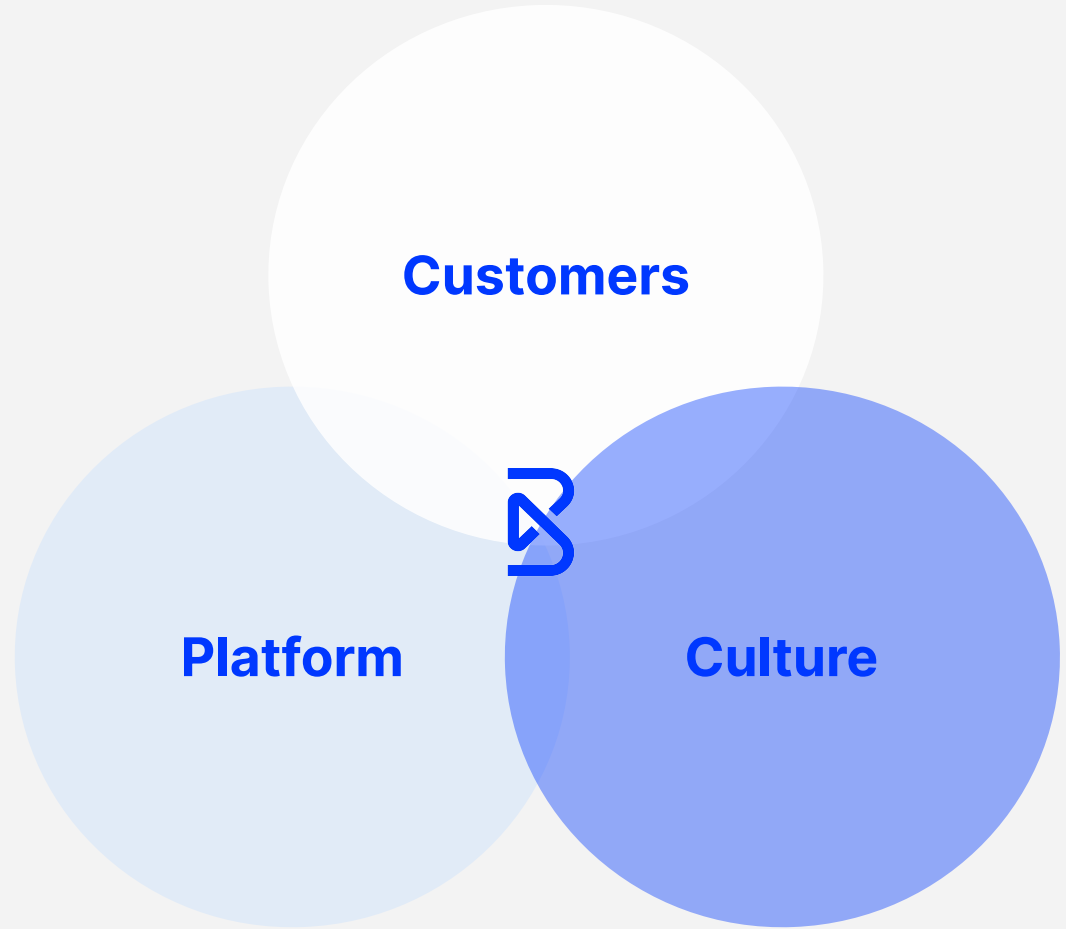


Unified platform solution
across originations

Long-Term Success



Blend is uniquely positioned to succeed because of our **customers, platform & culture**



Our Leading Customer Base

Powering the top financial institutions



Drives Blend's market leading position

Banks

39 of the Top 100 banks by AUM in the U.S. are Blend Platform Customers¹

Independent Mortgage Banks

11 of the Top 25 mortgage originators by AUM are Blend Platform Customers¹

Credit Unions

4 of the top 10 credit unions in the U.S. by AUM - including the largest¹

>800 bps

gain in market share since 1H21²

\$1.7 trillion

of processed loan applications
on the Blend platform (FY22)

¹ As measured by the U.S. Federal Reserve Statistical Release of Insured U.S. Chartered Banks on June 30, 2023

² Please refer to note 6 in the appendix of this presentation

The Blend Builder Advantage

1



Comprehensive

2



Composable

3



Omnichannel

4

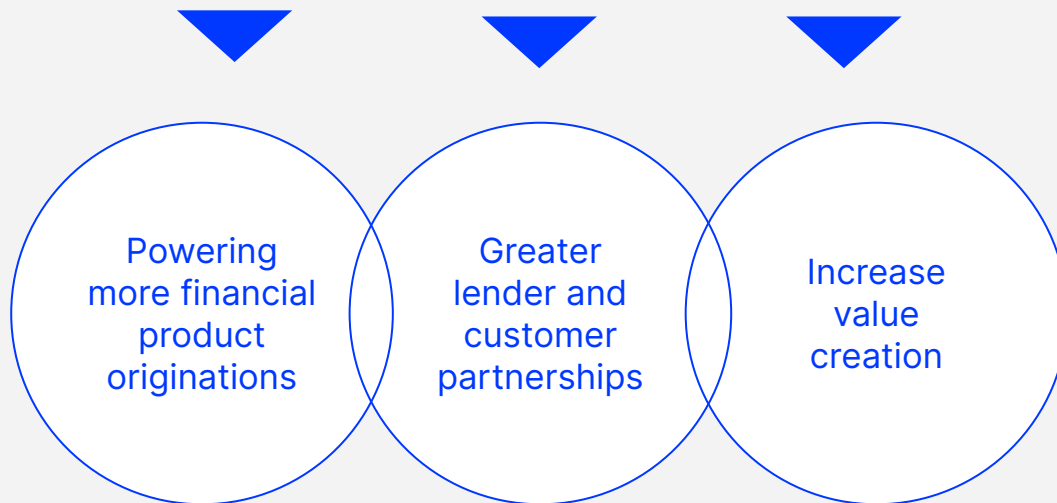


Open

Our Culture and Mindset

Customer Obsession

Constant Innovation



Near Term Focus



Expand
Blend Builder



Help Our
Mortgage Customers



Cost Saving
Products

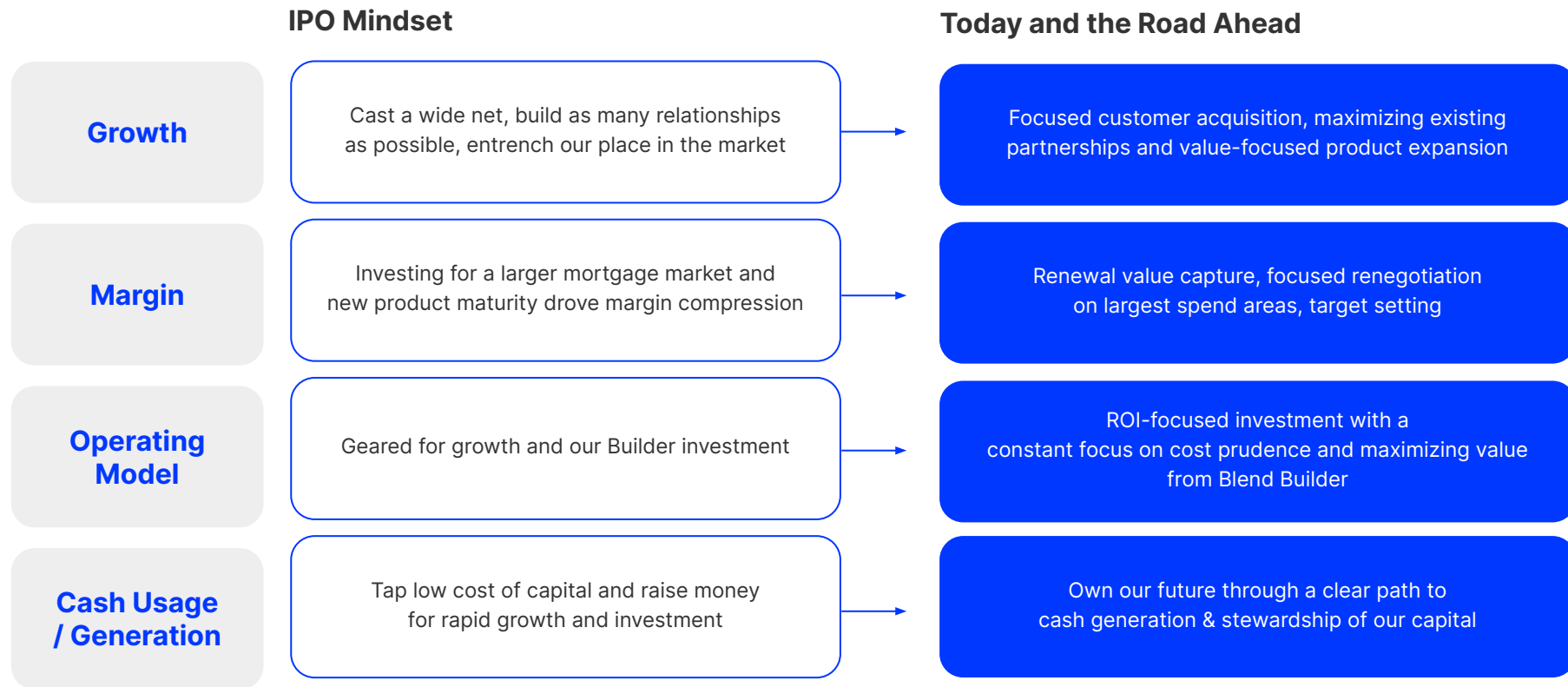


Operating
Efficiency

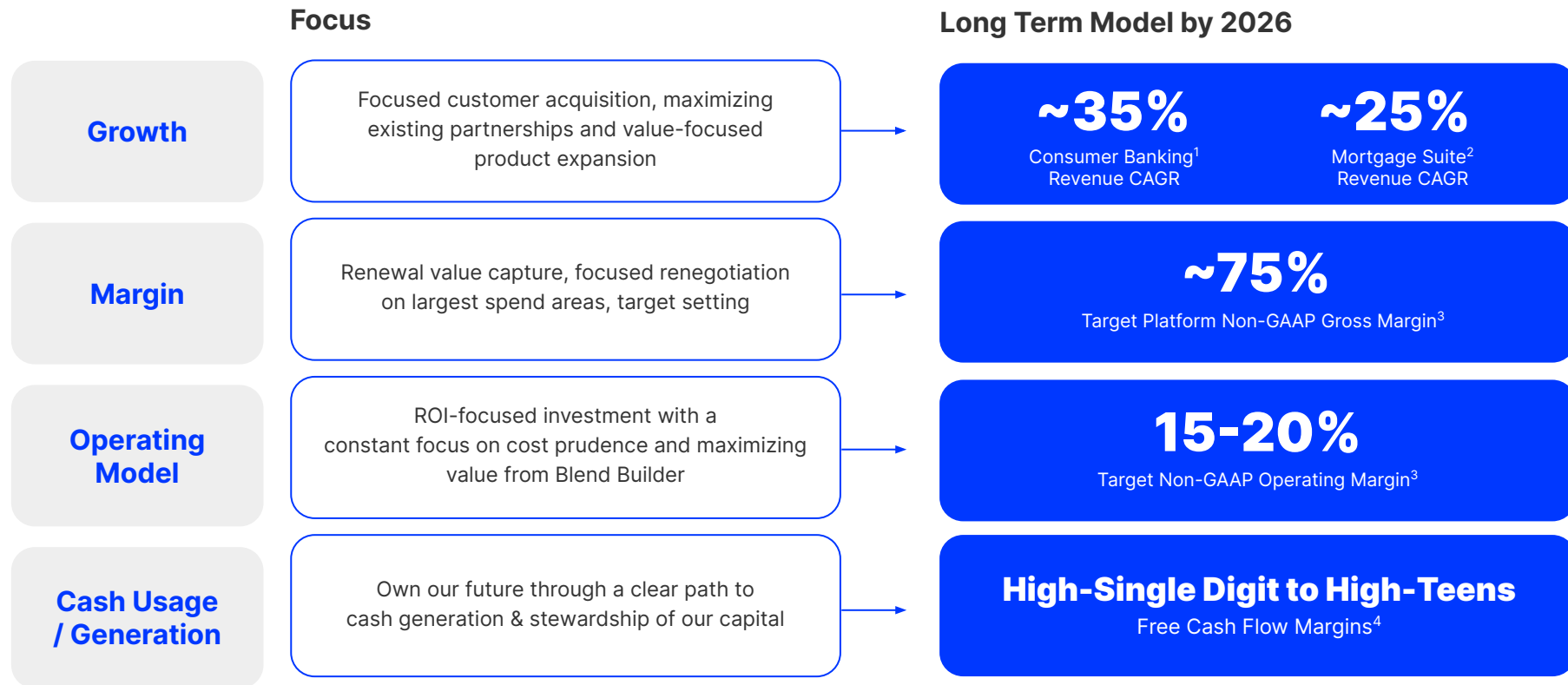
Customer-Focused Goals

Internal Initiatives

Financial Vision



Financial Vision



¹Please refer to note 1 in the appendix of this presentation

²Please refer to note 2 in the appendix of this presentation

³GAAP to non-GAAP reconciliation schedules can be found in the appendix to this presentation

⁴Please refer to note 7 in the appendix of this presentation

Blend Product Strategy & Innovation

Erik Wrobel

**Our vision is to
bring simplicity and
transparency to
financial products**



Re-architecting banking software around the consumer



01

Key Industry
Trends



02

Blend Product
Portfolio



03

New Investment
Horizons



01

Key Industry
Trends



02

Blend Product
Portfolio



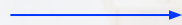
03

New Investment
Horizons



Consumer Trends are Evolving

Point Solutions



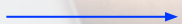
End-to-end journeys

Generic

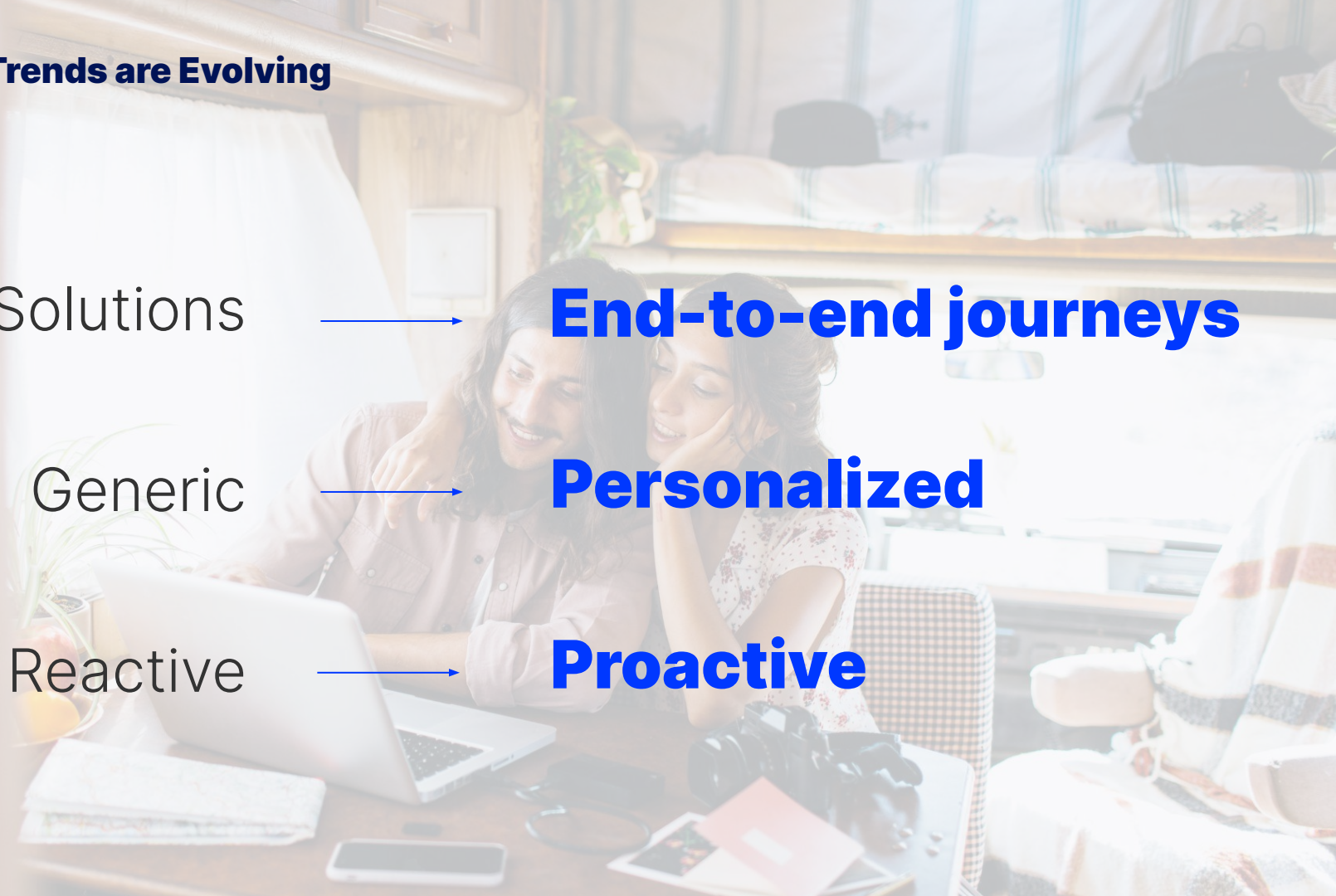


Personalized

Reactive

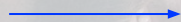


Proactive



Technology is also Changing Rapidly

Documents



Data

Code

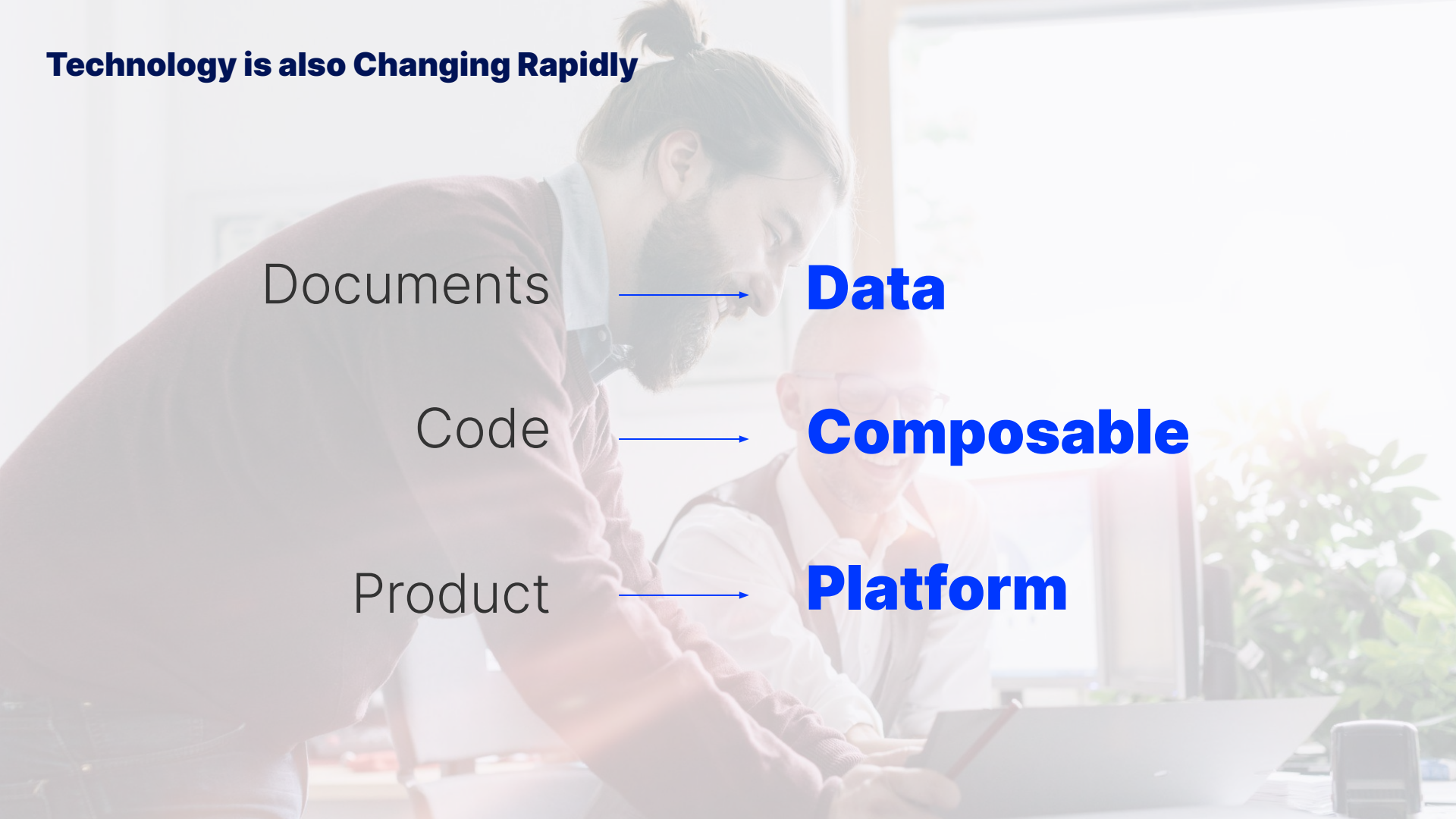


Composable

Product



Platform



Financial institutions face challenges in addressing modern borrower needs

Sources: Capgemini - [The Customer Engagement Imperative \(2022\)](#), The Financial Brand (1, 2)

Lack of integrated customer data

80% of bank executives agree that “underdeveloped data” prohibits them from delivering exceptional experiences

Static, one-size-fits-all origination processes

4% of financial institutions are able to fully personalize all customer journeys

Siloed, fragmented experiences

40% of banks are getting by without a consistent technology experience

Inflexible Infrastructure

Dynamic Market Conditions

Composable Origination

High Development Costs

Increased Competitive Pressures

Code → Composable

Point Solution → End-to-end Journeys

Product → Platform

Complex Processes

Rising Consumer Demands

Composable Origination



Innovation



Differentiation



Lower Cost

Blend Product Portfolio Strategy

01

Deliver the end-to-end
digital mortgage experience

02

Provide best-in-class solutions for
personalized consumer banking

03

Power exceptional experiences through
a **composable origination platform**

Blend Product Portfolio Strategy

01

Deliver the end-to-end
digital mortgage experience

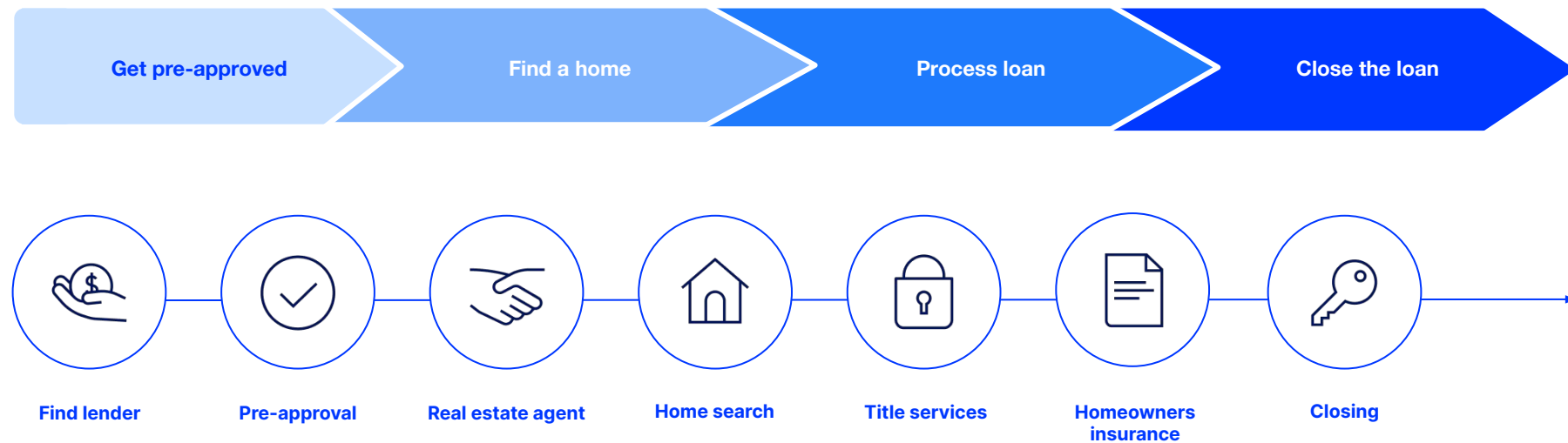
02

Provide best-in-class solutions for
personalized consumer banking

03

Power exceptional experiences through
a **composable origination platform**

Transformed the homeownership journey from application to close



Blend Mortgage Suite:

an end-to-end solution that enables financial institutions to thrive in any market

Pre-App Engagement

Application

Verifications

Title

Condition Management

Close

Emblem

Home purchase price

You pre-qualify for a max of \$1,402,453 in purchasing power.

