Disclaimer

This presentation includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the future results of operations, financial condition, business strategy, plans and objectives of management for future operations of Toast, Inc. (“Toast”, “we” or “us”), statements regarding the expectations of demand for Toast’s products and growth of its business, our market opportunity and the potential growth of that market, our liquidity and capital needs and other similar matters. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts and statements identified by words such as “may,” “will,” “should,” “expects,” “anticipates,” “intends,” “plans,” “could,” “believes,” “seeks,” “estimates,” “predicts,” “potential,” “continue,” or words of similar meaning. These forward-looking statements reflect management’s current expectations and assumptions about future events which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, risks associated with: our ability to successfully execute our business and growth strategy; our ability to attract new customers, retain revenue from existing customers and increase sales from both new and existing customers; our ability to maintain the security and availability of our platform; the competitive environment in which we operate; the expected impact of Toast Catering & Events; our ability to comply with modified or new laws and regulations applying to our business; the price volatility of our common stock; expected growth rates of certain metrics; future profit and margin outlook; costs and expenses associated with being a public company; the impact of global financial, economic, political, and health events such as rising inflation, capital market disruptions, sanctions, economic slowdowns or recessions, on our business and the restaurant industry; and other risks and uncertainties set forth under the caption “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2022, our Quarterly Report on Form 10-Q for the three months ended June 30, 2023 to be filed, and our subsequent SEC filings. We assume no obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

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

All third-party brand names and logos appearing in this presentation are trademarks or registered trademarks of their respective holders. Any such appearance does not necessarily imply any affiliation with or endorsement of the Company.

GAAP AND NON-GAAP RESULTS

This presentation includes non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures. For example, other companies may calculate similarly-titled non-GAAP financial measures differently. Refer to the Appendix and our Earnings Release for Q2 2023 for a reconciliation of these non-GAAP financial measures.
Our Mission

To empower the restaurant community to delight their guests, do what they love, and thrive.
Investment Highlights

**Large and Growing TAM**
Purpose-built for restaurants, one of the largest vertical markets

**Differentiated Product Offering**
Cloud-based, all-in-one digital technology platform with integrated payment processing

**Proven Durable Growth**
Experiencing sustained rapid growth at scale

**Healthy Unit Economics**
Differentiated and efficient go-to-market engine and customer success strategy
The Restaurant Industry Is One Of The Largest Industries In U.S. And Globally

860K Locations in the US

22M Locations Globally

$900B+ Annual U.S. Sales (~4% of GDP)

12M+ Employees in the US

1 IBISWorld, 2021.
Restaurants are Complex Businesses
Better Together: **We Benefit the Entire Restaurant Ecosystem**

- Higher tips, better employee experience
- Improved service quality
- Improved wage & benefits access
- Memorable & tailored experiences
- Lower turnover, improved operational efficiency
- Greater sales, increased loyalty

Happy Employees

Restaurant Success

Happy Guests

© 2023 Toast, Inc. All Rights Reserved.
# The Toast Platform: Powering Restaurants

