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# Blend Labs, Inc.

**Q3 2023 Earnings**
Supplemental Slides

NOVEMBER 7, 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. IIn some cases, you can identify forward looking statements because they contain words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "would," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Blend's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this presentation include, but are not limited to, statements regarding Blend's financial condition and operating performance, including its outlook, market size and growth opportunities, capital expenditures, plans for future operations, competitive positions, technological capabilities, strategic relationships, Blend's opportunity to increase market share and penetration in its existing customers, projections for a sharp decrease in mortgage loan origination volumes, other macroeconomic and industry conditions, Blend's ability to create long-term value for our customers, and Blend's expectations for revenue growth. If any of the risks or uncertainties related to the forward-looking statements develop or if any of the assumptions related to the forward-looking statements prove incorrect, actual results could differ materially from those projected, expressed, or implied by our forward-looking statements. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in Blend's filings with the Securities and Exchange Commission, including its 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, June 30, 2023, and September 30, 2023 that will be filed following this presentation. 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 basic net loss per share, and non-GAAP net loss. 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, foreign currency gains and losses, non-recurring transaction-related costs, and non-recurring income tax expenses or benefits related to acquisitions. In addition, our non-GAAP financial measures include measures related to our liquidity, such as free cash flow, unlevered free cash flow and free cash flow margin. Free cash flow is defined as net cash flow from operating activities less cash spent on additions to property, equipment, internal-use software and intangible assets. Unlevered free cash flow is defined as free cash flow plus cash paid for interest on our outstanding debt. Free cash flow margin is defined as free cash flow divided by total revenue. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. Blend's management uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to the corresponding GAAP financial measures, in evaluating Blend's ongoing operational performance and trends, in allowing for greater transparency with respect to measures used by Blend's management in their financial and operational decision making, and in comparing Blend's results of operations with other companies in the same industry, many of which present similar non-GAAP financial measures to help investors understand the operational performance of their businesses. However, it is important to note that the particular items excluded from, or included in, these non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies in the same industry. In addition, other companies may utilize metrics that are not similar to Blend's.

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

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

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## Third Quarter 2023 Highlights

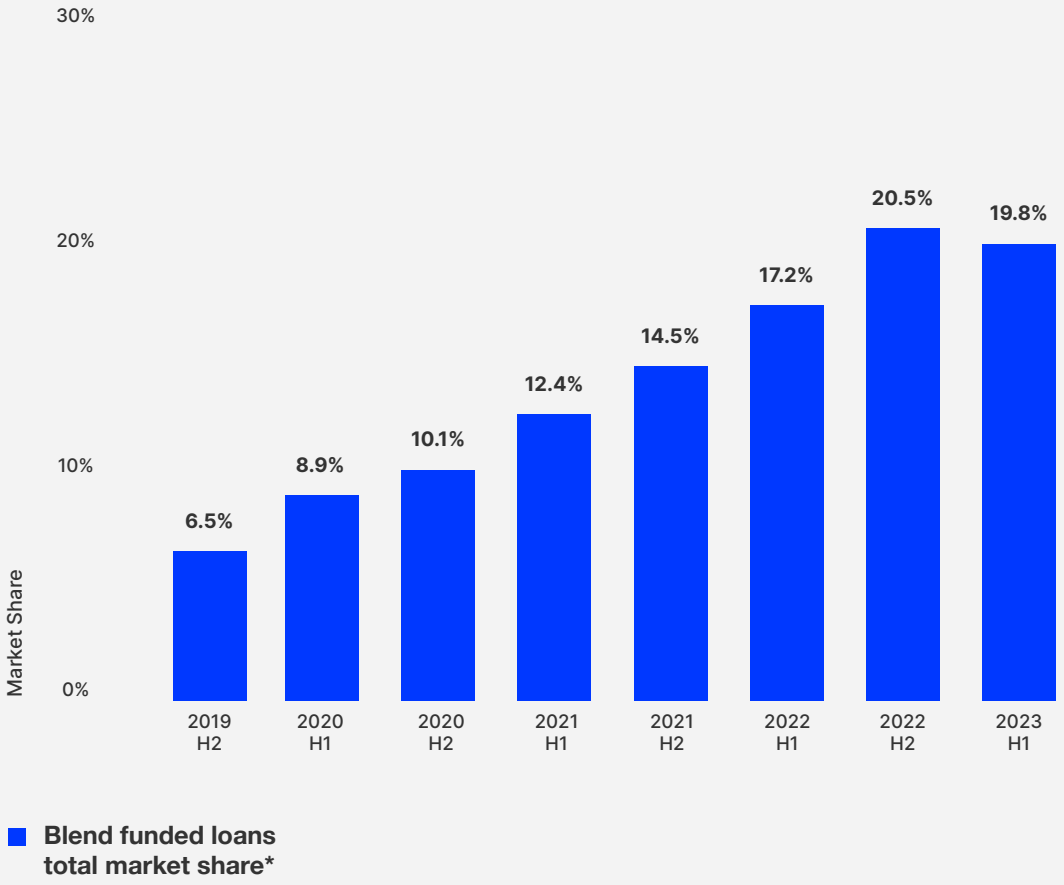
Revenue of $40.6 million in-line with revised guidance and outperformed industry volumes