\$1,000,000

<\$10,000 \$ Affordable \$1,400,000

Purchase price

\$1,000,000 Max: \$1.40M

Down payment: \$200,000 (20%)
Loan amount: \$800,000

Start Application

Complete our mortgage application to get a pre-approval letter.

Emblem

Tell us about the property you would like to purchase.

Property Type
Single-family home

Property Use
Residence

Have you made an offer on a particular property?
☐ NO

Property Value
\$800,000

Property County/Municipality
Sierra County

Continue

Emblem

To see how much you can afford, we'll need to pull your credit.

We use your SSN to do a soft credit check, which will not affect your credit score.

Date of Birth
MM/DD/YYYY

Social Security Number
[Redacted]

The soft credit check needed to get your estimate **will not affect your credit score.**

Why are we asking for your Social Security Number?
What is the difference between a soft and hard credit check?

Continue

9:41

#153897

Bailey Borrower +1

OVERVIEW APPLICATION FOLLOW-UPS TITLE

Overview

TITLE ORDERED
02/22/2022

TITLE COMPANY
Blend Title Agency

TITLE RECEIVED
02/23/2020

Title Commitment

TITLE POLICY AMOUNT
\$600,000

TITLE VESTING
Bailey Borrower and Bailey Sr. Borrower, as joint tenants

DESCRIPTION
Lot 7, Sixth Avenue West - Second Filing, County of Jefferson, State of Colorado

Emblem

Welcome back, Bailey

You have several remaining items to complete

Tasks

Initial Disclosures
Home Insurance

Complete Items

Your loan progress

COMPLETE
Fill out application
Double-check the information you've entered and make any edits before you submit your application.

CURRENT
Document upload and review
Double-check the information you've entered and make any edits before you submit your application.

Contact us

Larry Officer
NMLS ID# 129298252

blendsigningroom.com

Closing Disclosure

Item	Amount	Rate
Origination Fee	\$1,000.00	0.00%
Processing Fee	\$1,000.00	0.00%
Underwriting Fee	\$1,000.00	0.00%
Document Preparation Fee	\$1,000.00	0.00%
Recording Fee	\$1,000.00	0.00%
Notary Fee	\$1,000.00	0.00%
Escrow Fee	\$1,000.00	0.00%
Settlement Fee	\$1,000.00	0.00%
Other Fees	\$1,000.00	0.00%
Total Fees	\$10,000.00	0.00%

Closing Date: 02/23/2022

Participants (5)

Documents (9)

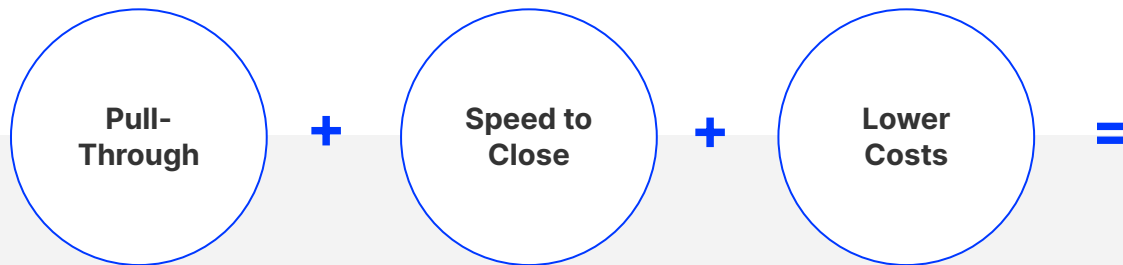
Settings

Blend's Mortgage Suite drives efficient originations, enabling **7.95x ROI**

Source: Blend ROI
study with MarketWise Advisors



MarketWise
Advisors LLC



Frictionless Onboarding

Standardized Loan Files

Automation

Personalized Experiences

Data over Documents

Fewer Touches

Higher Loan Officer
Productivity

Upfront Condition
Management

Productive Backoffice

Pull-through lift

15%

Cycle compression vs 30 days

7 days

Impact per Loan

\$636

Blend Product Portfolio Strategy

01

Deliver the end-to-end
digital mortgage experience

02

Provide best-in-class solutions for
personalized consumer banking

03

Power exceptional experiences through
a **composable origination platform**


Redefined the future of banking for all consumer banking experiences


Deposits


Gain primary financial institutions status faster

Want to add any other accounts?

Save time by opening multiple accounts with the same application.

**Traditional savings**
Enjoy easy digital access and never worry about overdrafts and overdraft fees with this affordable account.
[Learn more](#) [Add this account](#)

**Mystyle checking with Rewards**
Earn higher interest while maintaining flexibility. Requires a Premier or Private Banking checking account and funds.
[Learn more](#) [Account added](#)

**Certificate of Deposit - 12 months**

Personal Loans

Automate origination to drive customer and banker efficiency

Success! We have rates for you!

You can choose your preferred loan option below or choose options to compare.

Your loan amount:

\$3,000 \$100,000


PAYMENT	MONTHS	APR
<input checked="" type="radio"/> \$2440.51	60	5.40%
<input type="radio"/> \$2105.39	120	6.28%
<input type="radio"/> \$1972.43	180	7.35%
<input type="radio"/> \$1729.66	240	8.10%


You will receive a credit notice by mail within 10 business days.


Credit cards

Deliver top-of-class onboarding for top-of-wallet cards

What would you like to apply for?

**Visa Signature**
Earn 20,000 bonus Relationship Rewards points based on your purchases in the first 90 days after account opening.
[View details](#) [Apply](#)

**Rewards Visa Platinum**
Earn up to \$200 bonus Cash Rewards based on your purchases in the first 90 days after account opening.
[View details](#) [Apply](#)



Home Equity

Deliver an instant home equity experience from application to close

Congratulations, you're pre-approved!

Your offer is based on an estimated property value for your home of \$1,000,000.

PRE-APPROVED

Pre-Approved Home Equity Line of credit

\$80,000

APR 14.25% Label +9.25%

[What's the difference between prime rate and interest rate?](#)

After clicking "Continue" you'll be asked to provide more detailed information needed to complete your application. This is not yet a commitment to lend.

[Continue](#)


[Explore different amount](#)


Vehicle Loans


Provide customers a fully digital experience across auto purchase and refinancing


Which type of vehicle would you like to finance?

Select one of the following:

☐  Automobile

☐  Motorcycle/ powersport

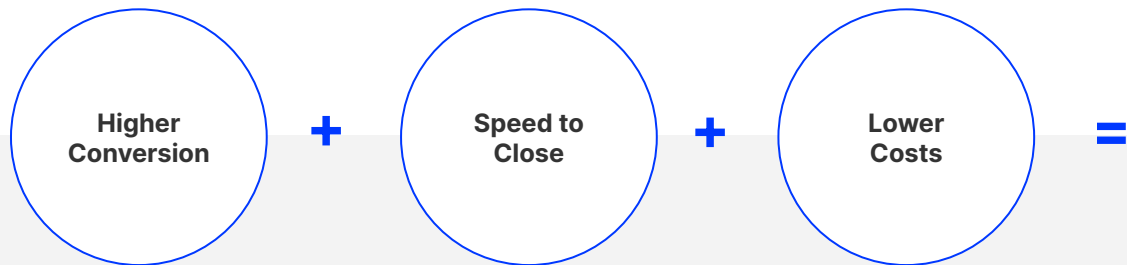
☐  Recreational vehicle (RV)

☐  Boat/ personal watercraft (PWC)

[Continue](#)

Blend's Consumer Banking Suite maximizes application conversion and reduces costs

Source: Elements



Frictionless Onboarding

Standardized loan files

Automation

Personalized Experiences

Data over Documents

Fewer Touches

Banker Productivity

Upfront Condition
Management

More Productive Backoffice

11%

Increase in approved applications

60%

Average reduction in application submission times

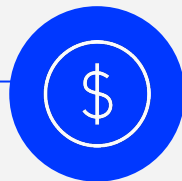
105%

Average increase in deposit account application submission rate

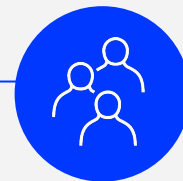
Uniquely positioned to drive business value across the entire consumer bank and increase **customer lifetime value**



Maximize conversion
by delivering
consistent experiences



Reduce cost
to serve through
intelligent automation



Grow customer
lifetime value
through cross-sell

Blend Product Portfolio Strategy

01

Deliver the end-to-end
digital mortgage experience

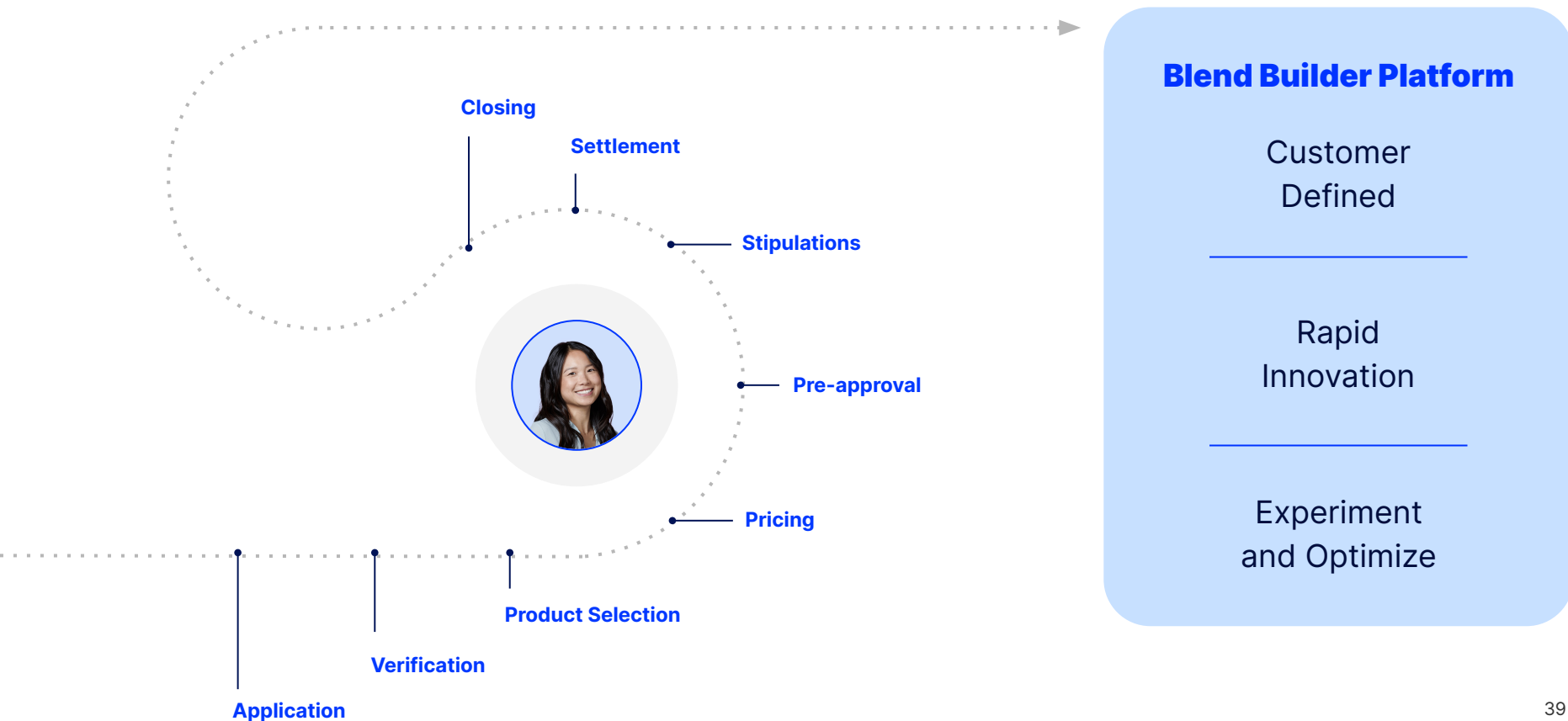
02

Provide best-in-class solutions for
personalized consumer banking

03

Power exceptional experiences through
a **composable origination platform**

Blend: powering end-to-end journeys for any banking product



Blend Builder Platform



Consumer Experience



Banker Experience



Developer Experience

Public API

Blend Solutions*

Bespoke Solutions

Builder Orchestration - Low-Code Development Environment

Consumer and Banker Experience Design — Branding and Theming — Workflow Management — Business Rules

Builder Blocks



Credit



Decisioning



Identity Verification



Cross-sell



Rate Check



Income Verifications



Delayed Account Creation



Liabilities and Debt Selection



Pricing and Decision



Product Selection



Balance Transfers



Beneficiaries



Disclosures



Address Lookup



Business Lookup

Blend Foundational Services

Authorization — Authentication — Search — Document Storage — SMS — Email — Events — Consents

Configurable Data Model

Integrations

Loan Origination Systems — Core Banking — Online Banking — Customer Relationship Management — Pricing — Servicing

*Blend Solutions: Mortgage, Home Equity, Deposit Accounts, Personal Loans, Credit Cards, Vehicle Loans

Blend Builder Platform



Consumer Experience



Banker Experience



Developer Experience

Public API

Blend Solutions*

Bespoke Solutions

Builder Orchestration - Low-Code Development Environment

Consumer and Banker Experience Design — Branding and Theming — Workflow Management — Business Rules

Builder Blocks



Credit



Decisioning



Identity Verification



Cross-sell



Rate Check



Income Verifications



Delayed Account Creation



Liabilities and Debt Selection



Pricing and Decision



Product Selection



Balance Transfers



Beneficiaries



Disclosures



Address Lookup



Business Lookup

Foundational Services

Configurable Data Model

Integrations

*Blend Solutions: Mortgage, Home Equity, Deposit Accounts, Personal Loans, Credit Cards, Vehicle Loans

Blend Builder Platform



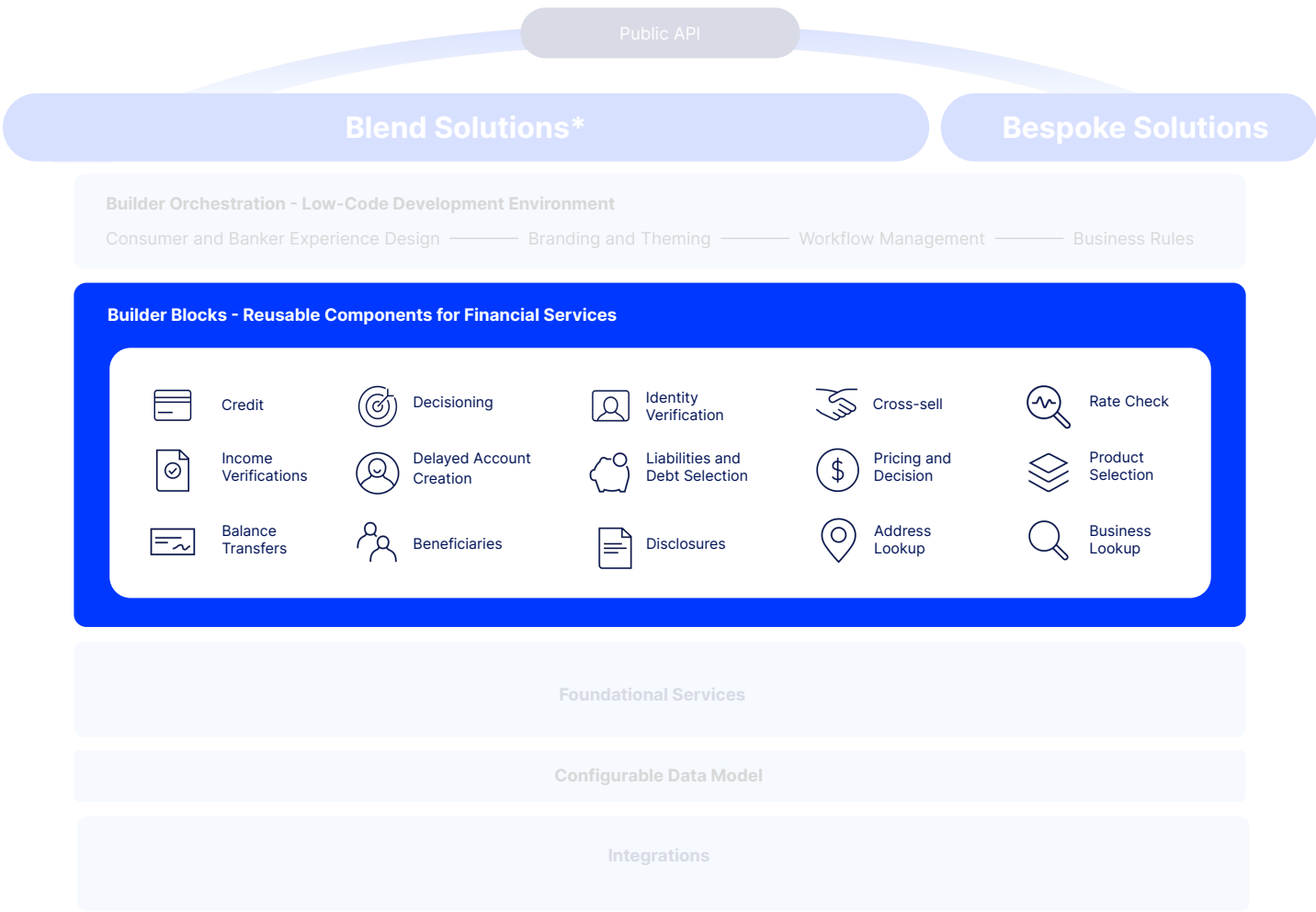
Consumer Experience



Banker Experience



Developer Experience



*Blend Solutions: Mortgage, Home Equity, Deposit Accounts, Personal Loans, Credit Cards, Vehicle Loans

A purpose-built platform for cloud banking



Comprehensive

Purpose-built and opinionated consumer finance products, all on a single platform



Composable

Modular components and workflows designed specifically for financial services



Omnichannel

Dedicated persona-based workspaces for front and back office teams



Open

Expansive partner ecosystem that delivers customer value and accelerates growth

01

Key Industry
Trends



02

Blend Product
Portfolio

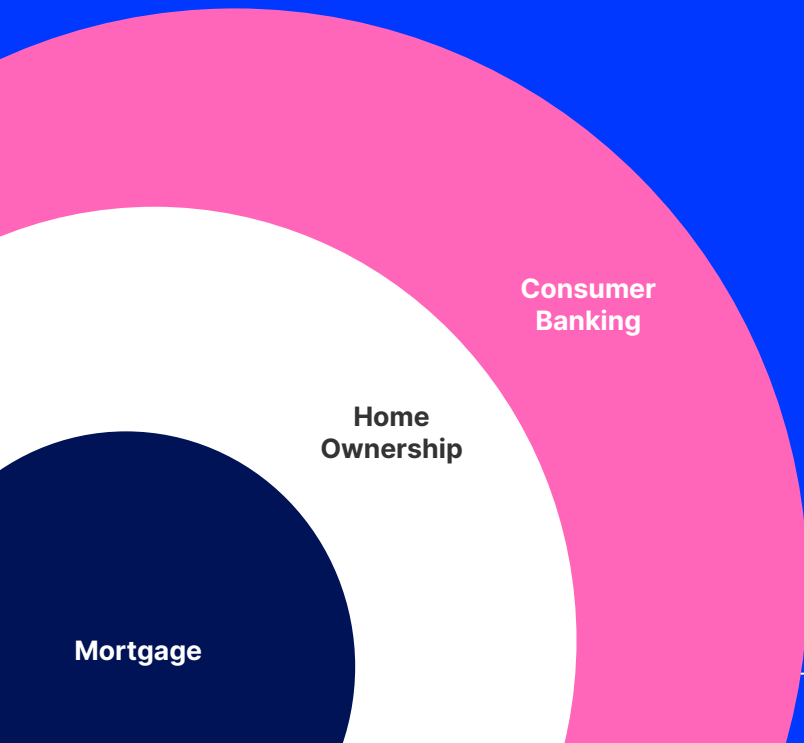


03

New Investment
Horizons



Our Expanding Market



2025+

1

**Deepen
existing solutions**

2

**Develop new
origination solutions**

3

**Expand into
new markets**

1

Deepening Existing Solutions

Digitalization



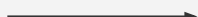
Blend Close

Documents to
Data



Blend Income Verification

End to End
Journeys



Blend Home Insurance

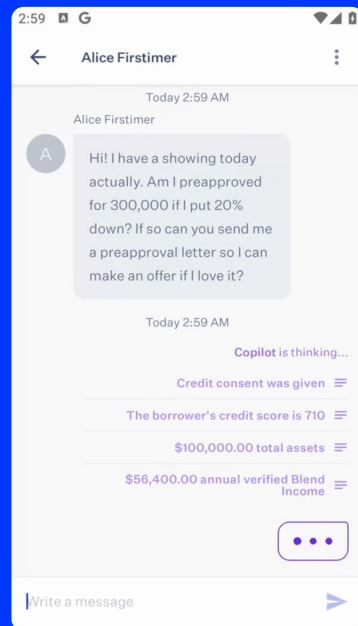
4.5x

increase in revenue contribution from
attach products from 2021 to 2023¹



Product Spotlight

Blend Copilot (powered by AI)



Opportunities

- 01 Small Business Banking
- 02 Commercial Banking
- 03 Wealth Management
- 04 ... adjacent opportunities

Spotlight: SMB Banking

33M small
businesses in USA

source: SBA

1.5M SMB
deposit accounts
opened in 2022

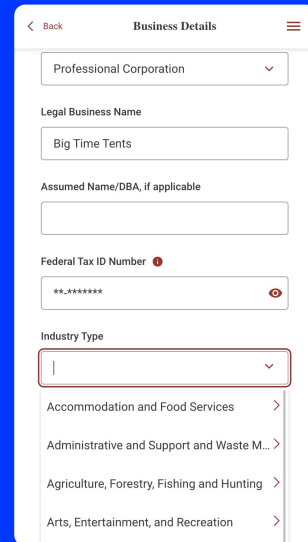
source: FDIC

2.2M business
credit cards opened
in 2022

source: NY Fed

Launched

Business Deposits



Business Details

Professional Corporation

Legal Business Name

Big Time Tents

Assumed Name/DBA, if applicable

Federal Tax ID Number

-**-*

Industry Type

Accommodation and Food Services

Administrative and Support and Waste M...