<table>
<thead>
<tr>
<th>Point of Sale &amp; Restaurant Operations</th>
<th>Financial Technology Solutions</th>
<th>Marketing &amp; Loyalty</th>
<th>Digital Ordering &amp; Delivery</th>
<th>Team Management</th>
<th>Supply Chain &amp; Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOFTWARE</td>
<td>HARDWARE</td>
<td>SOFTWARE</td>
<td>HARDWARE</td>
<td>SOFTWARE</td>
<td>SOFTWARE</td>
</tr>
<tr>
<td>● Point of Sale</td>
<td>● Payment Processing</td>
<td>● Gift Cards</td>
<td>● Payment Processing</td>
<td>● Payroll &amp; Team Management</td>
<td>● xtraCHEF Lite</td>
</tr>
<tr>
<td>● Mobile Order and Pay</td>
<td>● Toast Flex</td>
<td>● Loyalty</td>
<td>● Toast Capital</td>
<td>● Scheduling</td>
<td>○ Invoice Automation</td>
</tr>
<tr>
<td>● Kitchen Display System</td>
<td>● Toast Go 2</td>
<td>● Email Marketing</td>
<td>● Customer Financing</td>
<td>● Tips Manager</td>
<td>○ Ingredient Price Tracker</td>
</tr>
<tr>
<td>● Multi-Location Management</td>
<td>● Toast Tap</td>
<td></td>
<td></td>
<td>● Pay Card &amp; PayOut</td>
<td>○ xtraCHEF Pro</td>
</tr>
<tr>
<td>● Invoicing</td>
<td>● Kiosk</td>
<td></td>
<td></td>
<td>● Partner Services</td>
<td>○ Recipe Costing</td>
</tr>
<tr>
<td>● Toast Tables</td>
<td>● Delphi by Toast</td>
<td></td>
<td></td>
<td>(Insurance, Benefits)</td>
<td>○ Inventory Management</td>
</tr>
<tr>
<td>● Catering &amp; Events</td>
<td>○ Digital Menu Boards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>○ Drive-Thru</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Platform & Insights**

- API Integrations
- Reporting & Analytics
- Toast Shop

**Support & Services**

- 24/7/365 Customer Support
- Onboarding
- Professional Services
- Toast Central

---

*Bolded represents base package*

1 Carried out through multiple external delivery partners.
## Enabling More Service Models for Customers to Grow Their Business

### SERVICE MODELS

<table>
<thead>
<tr>
<th>Table Service</th>
<th>Counter Service</th>
<th>Takeout / Delivery</th>
<th>Curbside</th>
<th>Hybrid</th>
<th>Catering &amp; Events</th>
<th>Wholesale</th>
<th>Drive-thru</th>
</tr>
</thead>
</table>
| ● Toast Tables  
● Order & Pay  
● Toast Go Handhelds  
● Kitchen Display System (KDS) | ● Kiosk  
● KDS  
● Guest Facing Display (GFD)  
● Order & Pay | ● Online ordering  
● Toast Takeout  
● KDS  
● Toast Delivery Services  
● Order with Google | ● Online ordering  
● Toast Takeout  
● KDS | ● Order & Pay  
● GFD  
● KDS | ● Invoicing  
● Toast Catering & Events | - Invoicing  
- Delphi by Toast |

1 Counter ordering with food delivered to tables.
Toast Catering & Events: Helping Restaurants Streamline Catering and Event Management

Toast Catering & Events provides end-to-end management and is designed to…

- **Customize for every occasion** with custom banquet event orders, lead management, quotes and estimates
- **Help manage everything in one place** with menu integration, customer lists, calendar view, and integrated sales reporting all within Toast
- **Boost efficiency** by automating repetitive tasks with features like digital invoice creation and payment processing

…all fully integrated with Toast POS and designed to pair with Toast Invoicing

"Toast Catering & Events is user friendly and the best platform I've used in venue sales or catering. Biggest benefits are the simplicity and efficiency when communicating with the team and the client."

Laura Harrelson, Event Sales Director at TERI Inc.
This Is Just The Beginning For Toast

Massive TAM


Note: Global TAM estimate is based on an estimated 22 million restaurant locations globally with greater than $2.6 trillion in revenue (Euromonitor International Consumer Foodservice 2021 - Foodservice Value RSP, YoY ex rates, Current Prices). U.S. TAM (Total Addressable Market) estimate reflects the expected U.S. restaurant spend on technology in 2024.

1 SAM (Serviceable Addressable Market) calculated as of S-1 filing. Payments addressable market estimated by multiplying the estimated non-cash restaurant sales for 2021 by the company’s then average take rate of 55 basis points measured as a percentage of GPV. Toast Capital market opportunity is estimated by multiplying an estimated $29.5B of outstanding U.S. public bank’s restaurant loans as of March 31, 2020 (S&P Global Market Intelligence, US Banks Disclose Exposure to Restaurant Industry Hard-Hit by COVID-19, May 2020), by the average annual rate on small business loans of 1.4% to 7.2% (Federal Reserve Bank of Kansas City, Small Business Lending Survey, June 2021. Business Lending Survey). All subscription services opportunity estimated by multiplying the average annual subscription revenue per location per product by the estimated number of restaurant locations in the U.S.

© 2023 Toast, Inc. All Rights Reserved.
Our Differentiated Go-To-Market Strategy

- Hyper-localized go-to-market motion
- Focus on building strong customer communities
- Improving sales productivity from increasing category position
- Strong network effect that accelerates growth

Approx. 3/4\textsuperscript{th} of new locations come through inbound channels

Approx. 1/5\textsuperscript{th} of new locations come from other restaurant / partner referrals

Note: New locations from inbound channels include those booked through organic, paid, field and referral channels, as of LTM (Last Twelve Months) Q2-23.
Second Quarter Results
Integrated Software and Payments Model

Recurring

Subscription Services

Financial Technology Solutions

One-Time

Hardware

Professional Services
Rapid and Sustainable Growth

**Total Revenue ($M)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Recurring Total Revenue</th>
<th>Y/Y Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2-22</td>
<td>$675</td>
<td>58%</td>
</tr>
<tr>
<td>Q3-22</td>
<td>$752</td>
<td>55%</td>
</tr>
<tr>
<td>Q4-22</td>
<td>$769</td>
<td>50%</td>
</tr>
<tr>
<td>Q1-23</td>
<td>$819</td>
<td>53%</td>
</tr>
<tr>
<td>Q2-23</td>
<td>$978</td>
<td>45%</td>
</tr>
</tbody>
</table>

**Subscription ARR**

$1.1B as of 6/30/2023

**Note:** % YoY growth may not tie due to rounding.
ARR, our Core Operational Metric, Also Scaling Rapidly

Annualized Recurring Run-Rate* (ARR)($M)

Q2-22: $787
- Payments ARR: $438
- Subscription ARR: $349

Q3-22: $868
- Payments ARR: $470
- Subscription ARR: $398

Q4-22: $901
- Payments ARR: $460
- Subscription ARR: $441

Q1-23: $987
- Payments ARR: $503
- Subscription ARR: $484

Q2-23: $1,140
- Payments ARR: $598
- Subscription ARR: $542

% Total YoY Growth:
- Payments ARR: 59%
- Subscription ARR: 60%

Note: Numbers may not tie due to rounding. See Appendix for definition of ARR.
* Annual Recurring Run Rate does not include Toast Capital.
New Location Adds Accelerate to a Quarterly Record

Record >7,500 net adds

- Q2-22: 68k
- Q3-22: 74k
- Q4-22: 79k
- Q1-23: 85k
- Q2-23: 93k
Sustained GPV and Subscription ARPU Momentum

Total GPV ($B)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total GPV ($B)</th>
<th>% YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2-22</td>
<td>$23.3</td>
<td>62%</td>
</tr>
<tr>
<td>Q3-22</td>
<td>$25.2</td>
<td>53%</td>
</tr>
<tr>
<td>Q4-22</td>
<td>$25.5</td>
<td>49%</td>
</tr>
<tr>
<td>Q1-23</td>
<td>$26.7</td>
<td>50%</td>
</tr>
<tr>
<td>Q2-23</td>
<td>$32.1</td>
<td>38%</td>
</tr>
</tbody>
</table>

% of Locations Using 6+ Elective Products

- Q2-21: 24%
- Q3-21: 28%
- Q4-21: 32%
- Q1-22: 36%
- Q2-22: 37%
- Q3-22: 39%
- Q4-22: 41%
- Q1-23: 42%
- Q2-23: 43%

1 Analysis based on the adoption rate of SaaS modules offered on the Toast platform on top of Point of Sale and Payment Processing, excluding certain earlier stage products.
Rapid Gross Profit Expansion