Agriculture, Forestry, Fishing and Hunting

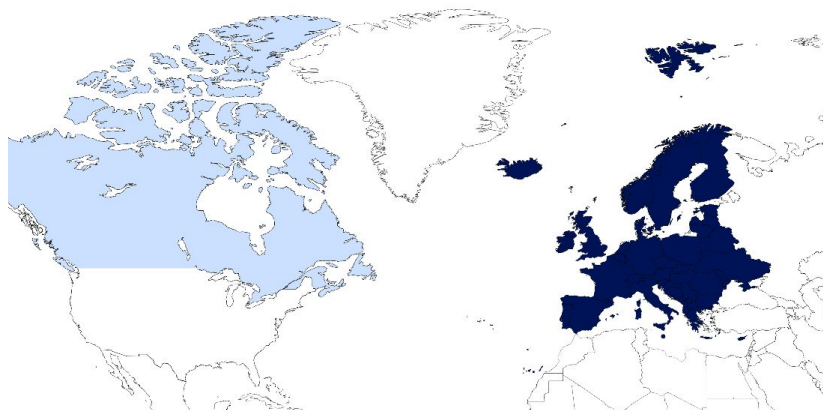
Arts, Entertainment, and Recreation

Time to launch

4 months

3 Expand into New Markets

Opportunity



Canada
25+ prospective
customers*

Europe
500+ prospective
customers*

**>500 prospective
customers***

Routes to Market

Blend In-Market
Presence

+

Blend Builder
Platform

+

Global System
Integrators

New Investment Horizons



Existing Investments

Blend Builder Internationalization

Spanish Localization for USA

Future Investments

Local Country Compliance

Multi-language Support

Data Storage and Retention

Sources: S&P Market Intelligence

* Prospective Customers = Financial
institutions with >\$10B in AUM



01

Comprehensive portfolio of consumer finance solutions, all built on a single platform



02

Modern banking platform that unlocks composable origination for financial services



03

Well positioned to capitalize on future growth opportunities

Blend Builder Demo

Investor Day 2023 |  **blend**

Blend Builder Demo

Loan Officer Copilot Demo



GTM Investor Presentation

Sebastian Joll

Blend GTM Overview

01

The Ecosystem
& Our Buyers



02

Growing with
Our Customers



03

Market Strategy
& Expansion



Blend GTM Overview

01

The Ecosystem
& Our Buyers



02

Growing with
Our Customers

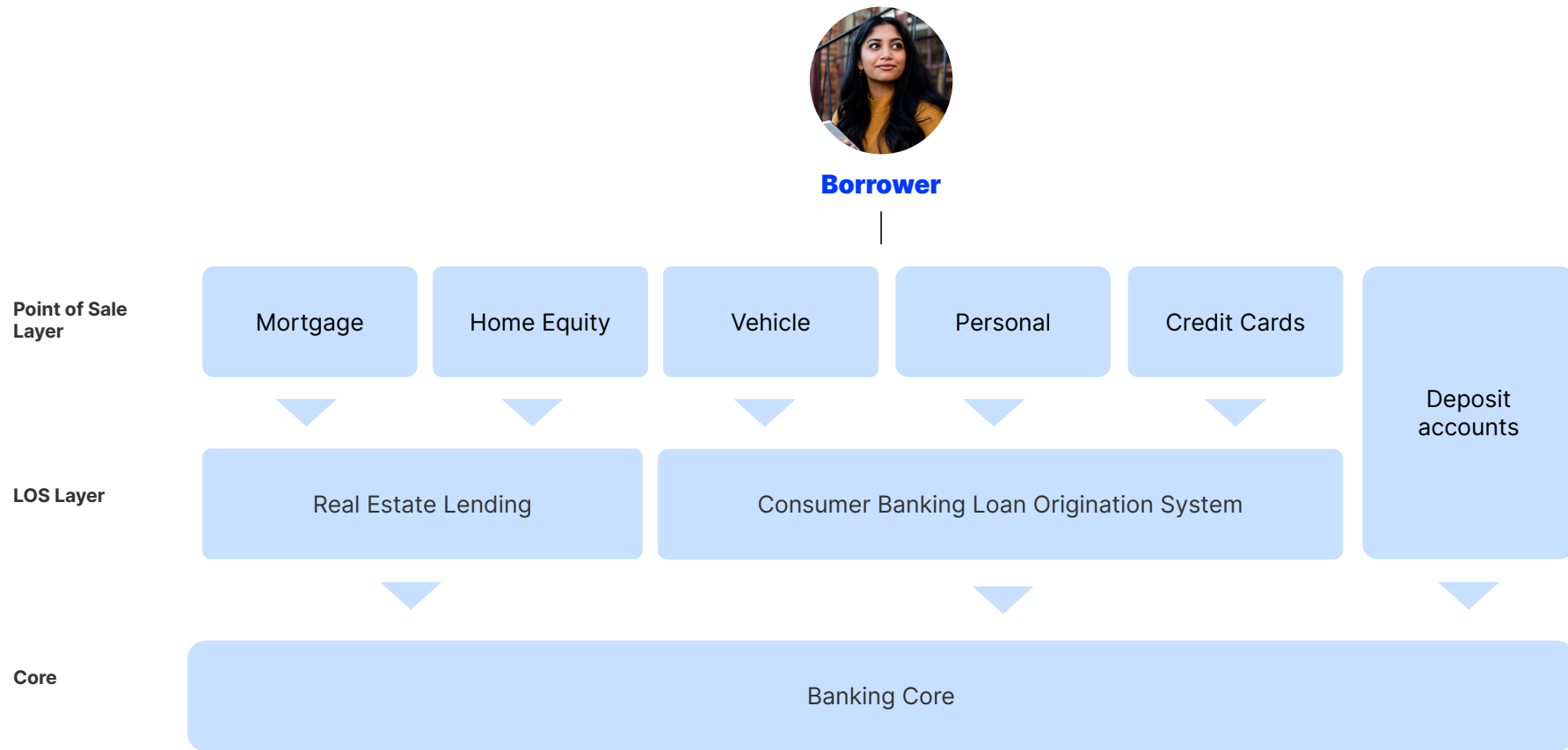


03

Market Strategy
& Expansion



Blend & the Originations Ecosystem



The Originations Ecosystem: **Point of Sale**

Point of sale layer which primarily includes product specific providers who offer 1-2 product types and are often newer technology companies



Borrower

Technology Layer

Point of Sale

Mortgage

Home Equity

Vehicle

Personal

Credit Cards

Deposit
accounts

Loan Origination
System

Home Lending Loan
Origination System

Consumer Banking Loan Origination System

Core

Banking Core

The Originations Ecosystem: **Loan Origination Systems**

LOS layer, which can often be across products (but not across consumer banking and real estate)



Borrower

Technology Layer

Point of Sale

Mortgage

Home Equity

Vehicle

Personal

Credit Cards

Deposit accounts

Loan Origination System

Real Estate Lending

Consumer Banking Loan Origination System

Core

Banking Core

The Originations Ecosystem: Core

Core systems are critical to a lender's operation but older and inflexible, with no ability to "come forward" to the borrower



Borrower

Technology Layer

Point of Sale

Mortgage

Home Equity

Vehicle

Personal

Credit Cards

Deposit
accounts

Loan Origination
System

Real Estate Lending

Consumer Banking Loan Origination System

Core

Banking Core

The Originations Ecosystem: **What Our Customers Want**

Every lending executive is talking about 3 things:

- 01** Drive down the cost per loan
- 02** Beating Fintechs to win customers
- 03** Maximize potential of existing customers



Blend & the Originations Ecosystem



Borrower

Technology Layer

Point of Sale

Mortgage

Home Equity

Vehicle

Personal

Credit Cards

Deposit
accounts

Loan Origination
System

Real Estate Lending

Consumer Banking Loan Origination System

Core

Banking Core

The Originations Ecosystem: Blend

Blend is uniquely positioned: able to power originations across products and simplify end to end workflows



Technology Layer

Mortgage

Home Equity

Vehicle

Personal

Credit Cards

Deposits

Point of Sale

Single originations layer

Loan Origination System

Via Partner Integrations

Via Partner Integrations

Core

Banking Core

Why Customers Value Us



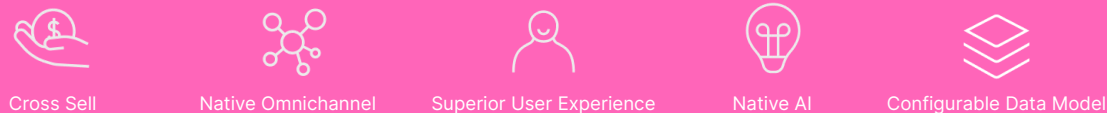
Lines of business leaders love the pre-built world class consumer and banker experiences

Best in class origination experiences



Digital teams benefit OOTB omni-channel and cross-sell

On one platform with integrated capabilities



Technology leaders love the purpose built low-code tools to scale innovation

Built on a low code platform to reduce tech debt and supercharge teams



Why Customers Value Us



Lines of business leaders love the pre-built world class consumer and banker experiences

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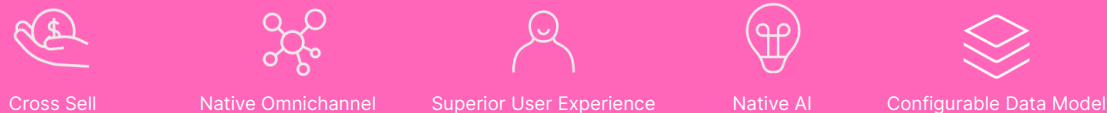
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On one platform with integrated capabilities



Technology leaders love the purpose built low-code tools to scale innovation

Built on a low code platform to reduce tech debt and supercharge teams



But the journey is only just getting started...

5%

of financial institution executives say they are done or almost done updating their technology¹

11%

expected compounded annual growth rate in spend on modern, third-party software through 2026¹

Expected 2023 global spend on digital lending technology



**\$9.9
Billion²**

¹THL Insights Bank Technology Sector Summary, 2023

²IDC's Worldwide Banking IT Spending Guide, V2 2023

Blend GTM Overview

01

The Ecosystem
& Our Buyers



02

Growing with
Our Customers



03

Market Strategy
& Expansion



Understanding our Revenue



Products Sold

Blend has a **suite of products** to support its customers, with each product creating revenue potential and enhancing overall platform value



Utilization

Blend primarily has a **success based revenue model** (each successful transaction creates revenue).

We therefore capture revenue over time as customers adopt and grow each product



Customer Volumes

Blend is also **subject to the overall volumes our customers complete**, with customer M&A, organic customer growth, and overall origination macros influencing our opportunity

Selling Our Products

Blend Builder:

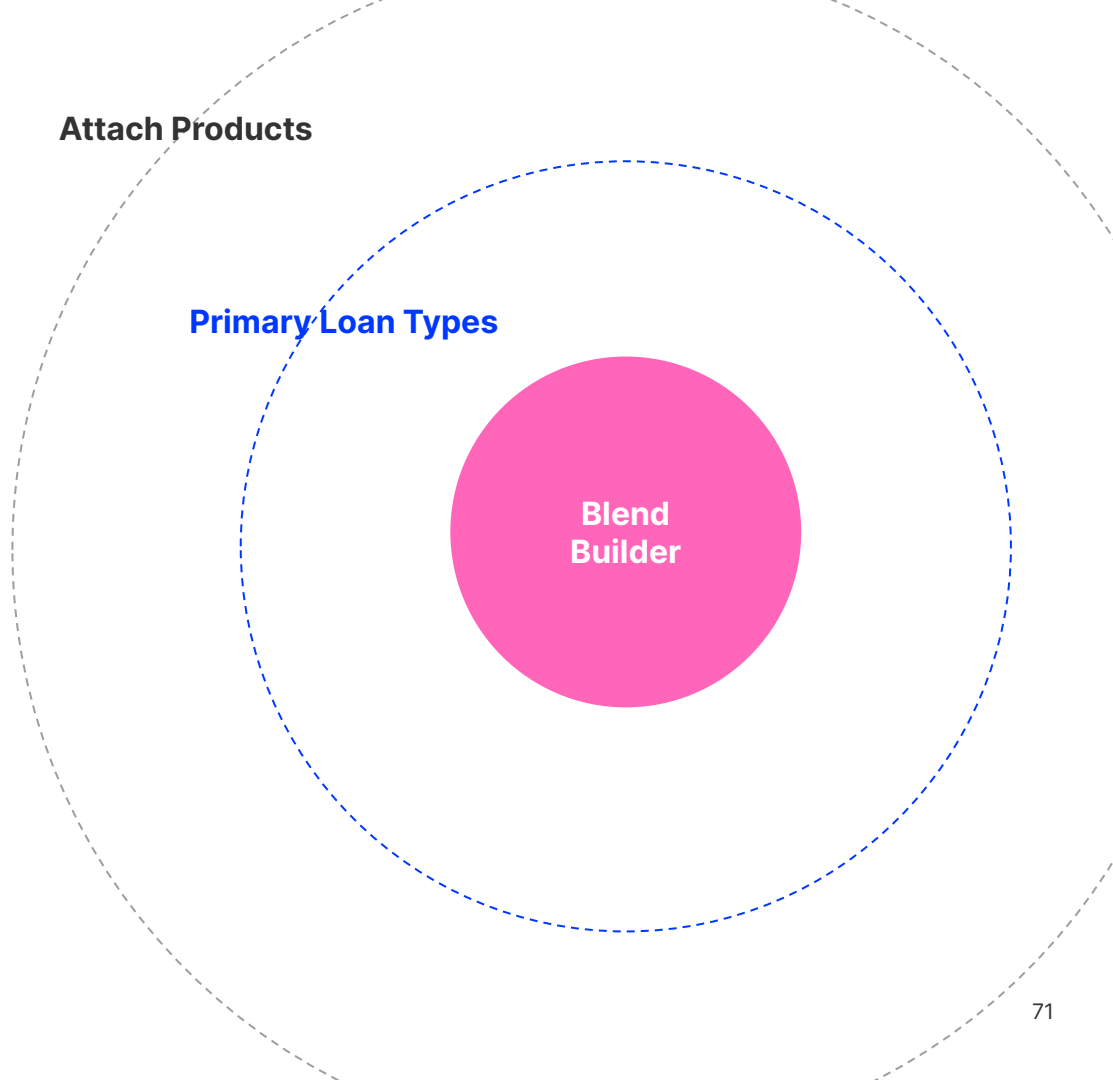
is our platform of the future, enabling technology teams and business leaders to innovate faster and deploy world class, customized experiences

Primary Loan Types:

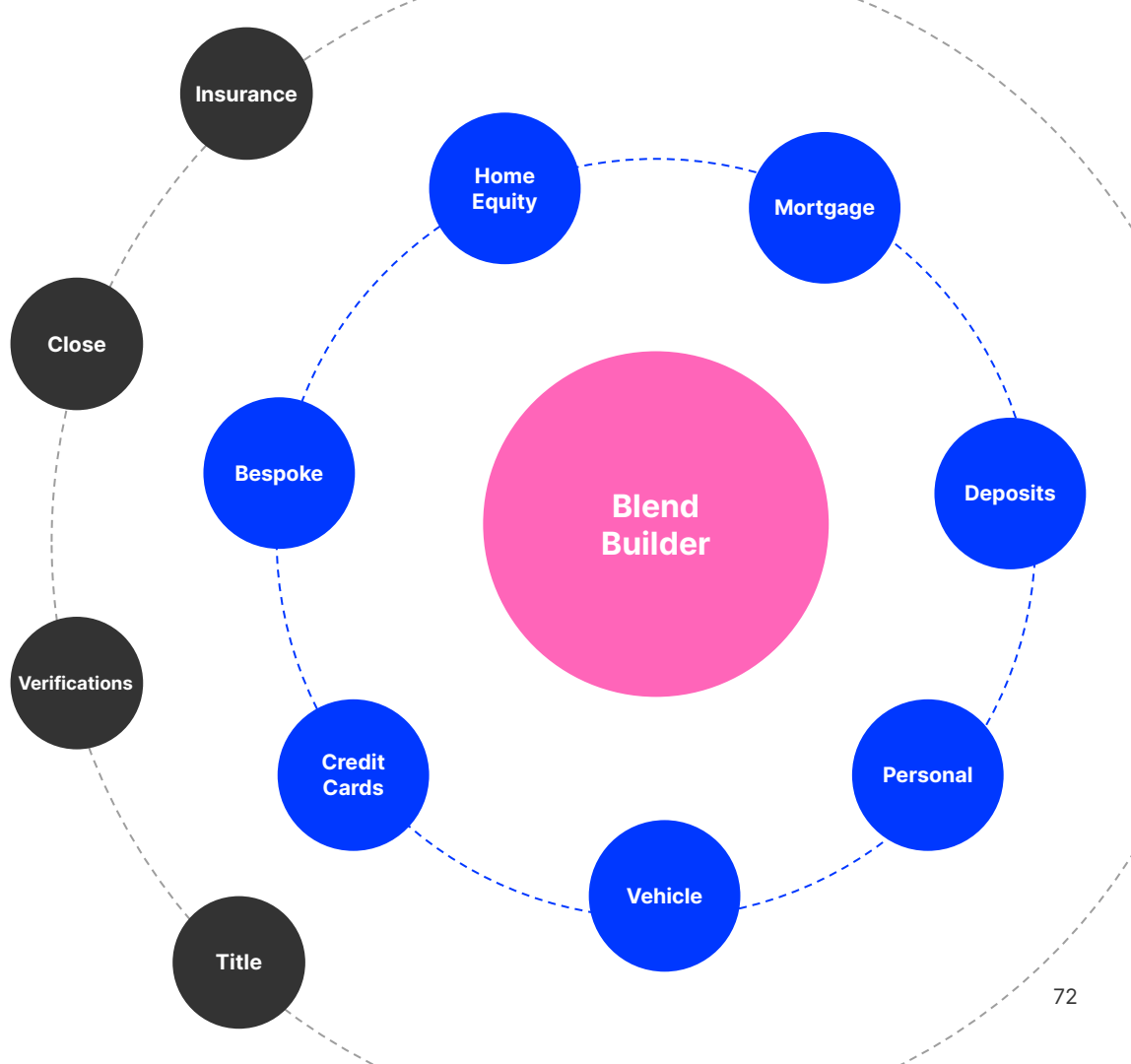
which includes primary lending products, whether in the mortgage or the consumer banking space

Attach Products:

which support the completion of primary products (e.g., verifications, or closing)



**Our product ecosystem
gives Blend multiple
ways to serve customers
and creates layers
of revenue on each
transaction**

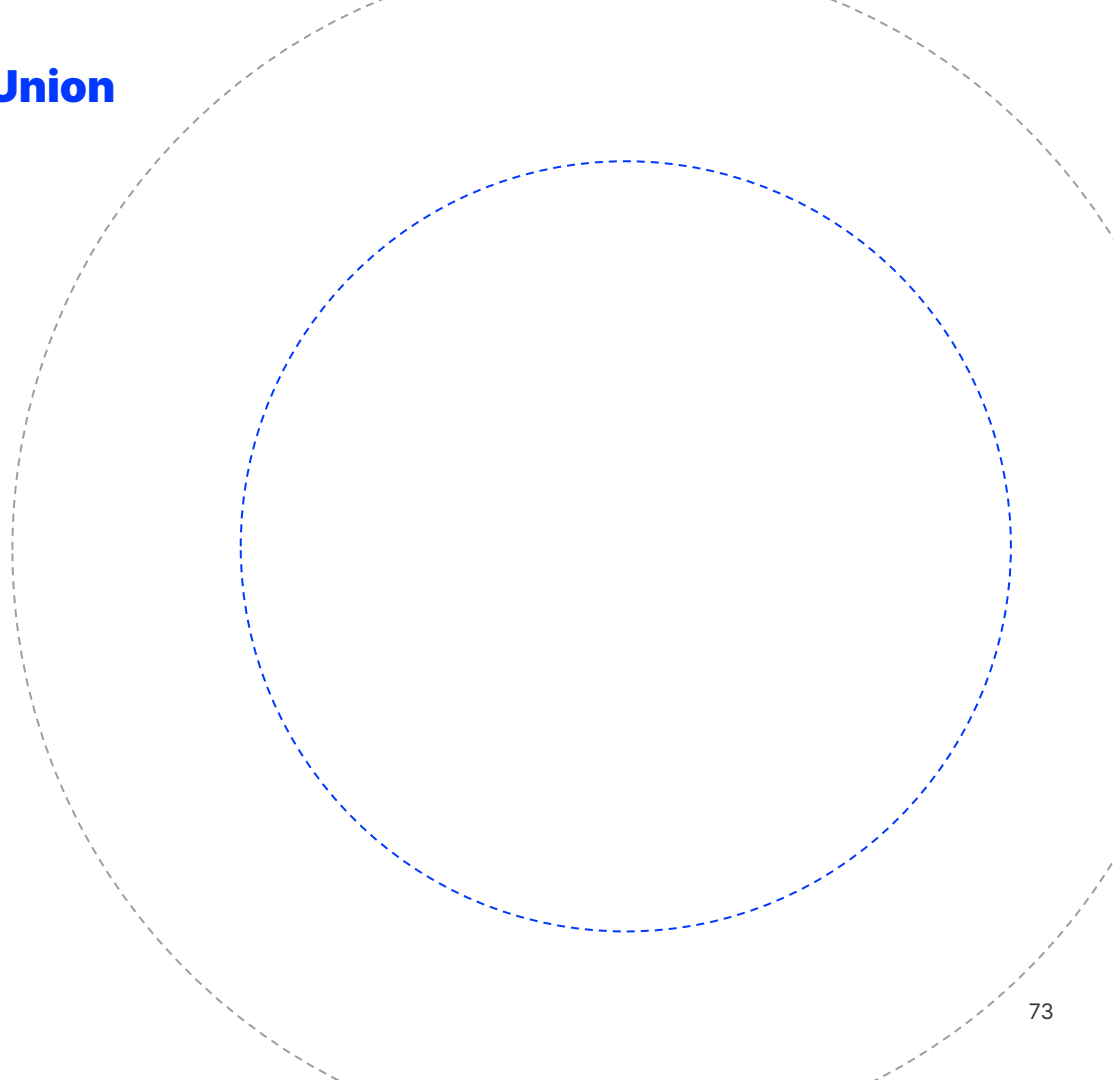


Customer Example: \$10B+ Credit Union



Product Revenue Potential

\$10B refers to Assets Under Management



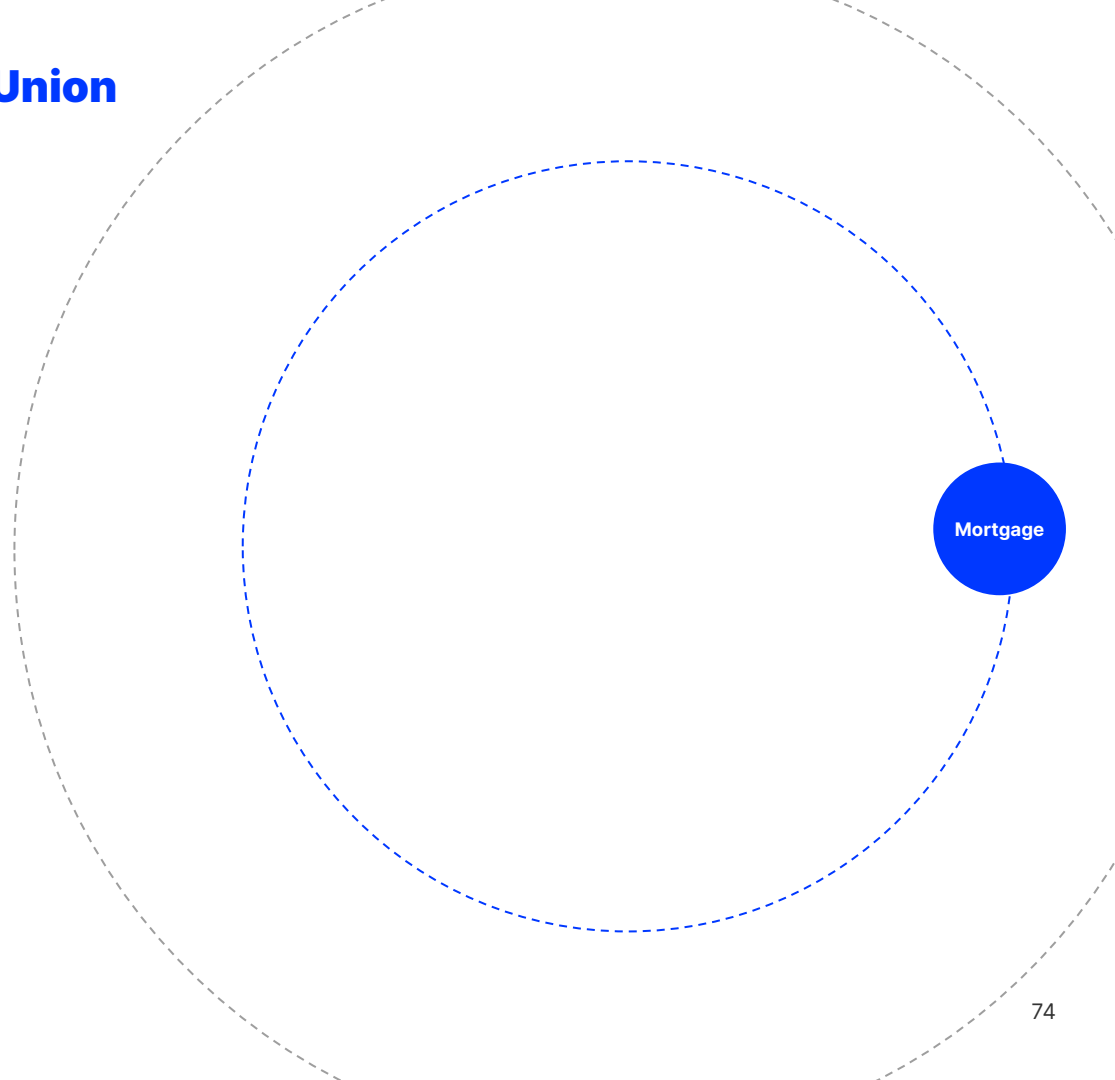
Customer Example: \$10B+ Credit Union

- Purchased **Mortgage**



Product Revenue Potential

\$10B refers to Assets Under Management



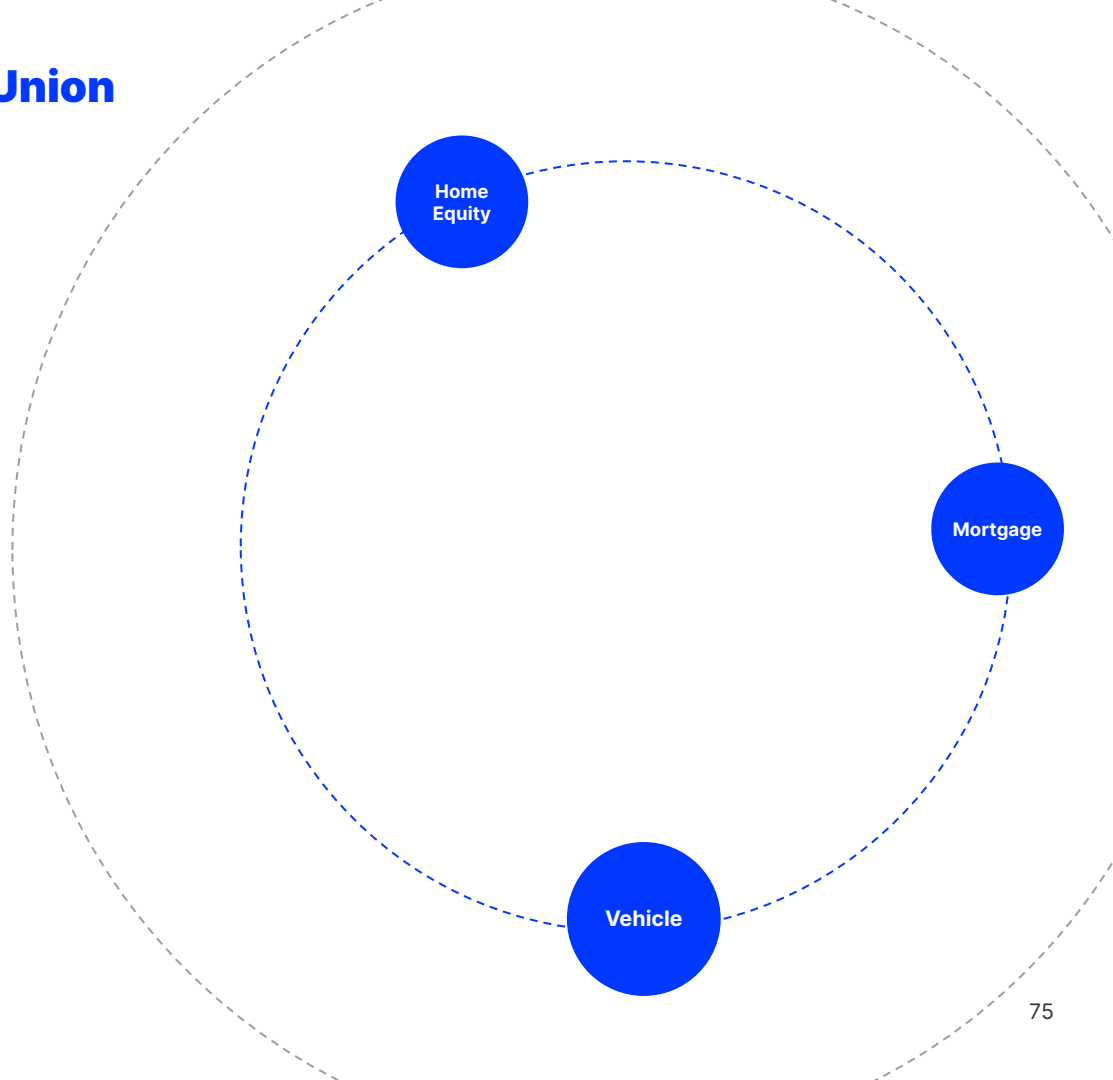
Customer Example: \$10B+ Credit Union

- Purchased **Mortgage**
- Added **Home Equity** and **Vehicle**



Product Revenue Potential

\$10B refers to Assets Under Management



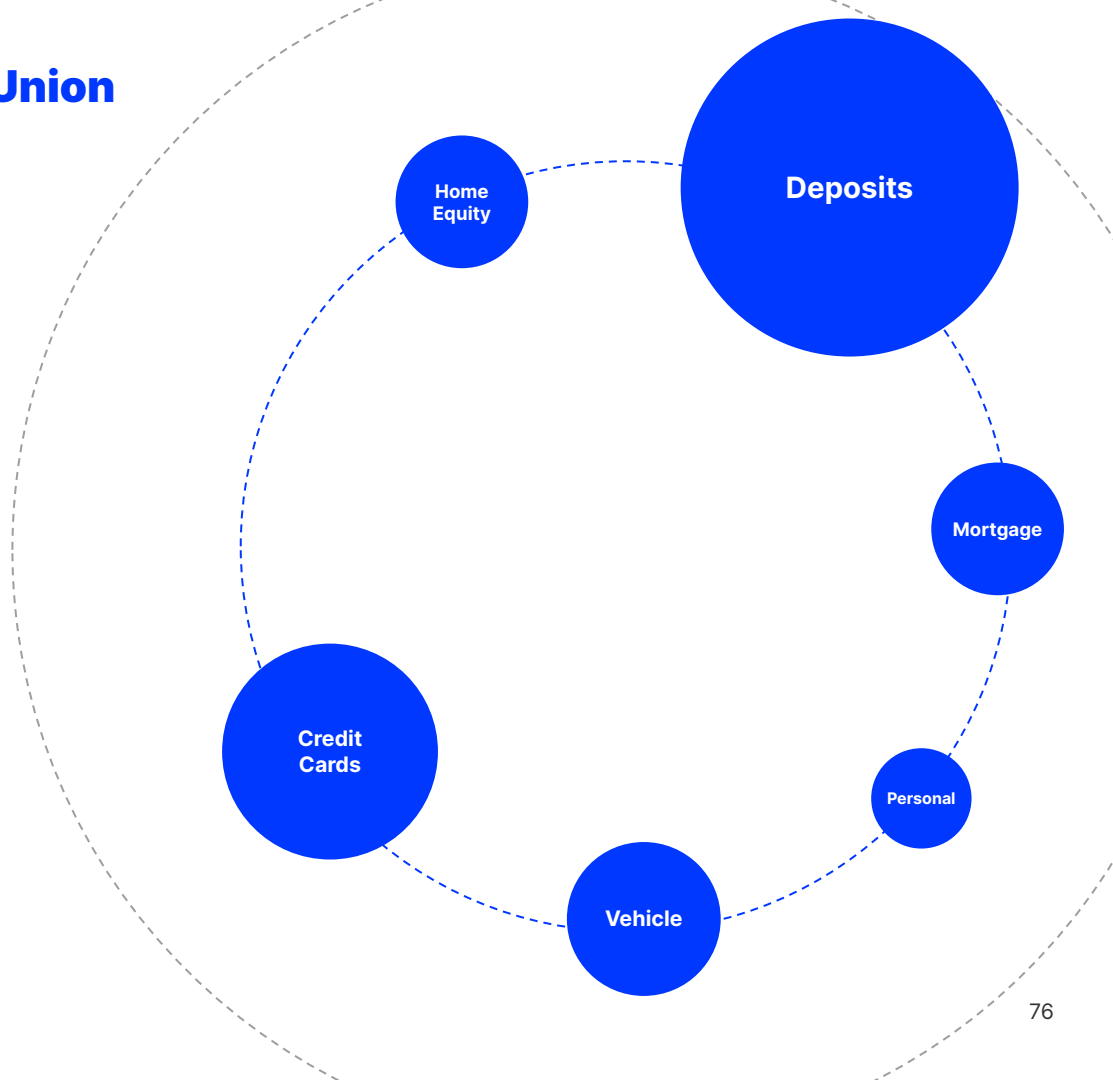
Customer Example: \$10B+ Credit Union

- Purchased **Mortgage**
- Added **Home Equity** and **Vehicle**
- **Deposits, Personal**, and **Credit Cards**



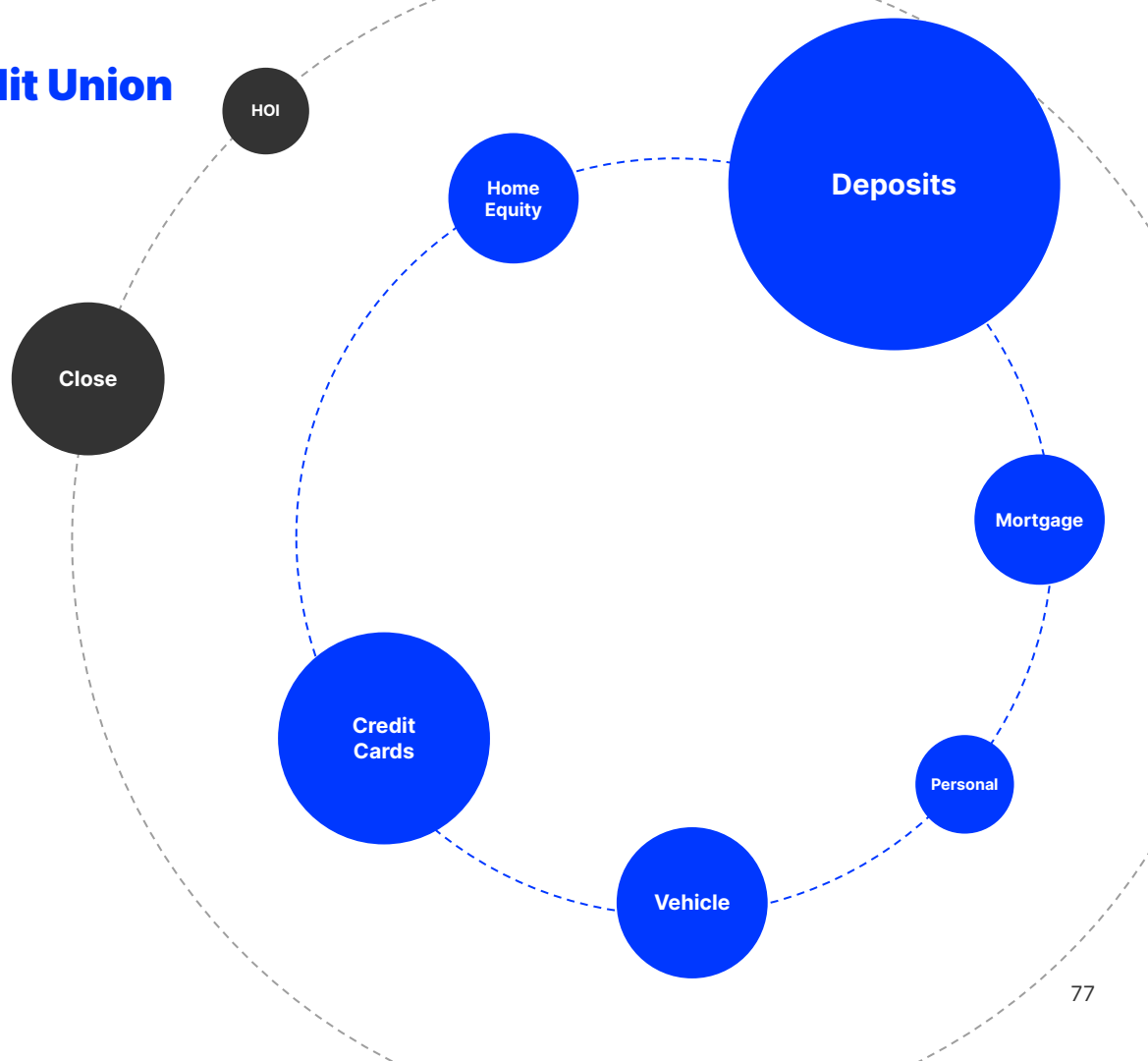
Product Revenue Potential

\$10B refers to Assets Under Management



Customer Example: \$10B+ Credit Union

- Purchased **Mortgage**
- Added **Home Equity** and **Vehicle**
- **Deposits, Personal**, and **Credit Cards**
- Launched **Close** and **HOI**

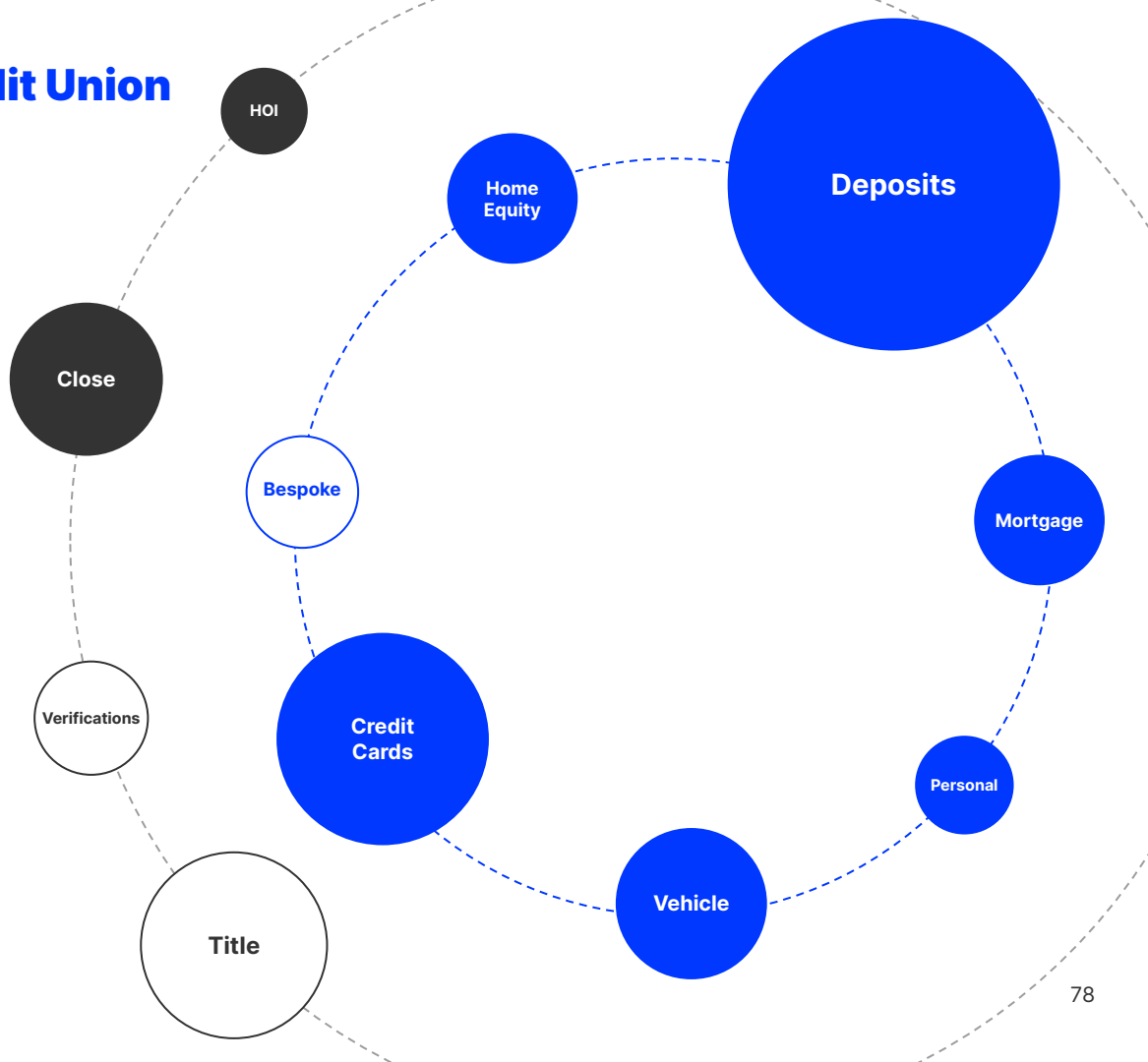


Product Revenue Potential

\$10B refers to Assets Under Management

Customer Example: \$10B+ Credit Union

- Purchased **Mortgage**
- Added **Home Equity** and **Vehicle**
- **Deposits, Personal, and Credit Cards**
- Launched **Close** and **HOI**
- Additional opportunities to expand into **Bespoke Products, Verifications, and Title**

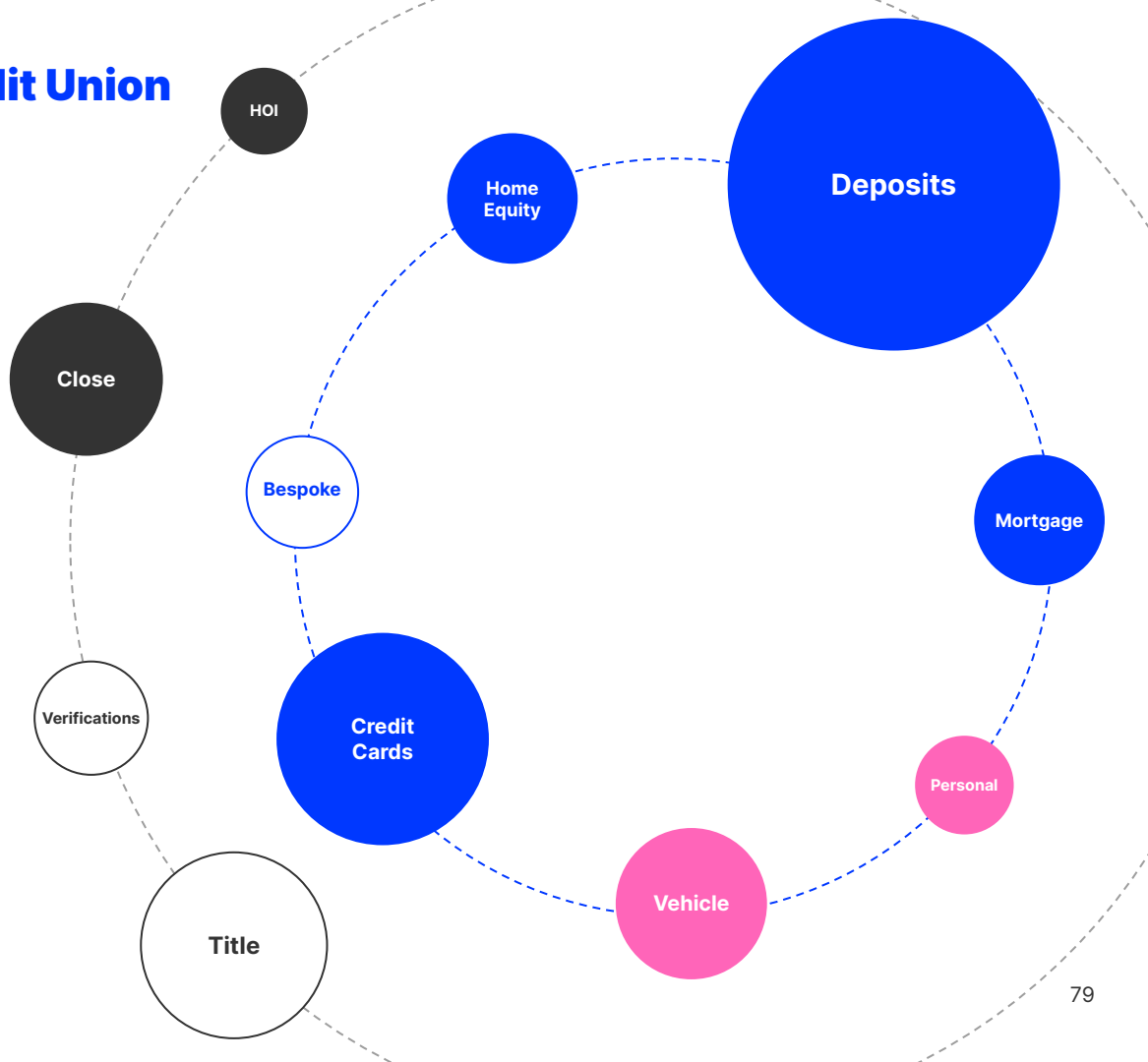


Product Revenue Potential

\$10B refers to Assets Under Management

Customer Example: \$10B+ Credit Union

- Purchased **Mortgage**
- Added **Home Equity** and **Vehicle**
- **Deposits, Personal**, and **Credit Cards**
- Launched **Close** and **HOI**
- Additional opportunities to expand into **Bespoke Products, Verifications, and Title**
- **Personal** and **Vehicle Loans** now on Blend Builder