Total Non-GAAP Gross Profit ($M)

Recurring (Subscription + Payments)
- Q2-22: $169
- Q3-22: $201
- Q4-22: $207
- Q1-23: $229
- Q2-23: $267

One-Time (Hardware + Prof. Services)
- Q2-22: ($45)
- Q3-22: ($37)
- Q4-22: ($35)
- Q1-23: ($40)
- Q2-23: ($42)

Attractive gross margin from recurring streams

Note: % YoY growth may not tie due to rounding. Recurring includes Non-GAAP subscription services revenue and Non-GAAP financial technology solutions gross profit. One-time includes Non-GAAP hardware and professional services gross loss. Please refer to the Appendix of this presentation and our Earnings Release for Q2 2023 for reconciliation of Non-GAAP measures presented on this page.
Achieved Adjusted EBITDA Profitability

Adjusted EBITDA as % of Total Revenue
Adjusted EBITDA as % of Non-GAAP Fintech + Subscription Gross Profit

<table>
<thead>
<tr>
<th></th>
<th>Q2-22</th>
<th>Q3-22</th>
<th>Q4-22</th>
<th>Q1-23</th>
<th>Q2-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA ($M)</td>
<td>$(33)</td>
<td>$(19)</td>
<td>$(18)</td>
<td>$(17)</td>
<td>$15</td>
</tr>
</tbody>
</table>

Note: Please refer to the Appendix of this presentation and our Earnings Release for Q2 2023 for reconciliation of Non-GAAP measures presented on this page.
Defining Key Terms

**Gross Payment Volume (GPV)**
- Sum of total dollars processed through the Toast payments platform across Toast Processing Locations in a given period.

**Annualized Recurring Run-Rate (ARR)**
- Sum of twelve times the subscription component of MRR and four times the trailing-three-month cumulative payments component of MRR

**Adjusted EBITDA**
Net (loss) income, adjusted to exclude the following items, as applicable:
- Stock-based compensation expense and related payroll tax expense
- Depreciation and amortization expense
- Interest income, net
- Other income (expense), net
- Acquisition expenses
- Change in fair value of warrant liability
- Expenses related to early termination of leases (which includes associated asset impairments)
- Charitable contribution stock-based expense
- Income taxes

**Free Cash Flow**
- Calculated as net cash (used in) provided by operating activities reduced by purchases of property and equipment and capitalization of internal-use software costs

**Locations**
- We define a live location, or Location, as a unique location that has used Toast Point of Sale to record transaction volumes above a minimum threshold, and has not been marked as a churned location as of the date of determination. A Location can use Toast payment services, which we refer to as a Toast Processing Location, or for select enterprise customers, not use Toast’s payment services, which we refer to as a Non-Toast Processing Location. Customers of legacy solutions provided by companies that we have acquired, that do not use Toast Point of Sale, are not included in our Location count.
# Quarterly Gross Profit GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th>$M</th>
<th>3 Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun-2022</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$113</td>
</tr>
<tr>
<td>Stock-based compensation expense and related payroll tax</td>
<td>8</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4</td>
</tr>
<tr>
<td><strong>Non-GAAP gross profit</strong></td>
<td>$125</td>
</tr>
</tbody>
</table>