Product Revenue Potential

\$10B refers to Assets Under Management

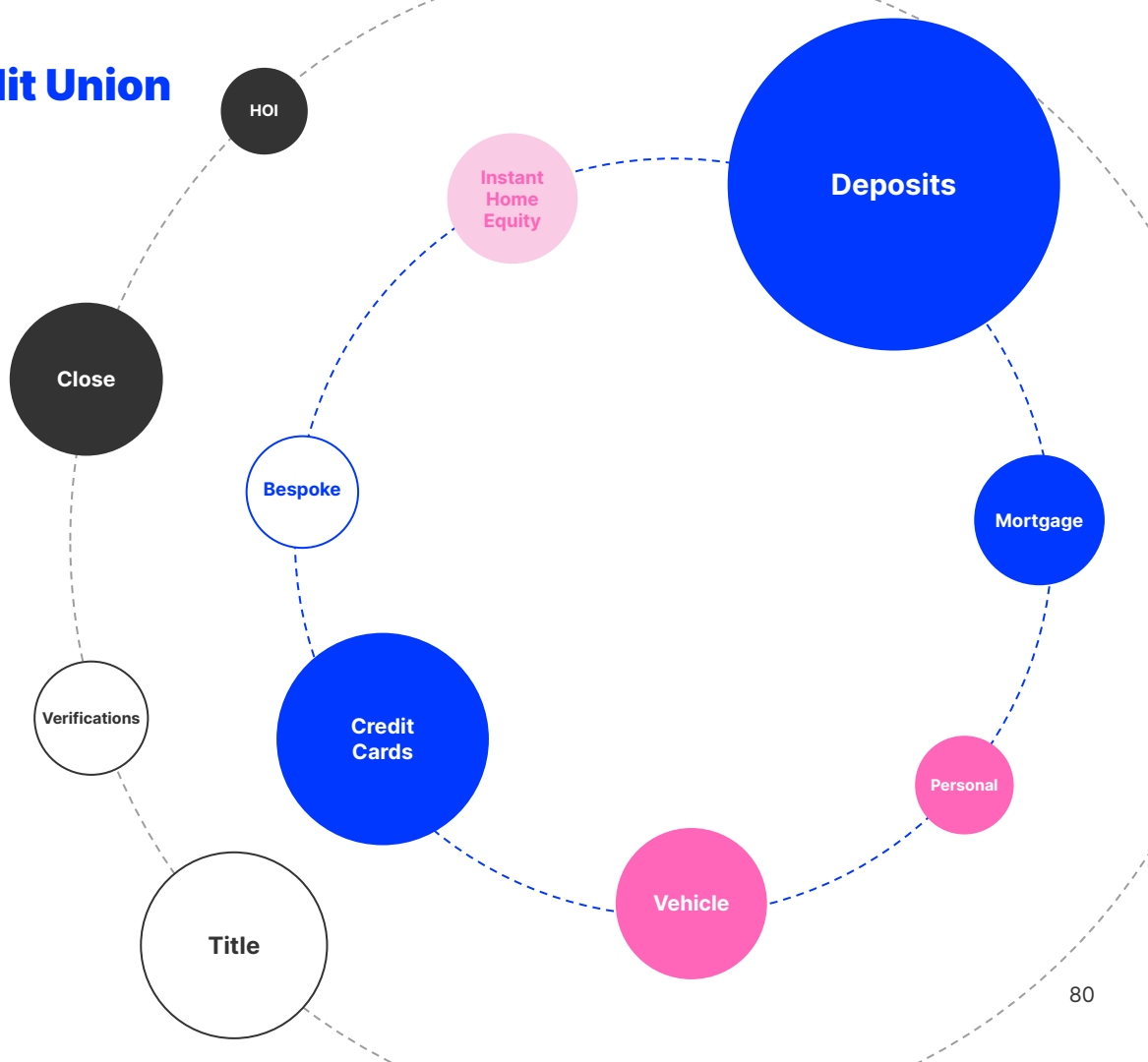
Customer Example: \$10B+ Credit Union

- Purchased **Mortgage**
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- **Deposits, Personal**, and **Credit Cards**
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- Additional opportunities to expand into **Bespoke Products, Verifications, and Title**
- **Personal** and **Vehicle Loans** now on Blend Builder
- Migrating to **Instant Home Equity** on Blend Builder



Product Revenue Potential

\$10B refers to Assets Under Management



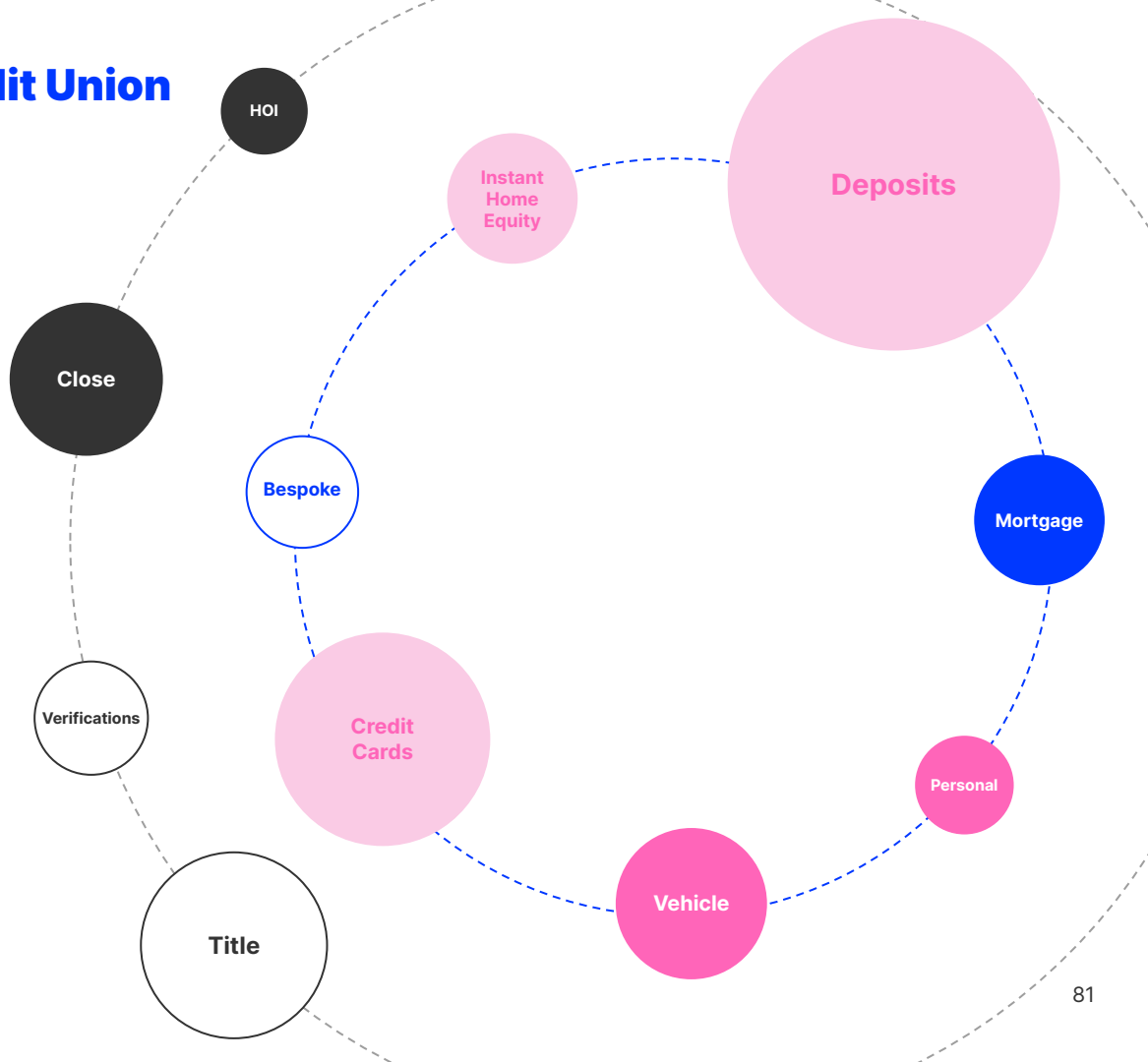
Customer Example: \$10B+ Credit Union

- Purchased **Mortgage**
- Added **Home Equity** and **Vehicle**
- **Deposits**, **Personal**, and **Credit Cards**
- Launched **Close** and **HOI**
- Additional opportunities to expand into **Bespoke Products**, **Verifications**, and **Title**
- **Personal** and **Vehicle Loans** now on Blend Builder
- Migrating to **Instant Home Equity** on Blend Builder
- **Credit Cards** and **Deposits** moving to Blend Builder



Product Revenue Potential

\$10B refers to Assets Under Management



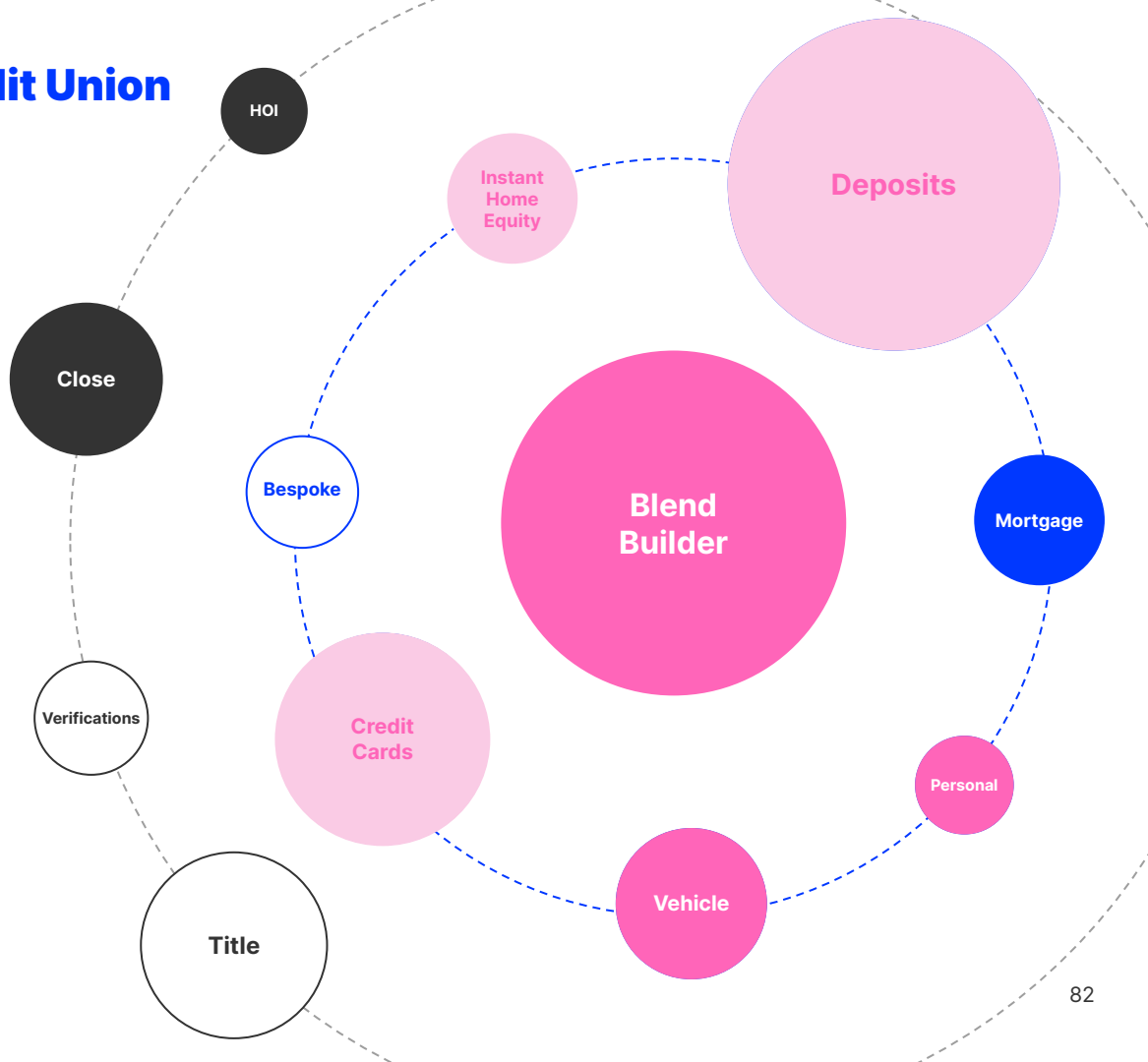
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- Additional opportunities to expand into **Bespoke Products, Verifications, and Title**
- **Personal** and **Vehicle Loans** now on Blend Builder
- Migrating to **Instant Home Equity** on Blend Builder
- **Credit Cards** and **Deposits** moving to Blend Builder
- Can monetize **Blend Builder** as we replace vendors



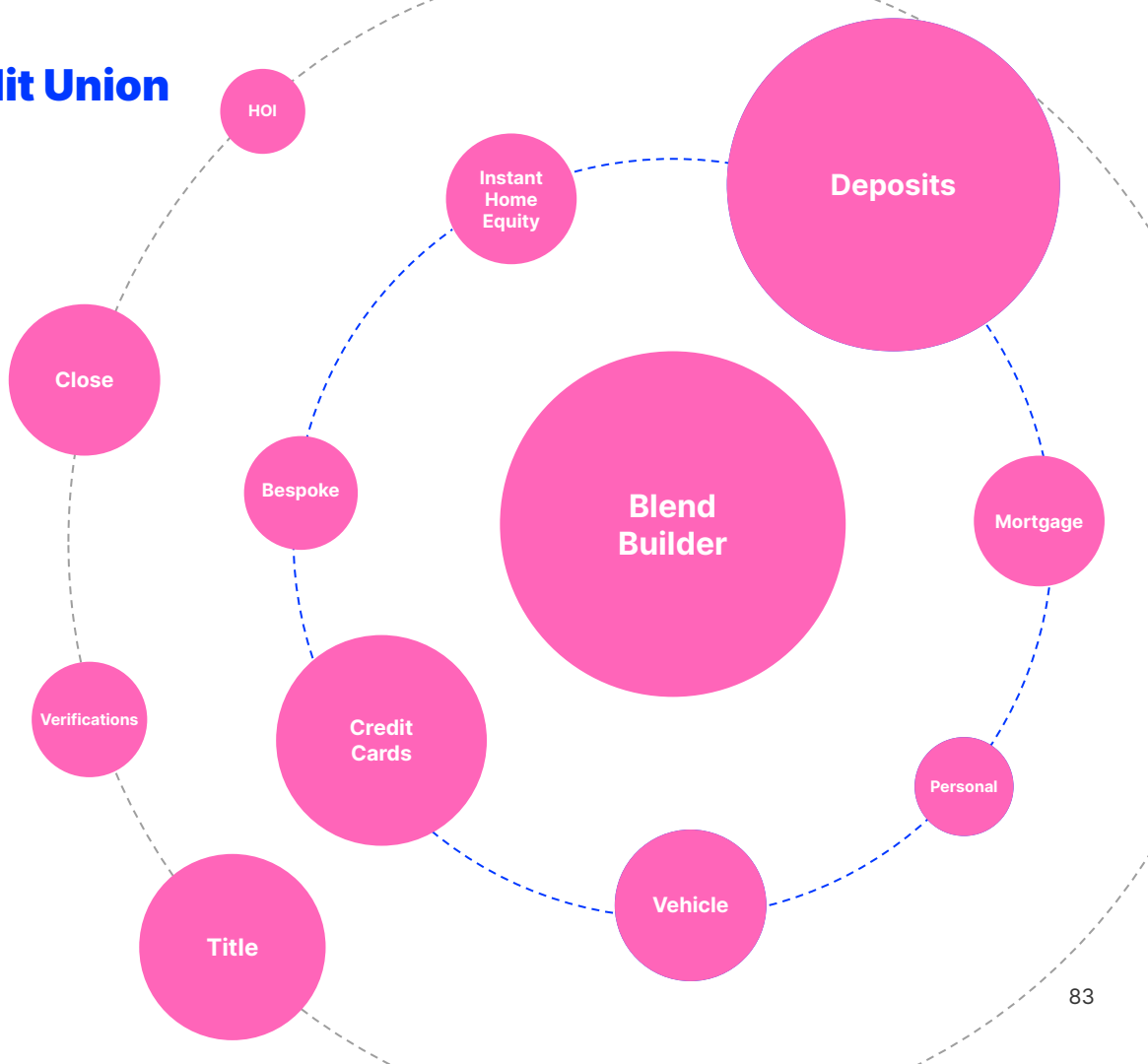
Product Revenue Potential

\$10B refers to Assets Under Management



Customer Example: \$10B+ Credit Union

Over time, we will migrate **all products to Blend Builder** and anchor the customer's originations ecosystem on **one innovative platform**



Product Revenue Potential

\$10B refers to Assets Under Management

Once Converted to **Builder...**



Innovation

Quickly adapt their originations process to match their strategy and capture market share



Differentiation

Solution can be completely customized to a lender to stand out from peers and better fight Fintechs

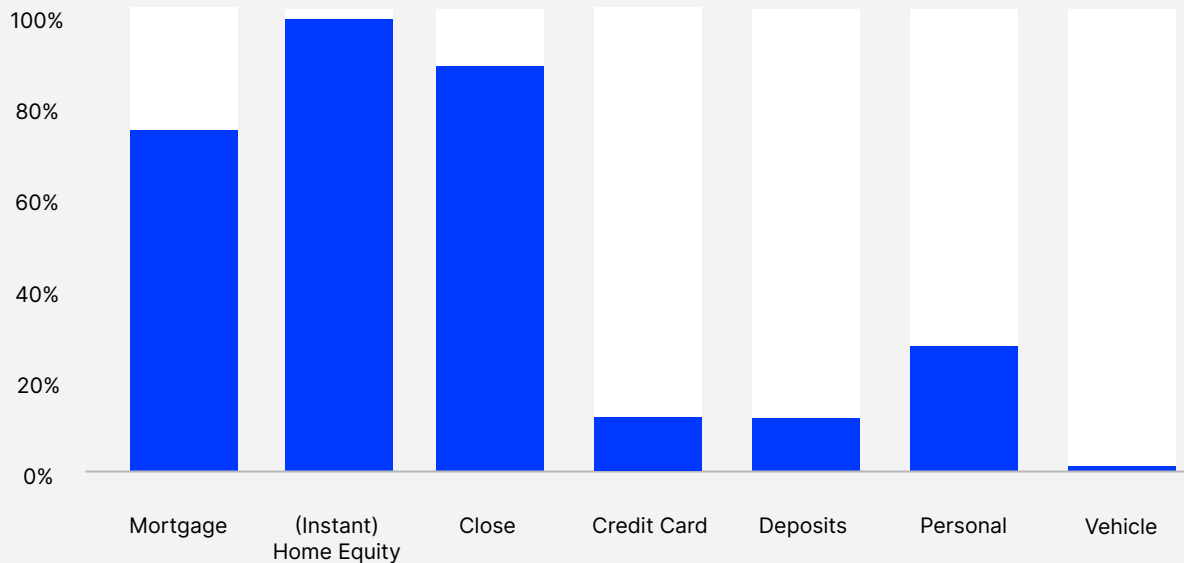


Lower Cost

Builder supports more cost effective development teams and can replace existing technology spend

Customer Example: \$10B+ Credit Union

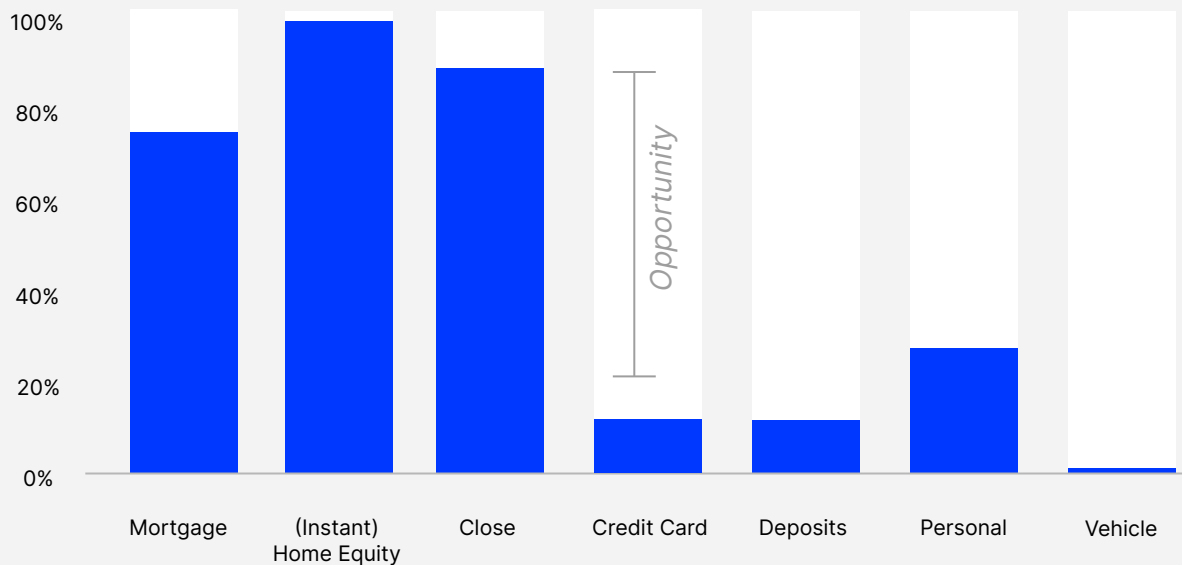
Capturing Revenue - Utilization by Product



So far, only **~30%** of available revenue from the customer has been captured, leaving additional upside for Blend

Customer Example: \$10B+ Credit Union

Capturing Revenue - Utilization by Product

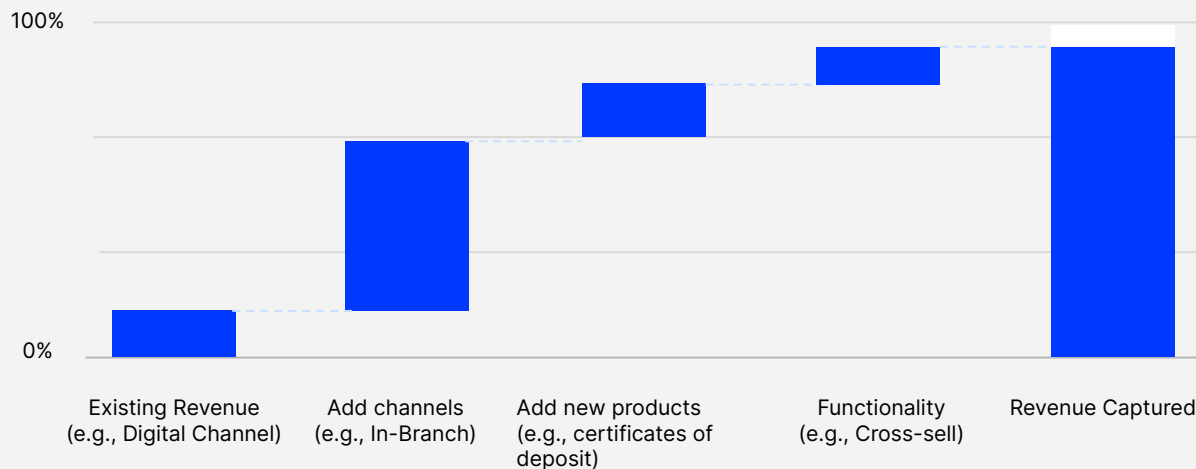


Of the products sold, we have so far only captured **~ 30%** of the available revenue

There is additional upside in the customer without selling more product

Customer Example: \$10B+ Credit Union

Deposit Accounts - Revenue Capture Example

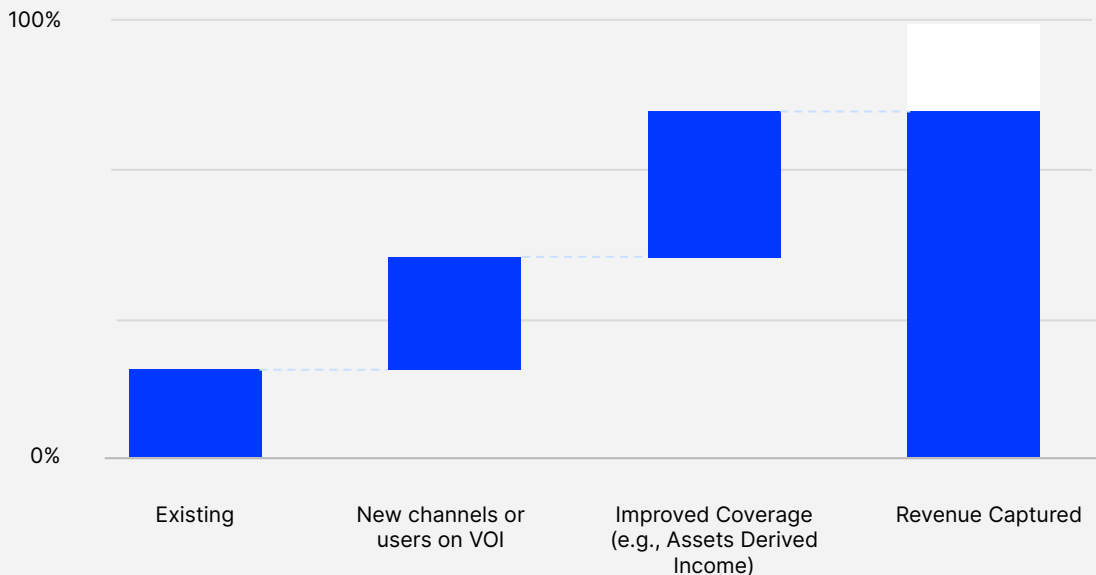


As an example, we have room to grow in **Deposits**.

We can capture the full revenue potential by expanding to Branch channels, customizing some products, and enabling functionality

Capturing Revenue: Double Click on **Income Verification** & **Assets Derived Income**

Verification of Income - Revenue Capture Example



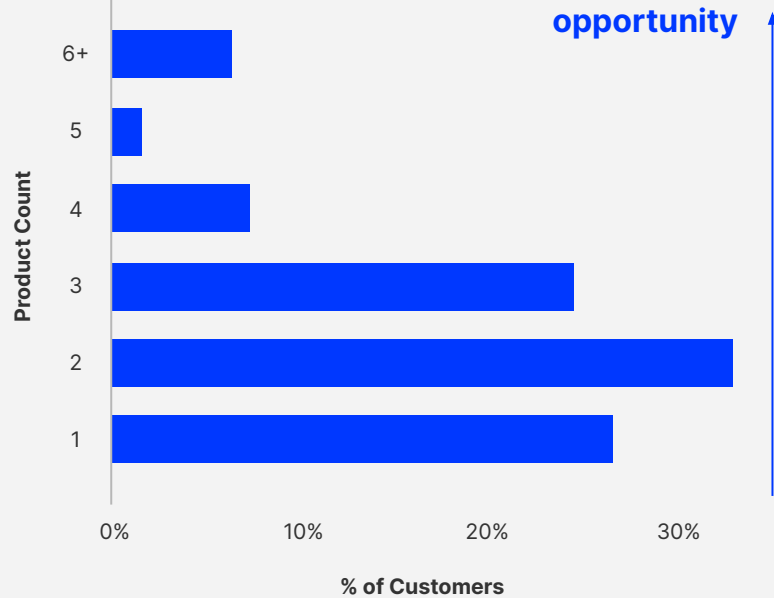
Income Verification is another powerful growth opportunity

New revenue can come through customer adoption (by user or channel) or by growing coverage (% of users data with successful data hit)

Assets Derived Income is a key example of innovative ways we can expand this revenue - growing our coverage cost effectively and improving customer experience

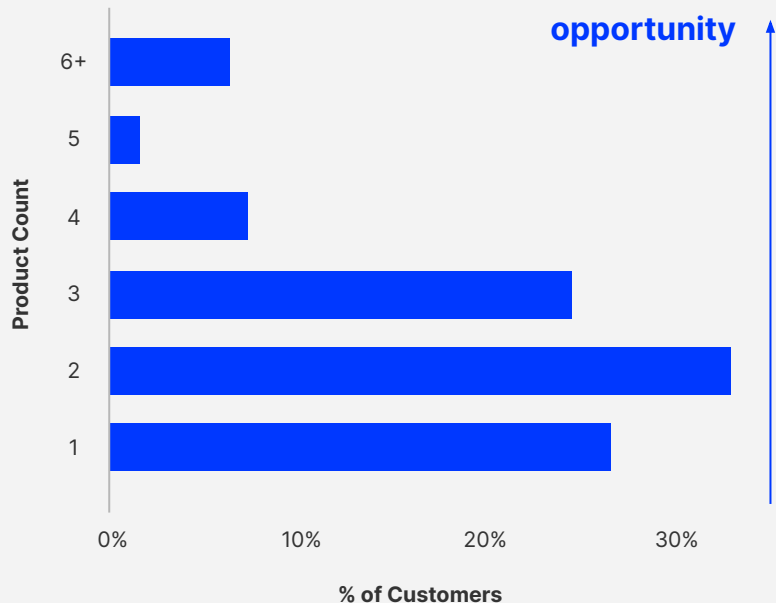
We have ample opportunity to continue this expansion strategy with customers

Add Additional Products to Each Customer

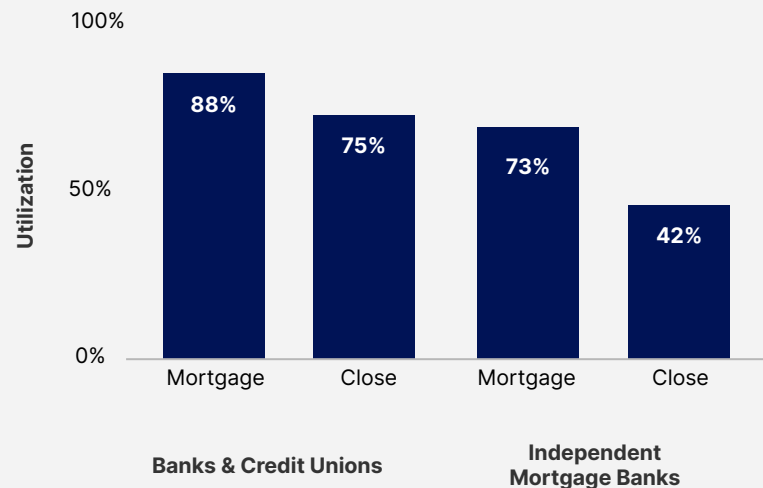


We have ample opportunity to continue this expansion strategy with customers

Add Additional Products to Each Customer



Grow Utilization within Sold Products



Blend GTM Overview

01

The Ecosystem
& Our Buyers



02

Growing with
Our Customers






03

Market Strategy
& Expansion



Blend is targeting the top end of lenders, with growth opportunity in all segments

Blend Penetration by Segment (minimum 1 Blend Product)

Lender Segment	 Credit Unions	 Banks	 Independent Mortgage Banks
Strategic 50k+ loans per year	N/A	50%	60%
Large 25k+ loans per year	50%	83%	25%
Medium 10k+ loans per year	50%	33%	27%
Mid Market 1k+ loans per year	26%	21%	21%
Commercial <1k+ loans per year	5%	2%	1%

Driving Growth: Wave 1



Cross-Sell Existing Book

Continue cross-sell efforts with existing customers, who capture large parts of the market; accelerate with multi-product contract incentives.



Utilization Capture

Continue to capture revenue potential with existing, sold products through user and channel expansion



Monetizing Blend Builder

Commercialize the underlying Blend Builder Platform as customer technology functions and business leaders use it as an enterprise level tool



New Use Cases

Use Builder's flexibility to sell a broader set of use cases than ever before, giving us new products and price levels

Driving Growth: Next Wave

New Logos

We have been focused more on in-book sales. Looking ahead, we are expanding our focus on new logos

Partnerships

Industry partnerships (e.g., other technology vendors), System Integrator relationships, and more general GTM alliances (e.g., AWS) to scale our GTM

International

Blend Builder gives us the flexibility to expand the market leadership we have developed beyond the U.S.



Execution and Operating Rhythm

Amir Jafari

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, operating model, cash flows and capital expenditures, Blend's ability to generate cash and Blend's cash needs, operating margins, plans for future operations, competitive positions, technological capabilities, strategic relationships, Blend's opportunity to increase market share and penetration in its existing customers, Blend's ability to scale its products and relationships, projections and estimates of mortgage loan origination volumes, other macroeconomic and industry conditions, Blend's ability to improve efficiency, Blend's addressable market, Blend's ability to create long-term value for its customers, and Blend's expectations for revenue growth and sales of its products. 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 its 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 Annual Report on Form 10-K for the year ended December 31, 2022 and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, and June 30, 2023. 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, non-GAAP gross margin %, non-GAAP operating expenses, non-GAAP loss from operations, non-GAAP net loss, free cash flow and unlevered free cash flow. These non-GAAP financial measures adjust the related GAAP financial measures to exclude non-cash stock-based compensation and warrant amortization expense, compensation realignment costs, amortization of acquired intangible assets, impairment of intangible assets and goodwill, restructuring costs, litigation contingencies, and transaction-related costs. 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.



Vision

Looking ahead
to 2026



Clarity

Surrounding our cash needs,
and operating margins



Conviction

In our foundation for
incremental growth

**What we've
accomplished so far**

YTD 2023 Highlights

January

Announced \$100 million in annualized run rate savings program

March

Marketwise reports a 40% increase in ROI on the Blend Mortgage solution

May

Exceeded first quarter revenue and cost guidance

June

PRMG announces 71% savings with Blend soft credit functionality

August

Achieved second quarter revenue guidance

3 major customers go live with Blend mortgage in Q1 2023

Announced three platform deals onto Blend Builder, including an anchor partnership with Navy Federal Credit Union

Reported 300bps of non-GAAP Software margin improvement quarter-over-quarter¹

Announced incremental \$33 million annualized expense savings and efficiency program

Realized 50% reduction in non-GAAP net operating loss¹ 2 quarters ahead of plan

¹ GAAP to non-GAAP reconciliation schedules can be found in the appendix to this presentation.

Winning Across All Three Business Lines

Mortgage Successes



Reached record market share of **20.5%**¹



37 of top 100 U.S. banks by AUM using Blend²



4.5x contribution from Blend add-on products³



Strong revenue performance relative to industry volume declines

Consumer Wins



Signed **16 logos** onto the CB suite³



Launched **Blend Builder** to our consumer banking customers



Over **25** consumer deployments⁴



33% year-over-year growth in revenue in Q2'23

Title Progress



Added **14 new** client/product combinations year-to-date



Rightsizing operations for refinance market conditions



12 of the Top 25 Mortgage Originators⁵



Enabled **Instant Title** adjacent offerings

¹ In 2H 2022. Please refer to note 6 in the appendix of this presentation.

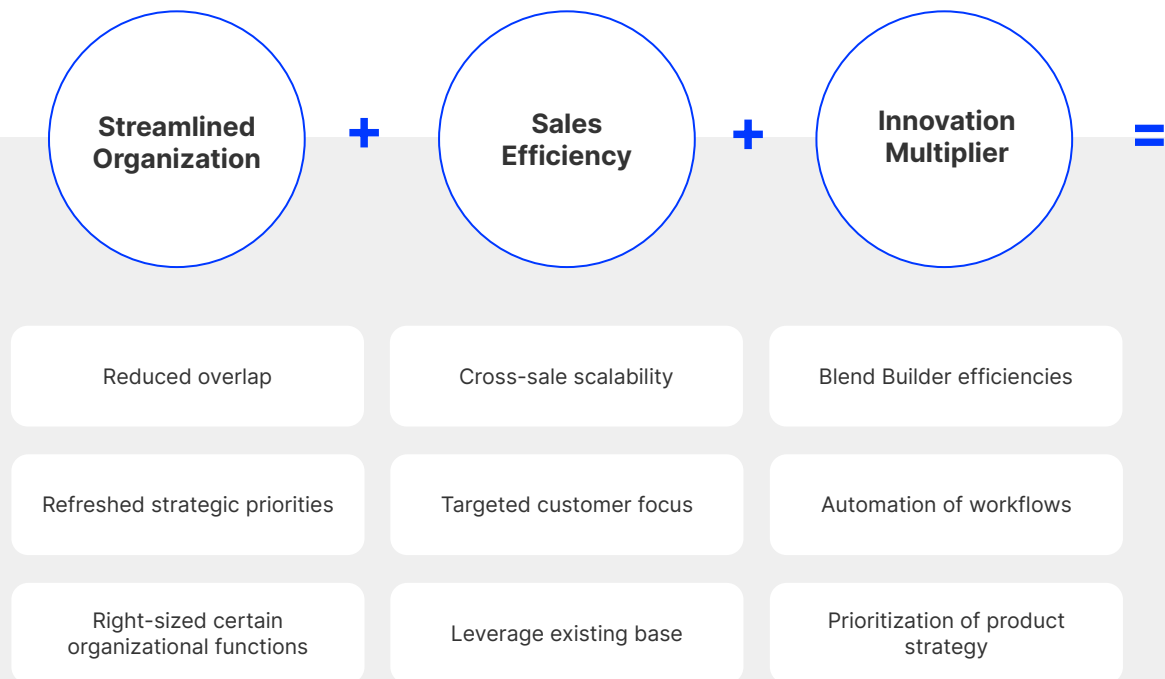
² As measured by the U.S. Federal Reserve Statistical Release of Insured U.S. Chartered Banks on June 30, 2023.

³ From June 30, 2022 to date.

⁴ From June 30, 2021 to date.

⁵ By year to date dollar volume as measured by Inside Mortgage Finance published July 28, 2023.

Operational Excellence Framework



Growth in Platform revenue per employee¹

28%

Increase in Software Non-GAAP Gross Profit Margin^{1 2}

800bps

Reduction in annualized Non-GAAP Operating Expenses^{1 2}

~\$100mm

¹ Q2 2023 compared to Q2 2022

² GAAP to non-GAAP reconciliation schedules can be found in the appendix to this presentation.

Key Levers Driving Margin Improvement



Value capture at renewal

Focusing investment in product improvements drives incremental value for Blend and its customers



Large vendor cost savings

Targeting renegotiation of large vendor contracts and engineering process redesign



Improved margin mix

Accretive contribution from Blend's growing suite of offerings



Efficiency in Title operations

Matching capacity in our legacy Title organization to current housing market demand



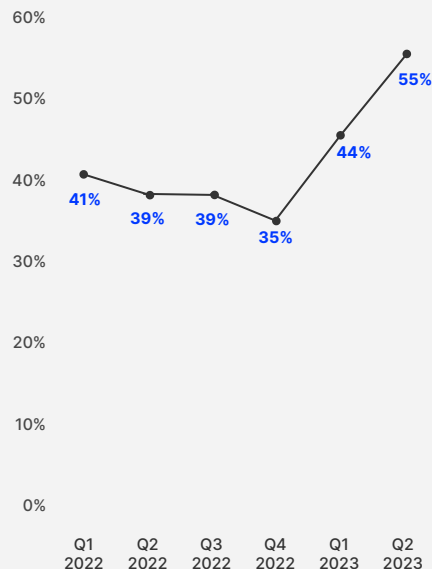
PS / CS targets

Aligning our delivery costs and leveraged efficiency from Builder deployments

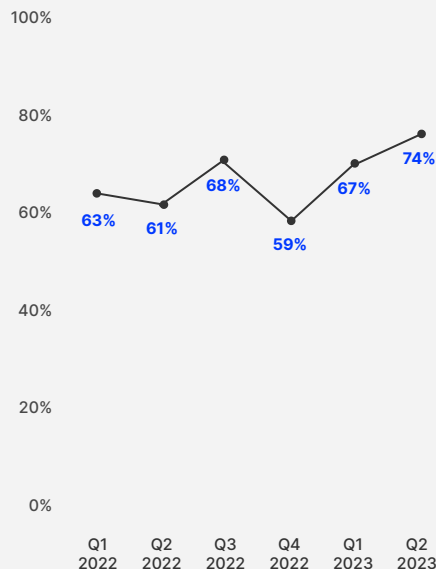
Gross Margin Profile: Returning to Efficiency

Non-GAAP Gross Margins¹

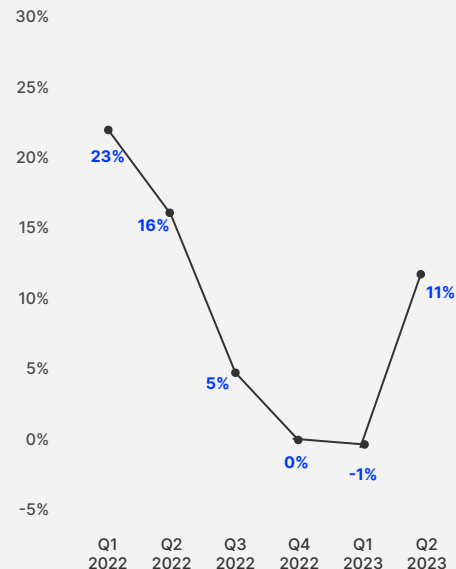
Blend Labs Gross Margin



Platform Gross Margin



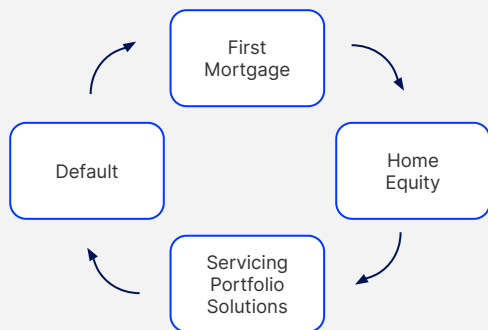
Title Gross Margin



¹ All measures above are presented on a non-GAAP basis. GAAP to non-GAAP reconciliation schedules can be found in the appendix to this presentation.

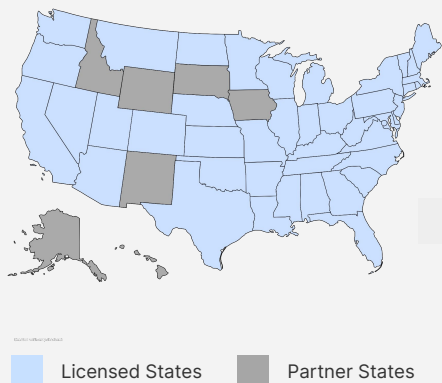
Leveraging the Scale of Title Operations

Diverse Product Offering



Positioned for growth in a volatile rate environment

Nationwide Capabilities



50 State Licensed Solution

Scalable Client Relationships

12 of the Top 25
Mortgage Originators¹

8 of the Top 10
Owned Mortgage Servicers¹

Anchor Clients

Largest Non-Bank Servicer¹
Top 20 Non-Bank Originator¹

¹ By year to date dollar volume as measured by Inside Mortgage Finance published July 28, 2023

Transitioning to Blend's Second Phase

Where we're headed

Blend's Priorities Moving Forward

01

Continue to deepen mortgage customer relationships through the economic cycle



02

Capture Builder-driven growth and financial benefits of Platform strategy



03

Build on momentum towards Free Cash Flow¹ inflection



¹Please refer to note 7 in the appendix of this presentation.

Blend's Priorities Moving Forward

01

Continue to deepen mortgage customer relationships through the economic cycle



02

Capture Builder-driven growth and financial benefits of Platform strategy



03

Build on momentum towards Free Cash Flow¹ inflection

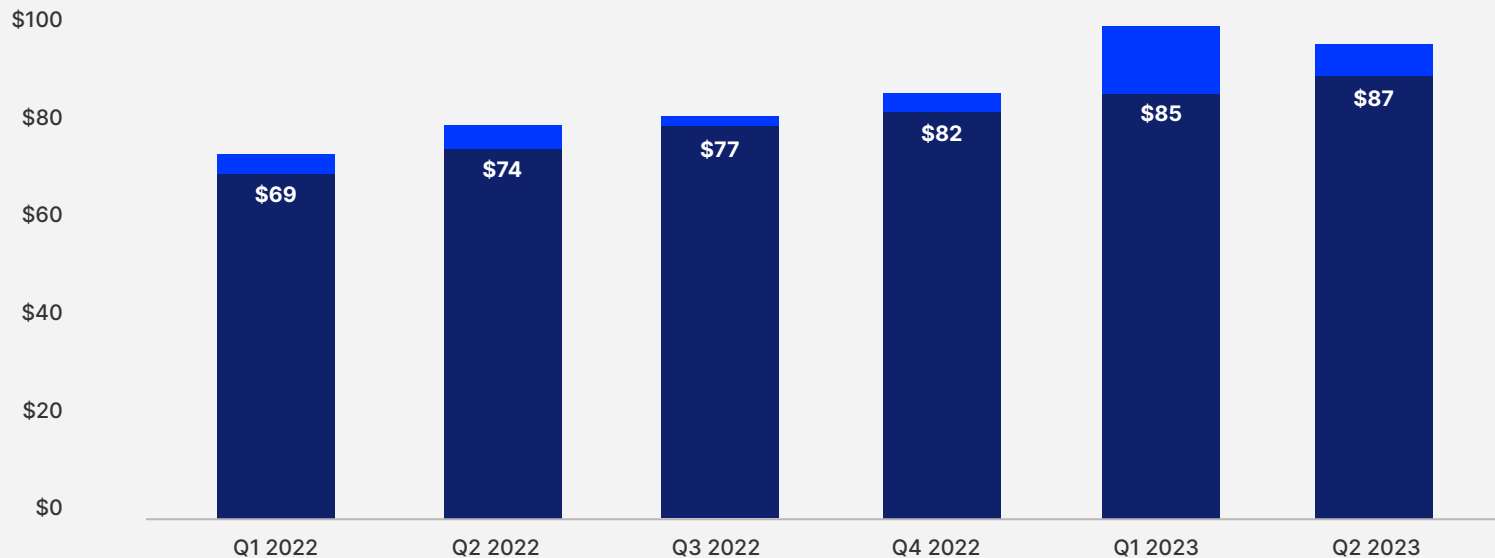


¹Please refer to note 7 in the appendix of this presentation.

Economic Value per Funded Loan - Mortgage Suite

■ Economic value
per funded loan¹

■ Revenue per
transaction²



¹Please refer to note 4 in the appendix of this presentation.

²Please refer to Blend's quarterly earnings release supplemental materials for the disclosure of mortgage suite revenue per transaction.