Note: Numbers may not tie due to rounding.
# Quarterly Adj. EBITDA GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th>$M</th>
<th>Jun-2022</th>
<th>Sep-2022</th>
<th>Dec-2022</th>
<th>Mar-2023</th>
<th>June-2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net (loss) income</strong></td>
<td>$(54)</td>
<td>$(98)</td>
<td>$(99)</td>
<td>$(81)</td>
<td>$(98)</td>
</tr>
<tr>
<td>Stock-based compensation expense and related payroll tax</td>
<td>59</td>
<td>58</td>
<td>62</td>
<td>68</td>
<td>74</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Interest income, net</td>
<td>(1)</td>
<td>(3)</td>
<td>(6)</td>
<td>(8)</td>
<td>(9)</td>
</tr>
<tr>
<td>Acquisition expenses</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Change in fair value of warrant liability</td>
<td>(44)</td>
<td>21</td>
<td>7</td>
<td>(3)</td>
<td>26</td>
</tr>
<tr>
<td>Termination of leases</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Charitable contribution stock-based expense</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>-</td>
<td>(4)</td>
<td>2</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$(33)</td>
<td>$(19)</td>
<td>$(18)</td>
<td>$(17)</td>
<td>$15</td>
</tr>
</tbody>
</table>

*Note: Numbers may not tie due to rounding.*
# Quarterly Free Cash Flow GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th>$M</th>
<th>3 Months Ended</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun-2022</td>
<td>Sep-2022</td>
<td>Dec-2022</td>
<td>Mar-2023</td>
<td>June-2023</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td>$(21)</td>
<td>$(69)</td>
<td>$(19)</td>
<td>$(55)</td>
<td>$50</td>
</tr>
<tr>
<td><strong>Purchases of property and equipment</strong></td>
<td>(5)</td>
<td>(6)</td>
<td>(3)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Capitalized software</strong></td>
<td>(4)</td>
<td>(5)</td>
<td>(7)</td>
<td>(8)</td>
<td>(9)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$(30)</td>
<td>$(80)</td>
<td>$(29)</td>
<td>$(65)</td>
<td>$(39)</td>
</tr>
</tbody>
</table>

Note: Numbers may not tie due to rounding.
# Quarterly Non-Payments Financial Technology Solutions Gross Profit GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>3 Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun-2022</td>
</tr>
<tr>
<td><strong>Financial technology solutions revenue</strong></td>
<td>$562</td>
</tr>
<tr>
<td>Less: Financial technology solutions costs of revenue</td>
<td>448</td>
</tr>
<tr>
<td><strong>Financial technology solutions revenue gross profit</strong></td>
<td>$114</td>
</tr>
<tr>
<td>Less: Payments financial technology solutions gross profit</td>
<td>106</td>
</tr>
<tr>
<td><strong>Non-Payments financial technology solutions gross profit (Non-GAAP)</strong></td>
<td>$8</td>
</tr>
</tbody>
</table>

Note: Numbers may not tie due to rounding.
# Quarterly GAAP Gross Profit to Non-GAAP Fintech + Subscription Gross Profit Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>3 Months Ended</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun-2022</td>
<td>Sep-2022</td>
<td>Dec-2022</td>
<td>Mar-2023</td>
<td>June-2023</td>
</tr>
<tr>
<td>GAAP Gross Profit</td>
<td>$113</td>
<td>$151</td>
<td>$158</td>
<td>$174</td>
<td>$208</td>
</tr>
<tr>
<td>Hardware revenue</td>
<td>(30)</td>
<td>(27)</td>
<td>(27)</td>
<td>(31)</td>
<td>(41)</td>
</tr>
<tr>
<td>Professional services revenue</td>
<td>(7)</td>
<td>(7)</td>
<td>(7)</td>
<td>(8)</td>
<td>(8)</td>
</tr>
<tr>
<td>Hardware cost of revenue</td>
<td>61</td>
<td>52</td>
<td>50</td>
<td>57</td>
<td>67</td>
</tr>
<tr>
<td>Professional services cost of revenue</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>28</td>
<td>32</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Stock-based compensation expense and related payroll tax</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Non-GAAP Fintech + Subscription Gross Profit</strong></td>
<td><strong>$169</strong></td>
<td><strong>$201</strong></td>
<td><strong>$207</strong></td>
<td><strong>$229</strong></td>
<td><strong>$267</strong></td>
</tr>
</tbody>
</table>

Note: Numbers may not tie due to rounding.