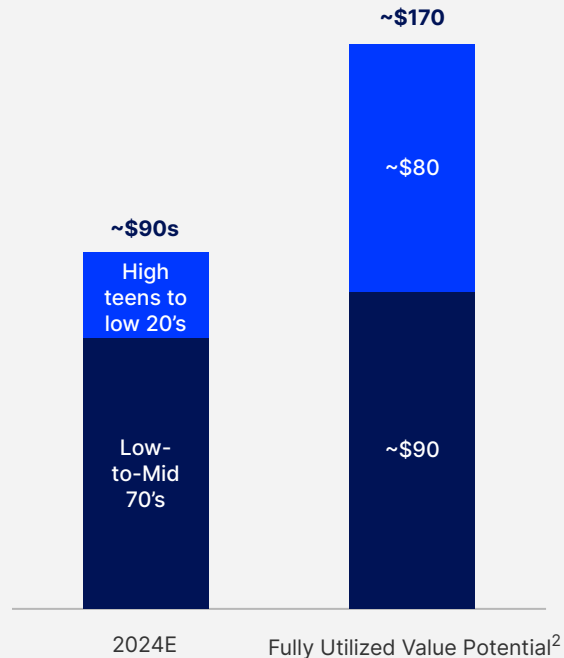
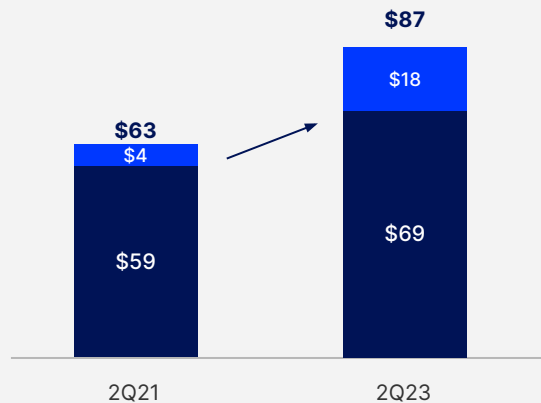
Increasing Mortgage leverage through expanded economic value per funded loan

Mortgage Attach
per funded loan¹

Core Mortgage
per funded loan¹

17% increase in core mortgage per funded loan rate

4.5x increase in contribution from mortgage
attach per funded loan

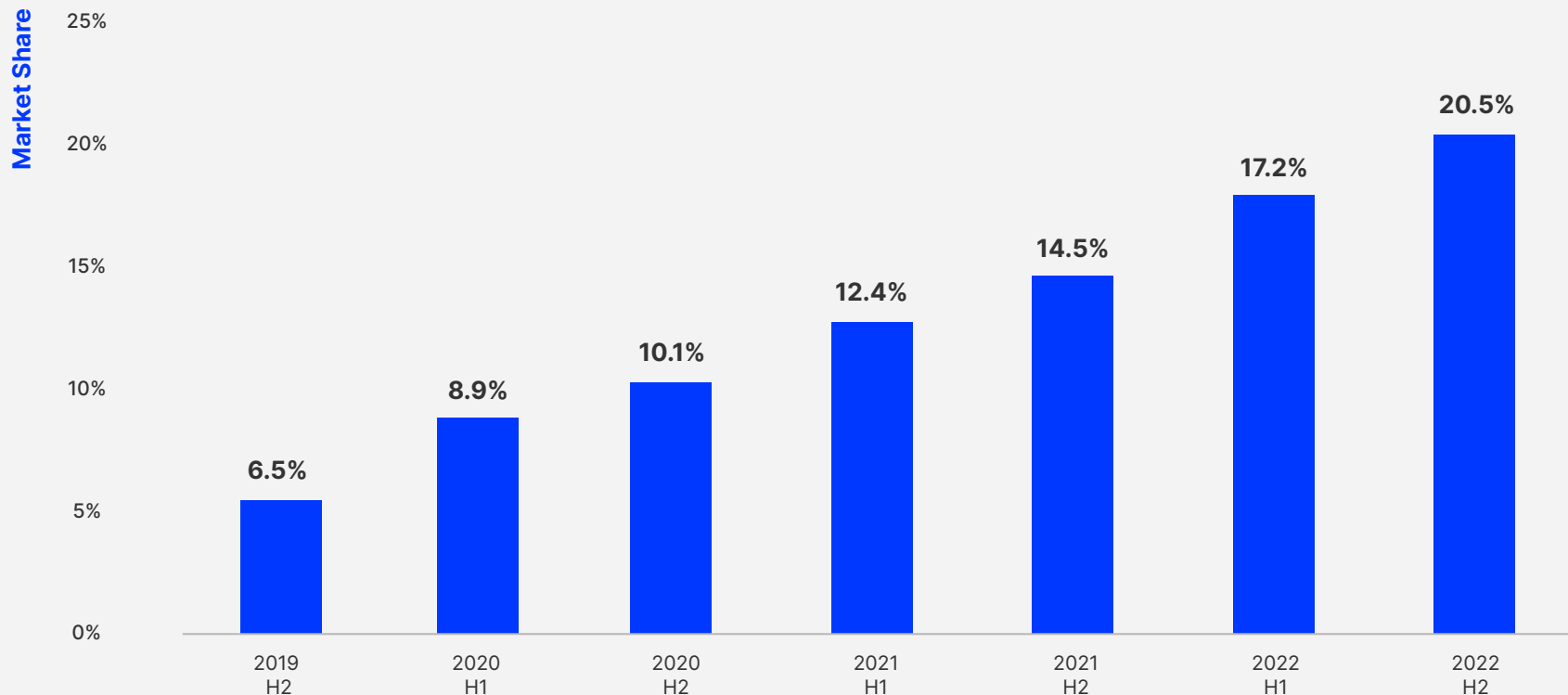


¹Please refer to note 5 in the appendix of this presentation.

²Fully utilized value potential shows the full economic value of a Blend loan if all available core and add-on products are enabled at list pricing rates.

Building and Capturing Mortgage Market Share

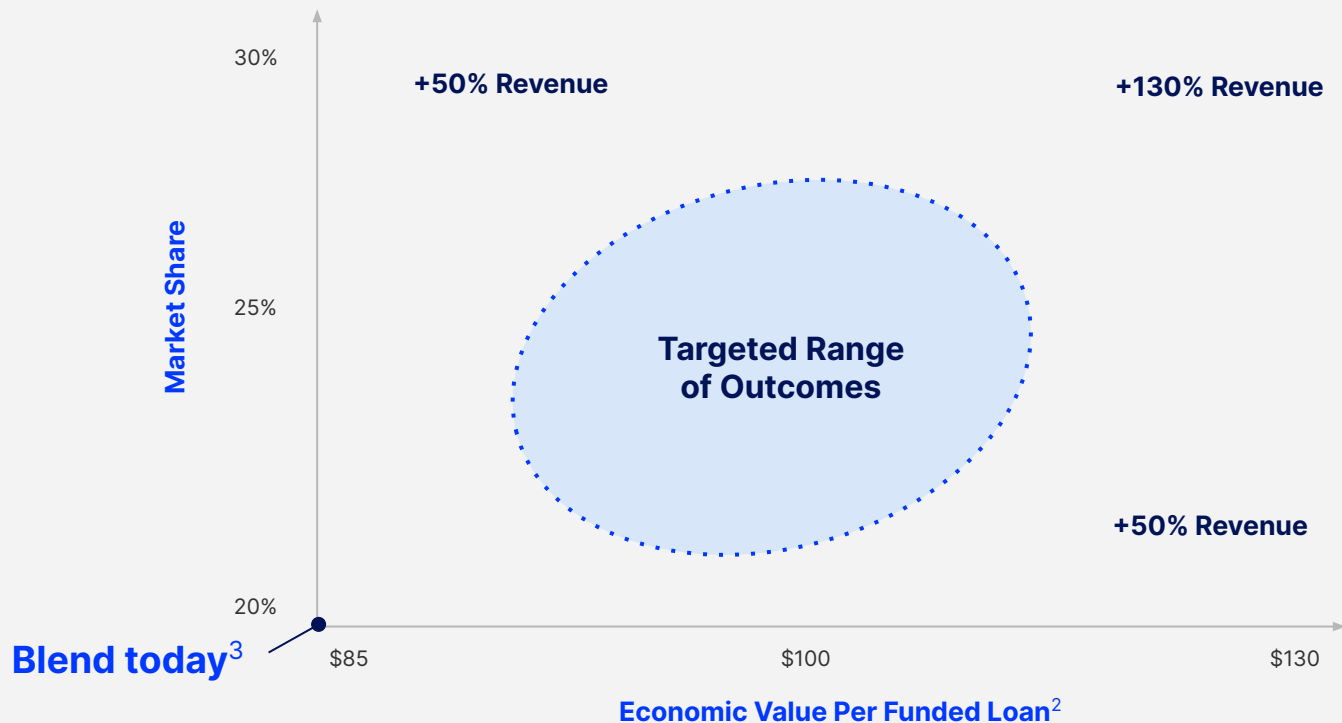
■ Blend funded loans total market share¹



¹ Please refer to note 6 in the appendix of this presentation.

Significant upside in current market origination environment

Assumes ~4.5 Million U.S. mortgage originations consistent with 2023 levels¹



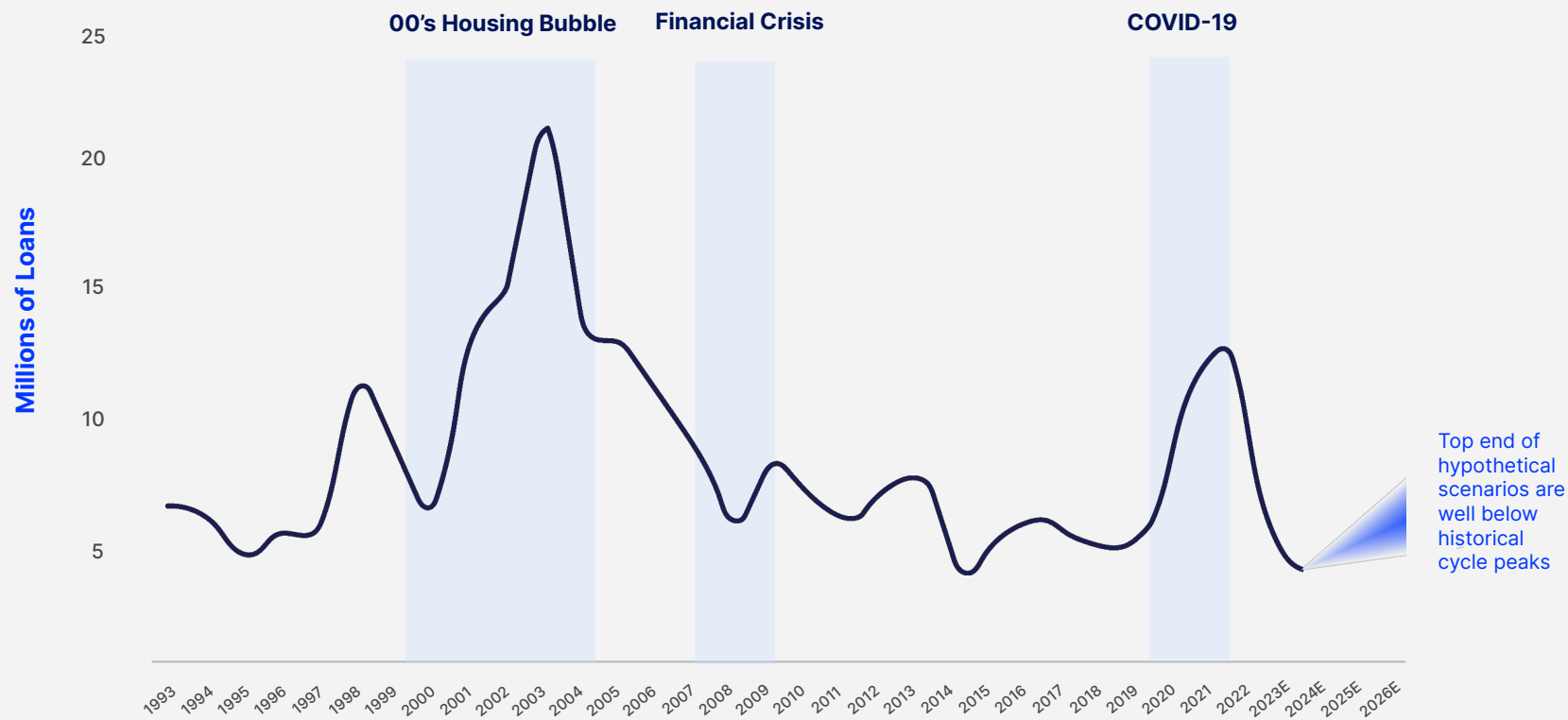
¹ An illustrative 4.5 million U.S. mortgage originations, intended to approximate a flat market relative to Mortgage Bankers Association 2023 origination forecast published September 18, 2023.

² Please refer to note 4 in the appendix of this presentation.

³ As of Q2 2023.

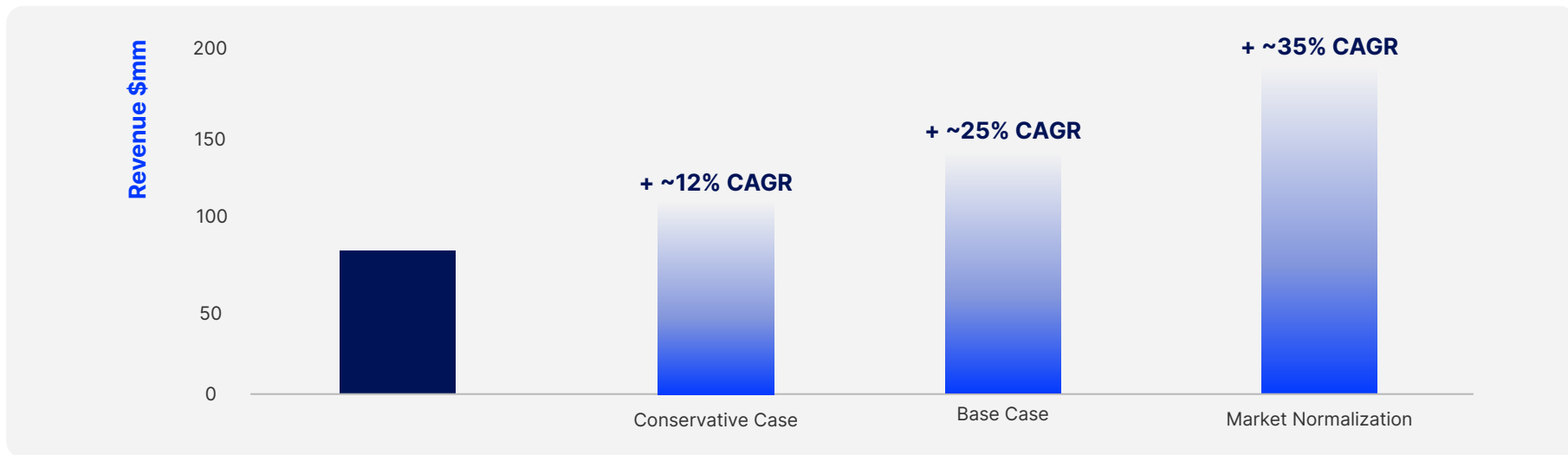
30 Years of Mortgage Market in Context

— Total U.S. Mortgage Origination # Loans (millions)¹



¹ Source: Blend estimates based on FactSet.

Sensitizing Mortgage Suite: Potential 3 Year Outcomes¹



	2023E	Key Assumptions (2026 Operating Model) ⁴		
Est. # U.S. Market Originations	4.5M	~5.5M	~6.5M	~7.0M
Market Share ²	~20%	Maintained	Incremental	Expanded
Economic Value per funded loan ³	~\$85	+10%	+20%	+25%

¹ The above represents illustrative scenarios and are not intended to represent guidance on actual outcomes. This scenario is subject to the assumptions set forth above and other risks and uncertainties.

² Please refer to note 6 in the appendix to this presentation.

³ Please refer to note 4 in the appendix to this presentation.

⁴ Please refer to note 8 in the appendix to this presentation.

Blend's Priorities Moving Forward

01

Continue to deepen mortgage customer relationships through the economic cycle



02

Capture Builder-driven growth and financial benefits of Platform strategy



03

Build on momentum towards Free Cash Flow¹ inflection



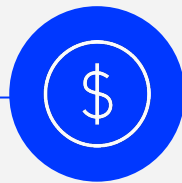
¹Please refer to note 7 in the appendix of this presentation.

Key Financial Tenets of our Platform-first Strategy



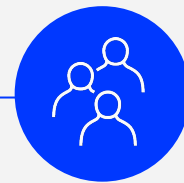
Further diversifying our revenue mix

Expanding exposure into counter-cyclical financial products including deposits and home equity



Improving our cash flow profile

Committed fees with contract terms including regular recurring platform fees



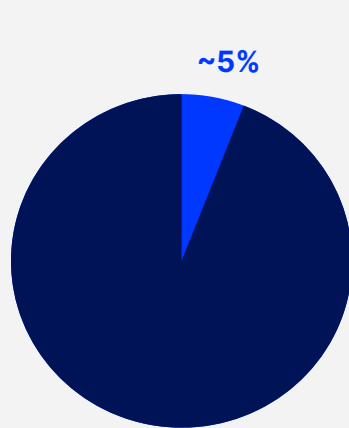
Expanding our wallet and mindshare

Key partner in modern digital transformation for FIs, engaging new markets and new sales channels

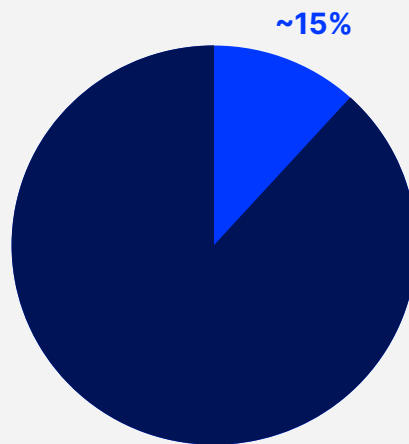
Further diversifying our platform revenue mix

■ Mortgage
transaction linked

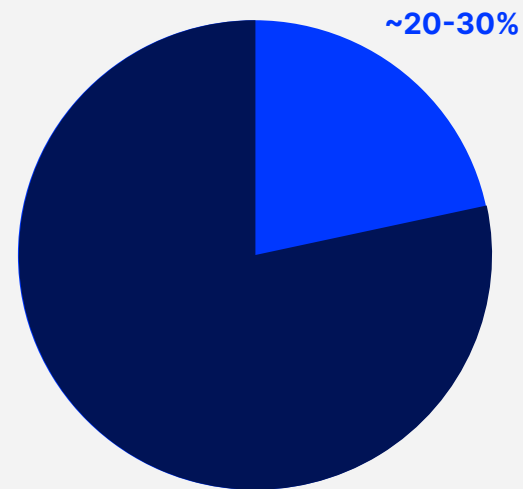
■ Non-mortgage
transaction linked



2021



2023E



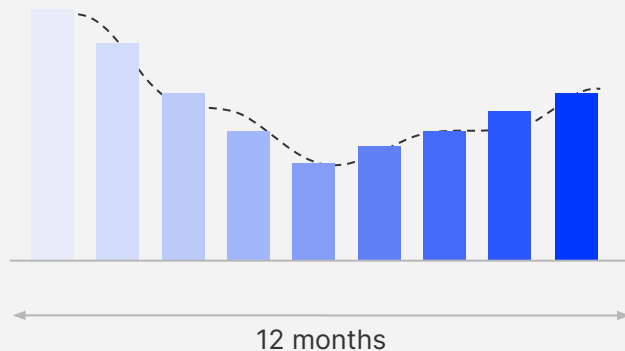
2026E Targets

While improving our overall cash flow profile

----- Transactions

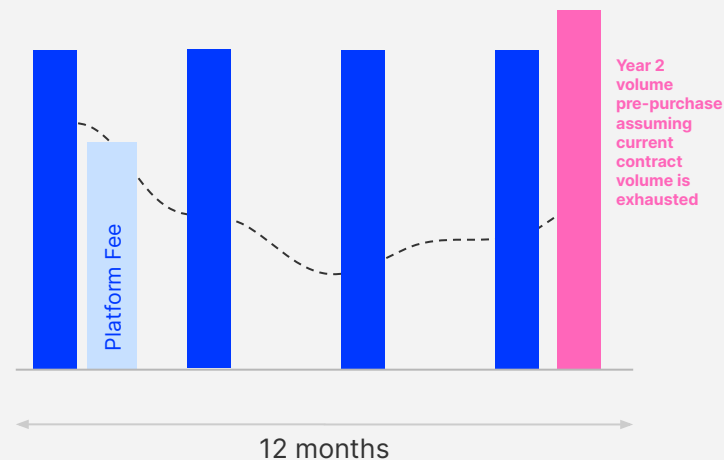
▀ Cash receipts

Blend PayGo Model



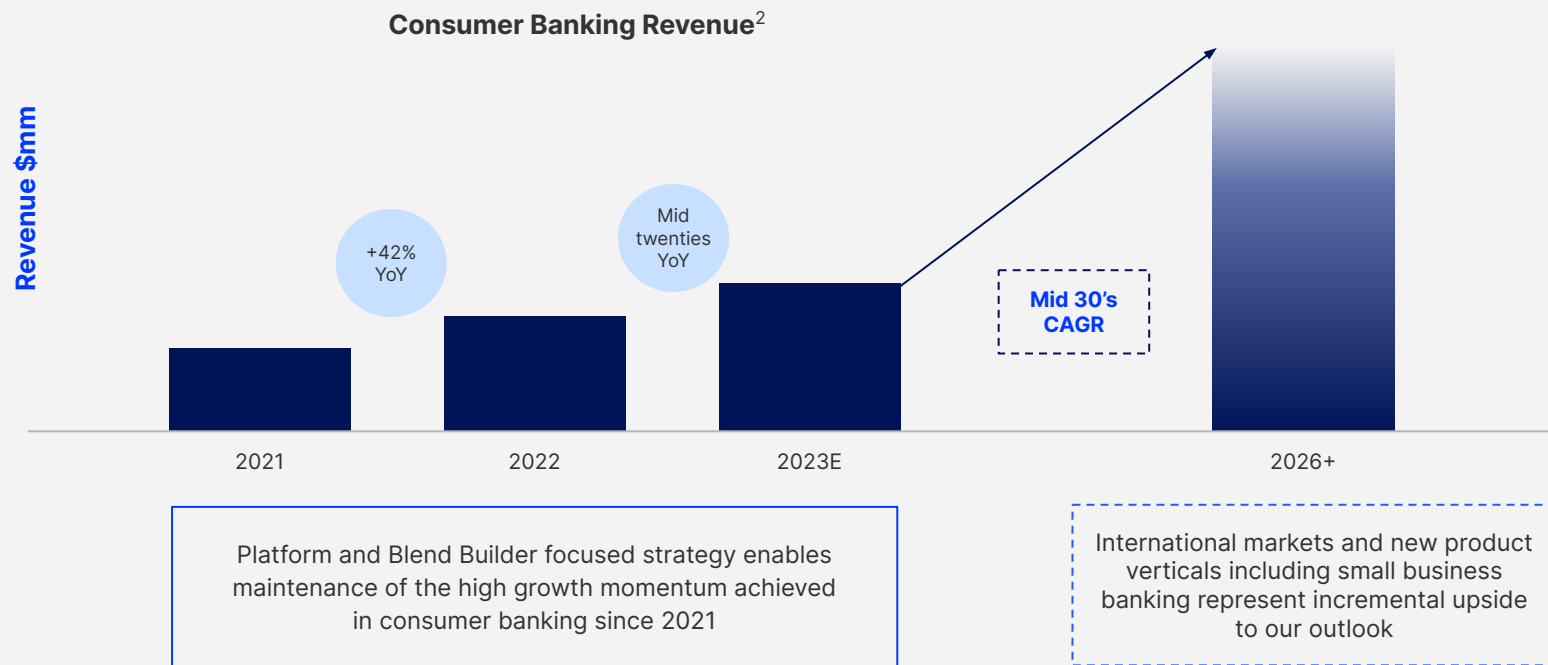
Billed 30 days in arrears monthly payment terms
Cash flow tracks volume
Highest annual Total Contract Value

Blend Builder Subscription Model



Pre-purchased consumption with set contract terms
Billed in advance
Annual platform access fee
Balanced Total Contract Value

Represents a sizable growth opportunity for Blend's consumer banking business¹



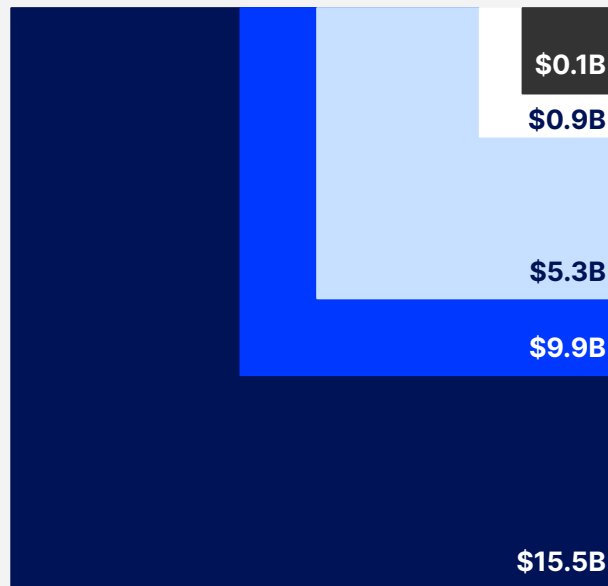
¹ This is an illustrative scenario only and is not intended to represent guidance on actual outcomes. This scenario is subject to the assumptions set forth above and other risks and uncertainties described on Slide 2 of this presentation and in our filings with the Securities and Exchange Commission.

² Please refer to note 1 in the appendix of this presentation.

Expanding on Blend platform Addressable Market

Total Platform Addressable Market

Based on bank technology spend



Growth Focus

Current Platform Revenue

Platform Cross Sell Opportunity¹

- Increase wallet-share with existing U.S. customer base

U.S. Consumer Origination Opportunity²

- Expanding our suite of solutions and new logo acquisition

Geographic Opportunity²

- Broadening the reach of our product suite to include Canadian & European markets

Commercial Origination Expansion³

- Continued innovation across the financial services industry

¹ Source: Blend Labs estimate based on current customer base (as of 2Q23), existing product suite, and current pricing tiers.

² Source: IDC's Worldwide Banking IT Spending Guide, V2 2023 estimate of the U.S., Canadian and Western European bank spending on consumer origination technology.

³ Source: IDC's Worldwide Banking IT Spending Guide, V2 2023 estimate of the U.S., Canadian and Western European bank spending on consumer and commercial origination technology.

Blend's Priorities Moving Forward

01

Continue to deepen mortgage customer relationships through the economic cycle



02

Capture Builder-driven growth and financial benefits of Platform strategy



03

Build on momentum towards Free Cash Flow¹ inflection



¹Please refer to note 7 in the appendix of this presentation.

Long-Term Operating Model

	FY22	FY23E	2026 Market Scenarios ³		
In \$ millions (unless otherwise indicated) Unaudited			Conservative	Base Case	Market Normalized Scenario
Blend Platform Revenue	\$121	\$110 - \$114	\$200	\$245	\$290
Title Revenue	\$114	\$47 - \$49	\$60	\$70	\$75
Total Blend Labs Revenue	\$235	\$157 - \$163	\$260	\$315	\$365
Total Blend Platform Non-GAAP Gross Margin⁴	63%	71%	~75%	~75%	~+75%
(Target) Non-GAAP Operating Margin^{1 4}	(68%)	(51%) - (48%)	15%	20%	25%
(Target) FCF Margin^{2 4}	(82%)	(83%) - (80%)	8%	12%	18%

¹ Please refer to note 9 in the appendix of this presentation.

² Please refer to note 7 in the appendix of this presentation.

³ Please refer to note 8 in the appendix of this presentation.

⁴ GAAP to non-GAAP reconciliation schedules can be found in the appendix to this presentation, we have not provided the forward-looking GAAP equivalents to our non-GAAP Gross Margin, Operating Margin or FCF Margin as a result of the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future.

Updated Q3 2023 Guidance

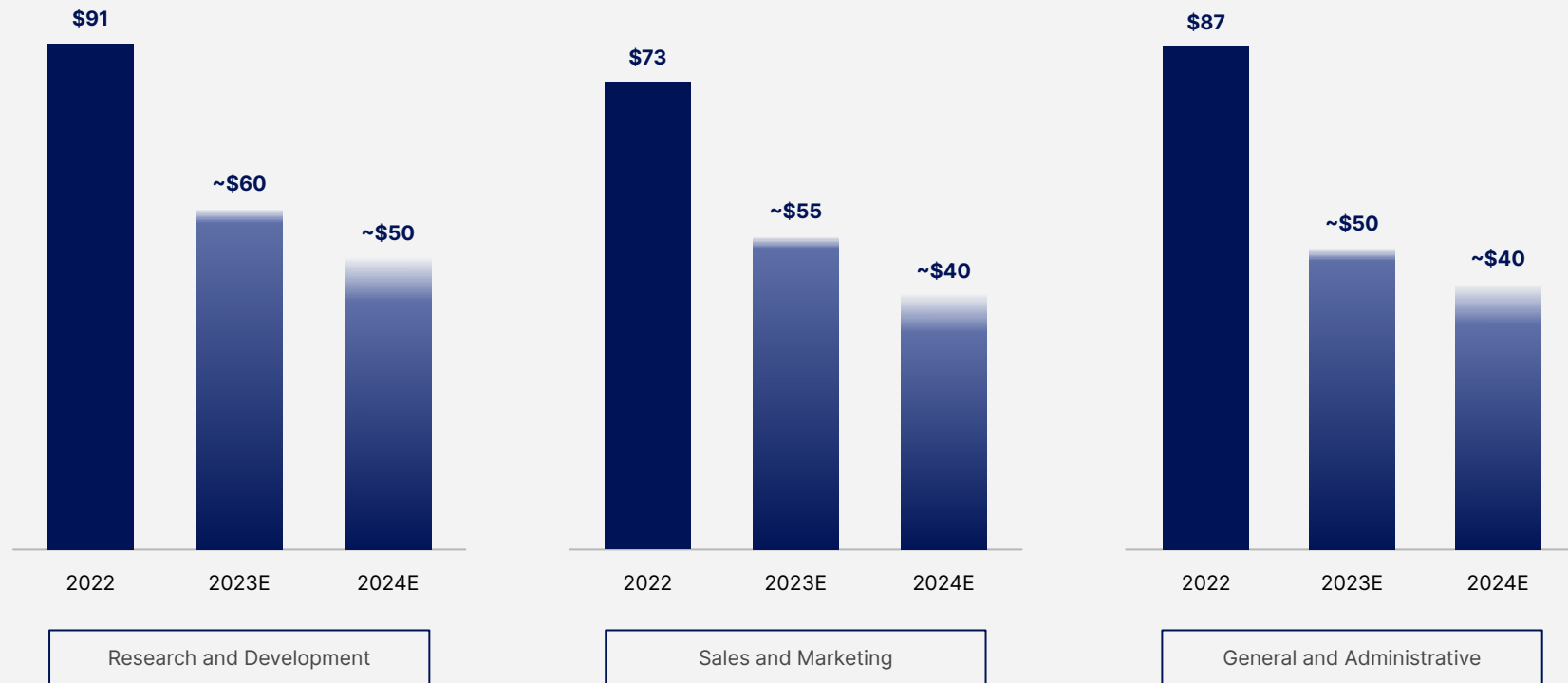
In \$ millions (unless otherwise indicated)	Prior Guidance	Updated Guidance
Blend Platform Revenue	\$27 - \$30	\$28.5 - \$30
Title Revenue	\$11.0 - \$12	\$11.5 - \$12
Total Blend Labs Revenue	\$38 - \$42	\$40 - \$42
Blend Labs Non-GAAP Net Operating Loss^{1 2}	(\$17.5) - (\$15.5)	(\$16.5) - (\$15.5)

¹ Please refer to note 9 in the appendix of this presentation.

² We have not provided the forward-looking GAAP equivalents or GAAP reconciliations to our non-GAAP Net Operating Loss as a result of the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future.

Narrowing the Focus of our Operating Model

Non-GAAP Operating Expenses¹ (in \$ millions)



2024 non-GAAP operating expense is expected to be nearly half of 2022 levels

¹GAAP to non-GAAP reconciliation schedules can be found in the appendix to this presentation. We have not provided the forward-looking GAAP equivalents to our non-GAAP Operating Expenses or GAAP reconciliations as a result of the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future.

Path To Cash Generation¹

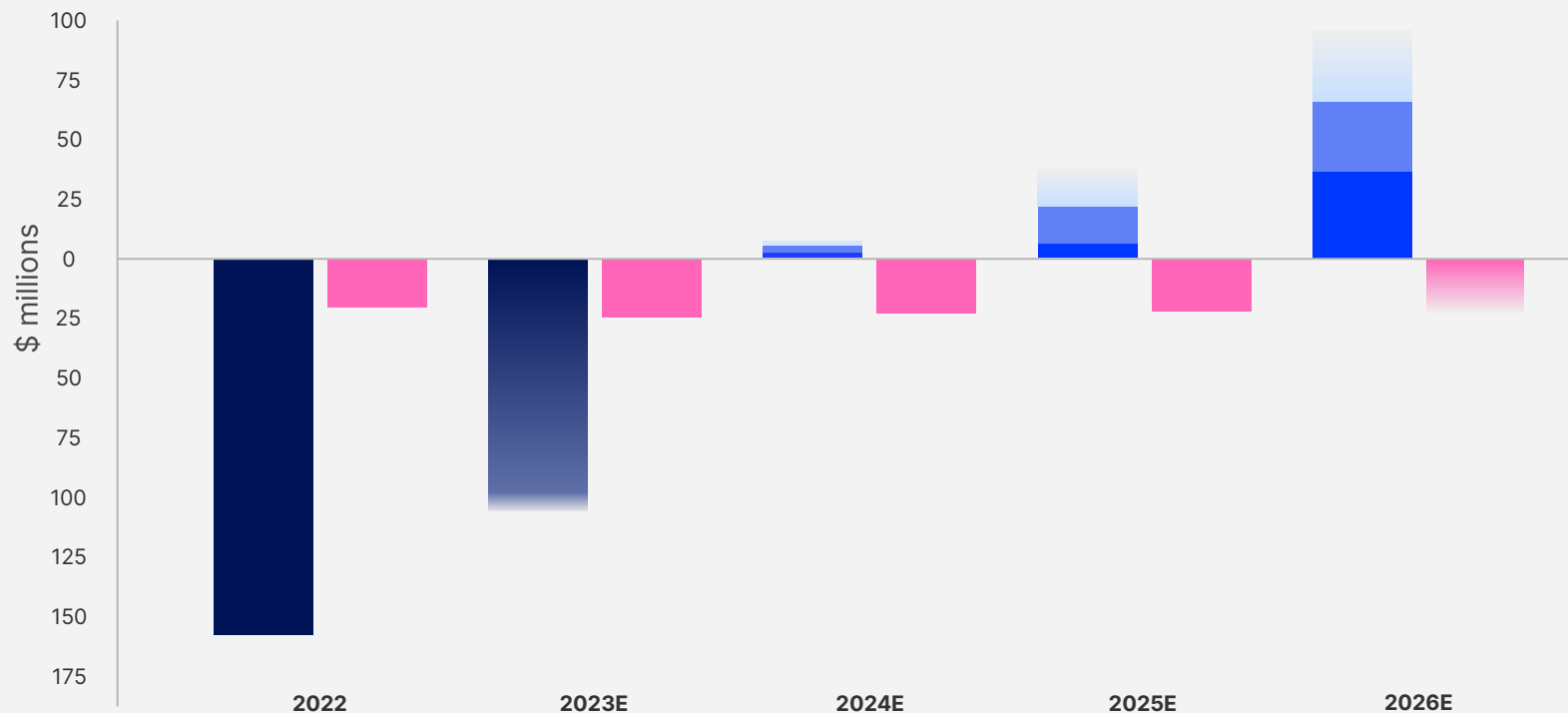
■ Unlevered Free²
Cash Flow

■ Cash paid
for interest³

■ Market
Normalization⁴

■ Base⁴

■ Conservative⁴



¹ Please refer to note 8 in the appendix of this presentation.

² Please refer to note 7 in the appendix of this presentation.

³ Assumes SOFR rates as of the FactSet forward curve from September 1, 2023.

⁴ Please refer to note 8 in the appendix of this presentation.

GAAP to non-GAAP reconciliation schedules can be found in the appendix to this presentation. We have not provided the forward-looking GAAP equivalents to Free Cash Flow or GAAP reconciliations as a result of the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future.

Operating and Financial Priorities

1



Mortgage success will be achieved through expansion of PFL and market share

2



Capture growth, diversification and cash flow benefits of our platform strategy

3



Maintain our financial discipline and operational excellence framework

4



Inflect to free cash flow generation well ahead of our capital obligations

Investor Day 2023 |  **blend**

Thank you for attending Blend's 2023 Investor Day

September 26, 2023

Appendix

Revenue Disaggregation

(in \$ thousands, unaudited)

	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	2021	2022	YTD 2023
Blend Platform revenue:													
Mortgage Suite	27,063	26,652	29,050	31,184	26,753	26,976	22,898	18,095	17,795	22,288	113,948	94,723	40,083
Consumer Banking Suite	2,983	3,325	3,793	3,190	3,851	4,603	5,264	5,149	5,175	5,827	13,291	18,867	11,002
Total Software revenue	30,046	29,977	32,842	34,374	30,604	31,579	28,162	23,244	22,970	28,115	127,239	113,590	51,085
Professional Services	1,462	1,766	1,898	1,817	1,972	2,021	1,807	2,034	1,734	2,215	6,944	7,835	3,950
Total Blend Platform revenue	31,508	31,743	34,741	36,191	32,576	33,600	29,969	25,278	24,705	30,330	134,183	121,425	55,035
Title revenue:													
Traditional	67,786	61,354	54,487	44,447	38,731	31,861	19,303	13,292	9,478	9,313	228,074	103,187	18,791
Digitally-enabled	367	319	341	352	216	78	6,081	4,215	3,154	3,172	1,378	10,590	6,326
Total Title revenue	68,153	61,673	54,827	44,799	38,947	31,939	25,384	17,507	12,632	12,485	229,452	113,777	25,116
Total revenue	99,661	93,417	89,568	80,990	71,524	65,539	55,353	42,785	37,336	42,815	363,636	235,201	80,150

Mortgage Transactions

(in thousands)

	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Mortgage banking transactions	447	461	450	454	380	348	292	212	181	239

Reconciliation of GAAP to Non-GAAP Gross Profit, Quarterly

(in \$ thousands)

	Q1'22		Q2'22		Q3'22		Q4'22		Q1'23		Q2'23	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
Software	21,938	72%	22,904	73%	21,352	76%	16,691	72%	17,167	75%	22,629	80%
Stock-Based Compensation	-	-	16	-	24	-	20	-	13	-	9	-
Non-GAAP Software	21,938	72%	22,920	73%	21,376	76%	16,711	72%	17,180	75%	22,638	81%
Professional Services	(1,763)	-89%	(2,531)	-125%	(1,276)	-71%	(2,102)	-103%	(1,072)	-62%	(489)	-22%
Stock-Based Compensation	312	-	227	-	148	-	316	-	340	-	253	-
Non-GAAP Professional Services	(1,451)	-74%	(2,304)	-114%	(1,128)	-62%	(1,786)	-88%	(732)	-42%	(236)	-11%
Total Blend Platform	20,175	62%	20,373	61%	20,076	67%	14,589	58%	16,095	65%	22,140	73%
Stock-Based Compensation	312	-	243	-	172	-	336	-	353	-	262	-
Non-GAAP Blend Platform	20,487	63%	20,616	61%	20,248	68%	14,925	59%	16,448	67%	22,402	74%
Title	8,694	22%	4,892	15%	1,034	4%	(183)	-1%	(242)	-2%	1,353	11%
Stock-Based Compensation	181	-	307	-	280	-	239	-	135	-	2	-
Non-GAAP Title	8,875	23%	5,199	16%	1,314	5%	56	0%	(107)	-1%	1,355	11%
Total Blend Labs	28,869	40%	25,265	39%	21,110	38%	14,406	34%	15,853	42%	23,493	55%
Stock-Based Compensation	493	-	550	-	452	-	574	-	488	-	264	-
Non-GAAP Blend Labs	29,362	41%	25,815	39%	21,562	39%	14,980	35%	16,341	44%	23,757	55%

Reconciliation of GAAP to Non-GAAP Gross Profit, Annual

(in \$ thousands)

	2022		YTD 2023	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
Software	82,885	73%	39,796	78%
Stock-Based Compensation	59	-	22	-
Non-GAAP Software	82,944	73%	39,818	78%
Professional Services	(7,672)	(98%)	(1,561)	(40%)
Stock-Based Compensation	1,003	-	593	-
Non-GAAP Professional Services	(6,669)	(85%)	(968)	(25%)
Total Blend Platform	75,213	62%	38,235	69%
Stock-Based Compensation	1,062	-	615	-
Non-GAAP Blend Platform	76,275	63%	38,850	71%
Title	14,437	13%	1,111	4%
Stock-Based Compensation	1,007	-	137	-
Non-GAAP Title	15,444	14%	1,248	5%
Total Blend Labs	89,650	74%	39,346	49%
Stock-Based Compensation	2,069	-	752	-
Non-GAAP Blend Labs	91,719	76%	40,098	50%

Reconciliation of GAAP to Non-GAAP Operating Expenses, Quarterly

(in \$ thousands)

	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
GAAP operating expenses	48,222	59,336	110,863	94,810	98,617	496,681	150,966	89,564	77,289	60,214
<i>Non-GAAP Adjustments:</i>										
Stock-based compensation and amortization of warrant	4,131	6,495	43,216	16,541	23,843	28,698	27,499	27,617	15,904	14,100
Compensation realignment costs									1,096	1,778
Amortization of acquired intangible assets			4,364	3,772	4,068	4,068	275			
Impairment of intangible assets and goodwill						391,823	57,857			
Restructuring						6,380	5,936	2,959	12,783	2,349
Litigation contingencies								700		(245)
Transaction-related costs	4,207	6,635	1,573	569	1,812	411	732	183	438	596
Non-GAAP operating expenses	39,884	46,206	61,710	73,928	68,894	65,301	58,667	58,105	47,068	41,636

Reconciliation of GAAP to Non-GAAP Operating Expenses by Category (2022)

(in \$ thousands)

	2022		
	R&D	S&M	G&A
GAAP operating expenses	138,094	85,248	139,120
<i>Non-GAAP Adjustments:</i>			
Stock-based compensation and amortization of warrant	47,279	11,750	48,628
Litigation contingencies	-	-	700
Transaction-related costs	-	-	3,139
Non-GAAP operating expenses	90,814	73,498	86,654

Reconciliation of Net Cash Used in Operating Activities to Free Cash Flow, Unlevered Free Cash Flow, and Free Cash Flow Margin

(in \$ thousands)

	2022
Net cash used in operating activities	(190,418)
Additions to property, equipment, internal-use software and intangible assets	(2,068)
Free cash flow	(192,486)
Cash paid for interest	25,056
Unlevered free cash flow	(167,430)
Revenue	235,201
Free cash flow margin	(82%)

Reconciliation of GAAP to Non-GAAP Net Operating Loss and Operating Margin

(in \$ thousands)

	2022
GAAP loss from operations	(746,177)
<i>Non-GAAP Adjustments:</i>	
Stock-based compensation and amortization of warrant	109,726
Amortization of acquired intangible assets	8,411
Impairment of intangible assets and goodwill	449,680
Restructuring	15,275
Litigation contingencies	700
Transaction-related costs	3,139
Non-GAAP loss from operations	(159,246)
<i>Non-GAAP operating margin</i>	<i>(68%)</i>

Footnotes

Note 1: Consumer Banking Suite Revenues consist of home equity, personal lending, credit cards, deposit accounts, auto finance, and other banking product revenue, but exclude software-enabled title revenue.

Note 2: Mortgage Suite Revenues consist of Mortgage revenue, Mortgage add-on revenue from Blend Income Verification, Blend Close, and Marketplace revenue from Blend Insurance and Blend Realty.

Note 3: Mortgage Suite Revenue per Transaction consists of Mortgage Suite revenue for the given period, divided by the number of funded loans from signed Mortgage customers in that same period. The number of funded loans (“Mortgage banking transactions”) can be found in this appendix under the heading Mortgage Transactions.

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, divided by the total number of loans funded by all Mortgage customers in that same period. Additionally, the value derived from partnerships and verification of income products that is associated with the mortgage application stage is aligned with the timing of funding the related loan (typically a 2.5 month delay from the time of application). 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.

Footnotes

Note 5: Core Mortgage per Funded Loan reflects the contractual rates for our mortgage product, multiplied by the number of loans funded by a customer in the specified period, divided by the total number of loans funded by all Mortgage customers in that same period. **Mortgage Attach per Funded Loan** reflects the contractual rate for our mortgage-related products, multiplied by the number of transactions completed by a customer in the specified period, divided by the total number of loans funded by all Mortgage customers in that same period. Additionally, Partnerships and Verification of Income contribution, which occurs during the mortgage application stage, is aligned with the timing of funding the related loan (typically a 2.5 month delay from the time of application).

Note 6: Market Share is management's calculation of Blend's mortgage market share for the specified period based on funded loan volumes from signed customers. Funded volume is calculated as (i) the number of mortgage banking funded loans processed on the Blend Platform in the period (actual reported funded loans in the period plus an estimate of unreported funded loans for the current quarter), divided by (ii) total mortgage market volume in the same period as calculated using Mortgage Bankers Association data. Mortgage market volumes are updated periodically by management based on updates from the Mortgage Bankers Association and updated Home Mortgage Disclosures Act data which may provide further revisions to historical data from time to time.

Note 7: We define **Free Cash Flow**, a non-GAAP financial measure, as net cash provided by (used in) operating activities less purchases of property and equipment. Free cash flow margin is calculated as Free Cash Flow as a percentage of total revenues. **Unlevered Free Cash Flow** is Free Cash Flow before cash paid interest. We believe information regarding Free Cash Flow, Free Cash Flow margin and Unlevered Free Cash Flow 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 (including the existing \$225 million term loan under our Credit Agreement due in June 2026) and other contractual obligations, Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures.

Footnotes

Note 8: 2026 market scenarios are illustrative only and are not intended to represent guidance on actual outcomes. Each scenario is subject to the assumptions outlined below and other risks and uncertainties. In the **Conservative Case**, we estimate originations in the U.S. mortgage market to be 5.5 million transactions in 2026 based on our internal analysis of historical mortgage volume cycle averages; we anticipate maintaining our current market share based on internal sensitivity analysis; and we anticipate increasing our economic mortgage revenue per funded loan based on our internal sensitivity analysis. In the **Base Case**, we estimate originations in the U.S. mortgage to be 6.5 million transactions in 2026 based on our internal analysis of historical mortgage volume cycle averages; we forecast incremental adoption of our add-on products increasing our economic value per funded loan based on our internal sensitivity analysis. In the **Market Normalization Case**, we estimate originations in the U.S. mortgage market to be 7.0 million based on our internal analysis of historical mortgage volume cycle averages; we forecast further adoption of our add-on products above the base case to increase our economic loan, based upon our internal sensitivity analysis.

Note 9: We define **non-GAAP Operating Margin**, a non-GAAP financial measure, as non-GAAP Net Operating Loss divided by revenue. We define **non-GAAP Net Operating Loss**, a non-GAAP financial measure, as GAAP Net Operating Loss adjusted to exclude non-cash stock-based compensation and warrant amortization expense, compensation realignment costs, amortization of acquired intangible assets, impairment of intangible assets and goodwill, restructuring costs, litigation contingencies, and transaction-related costs.