3% expansion in non-GAAP Platform gross margins reflect improved operating leverage despite a challenging market

Quarterly cash consumption approximately half of same period prior year levels as operating cost efficiency programs come into full effect

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# Building and Capturing Mortgage Market Share




** See Note 1 included in Appendix*

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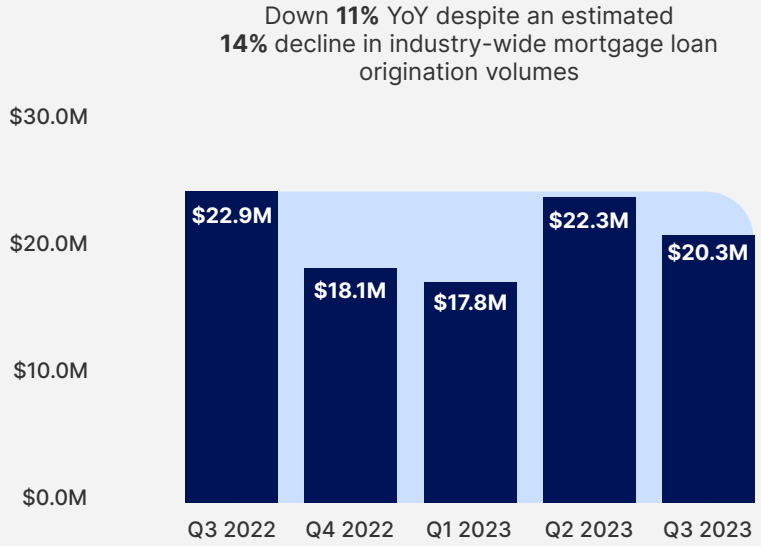
# Blend's Continued Progress in a Challenging Market

## Consumer Banking Suite* Revenue




*See Note 2 included in Appendix

## Mortgage Suite* Revenue

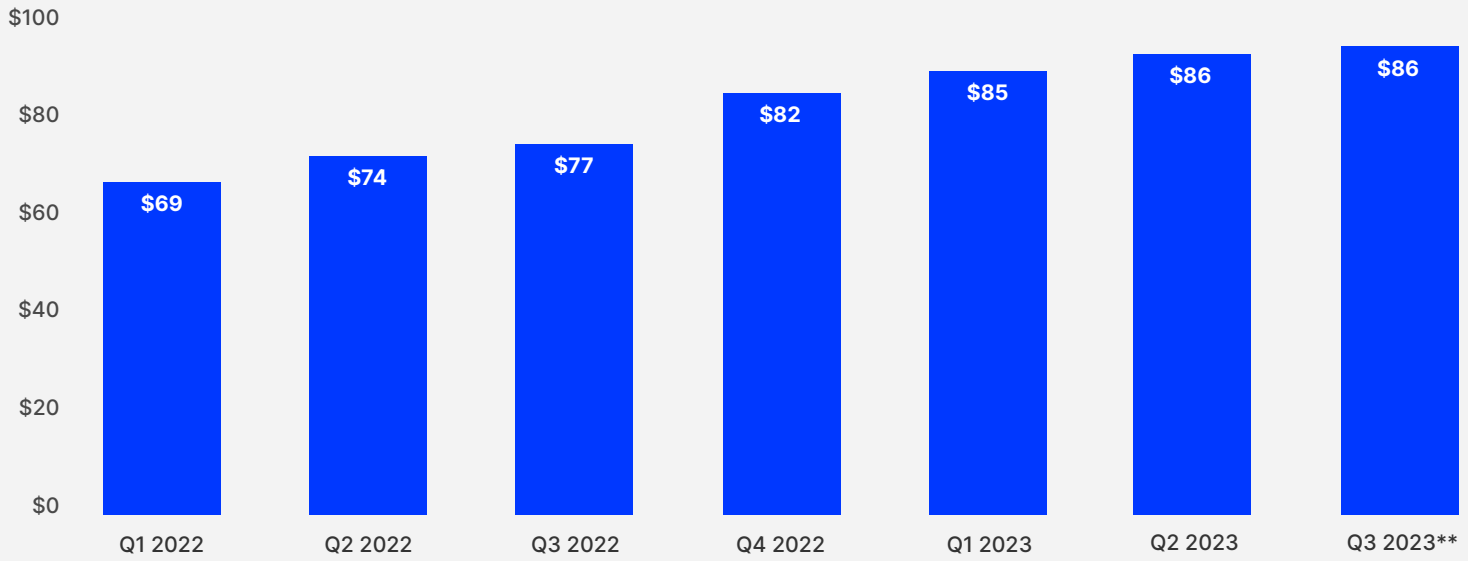



* See Note 3 included in Appendix

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# Mortgage Suite economic value per funded loan*

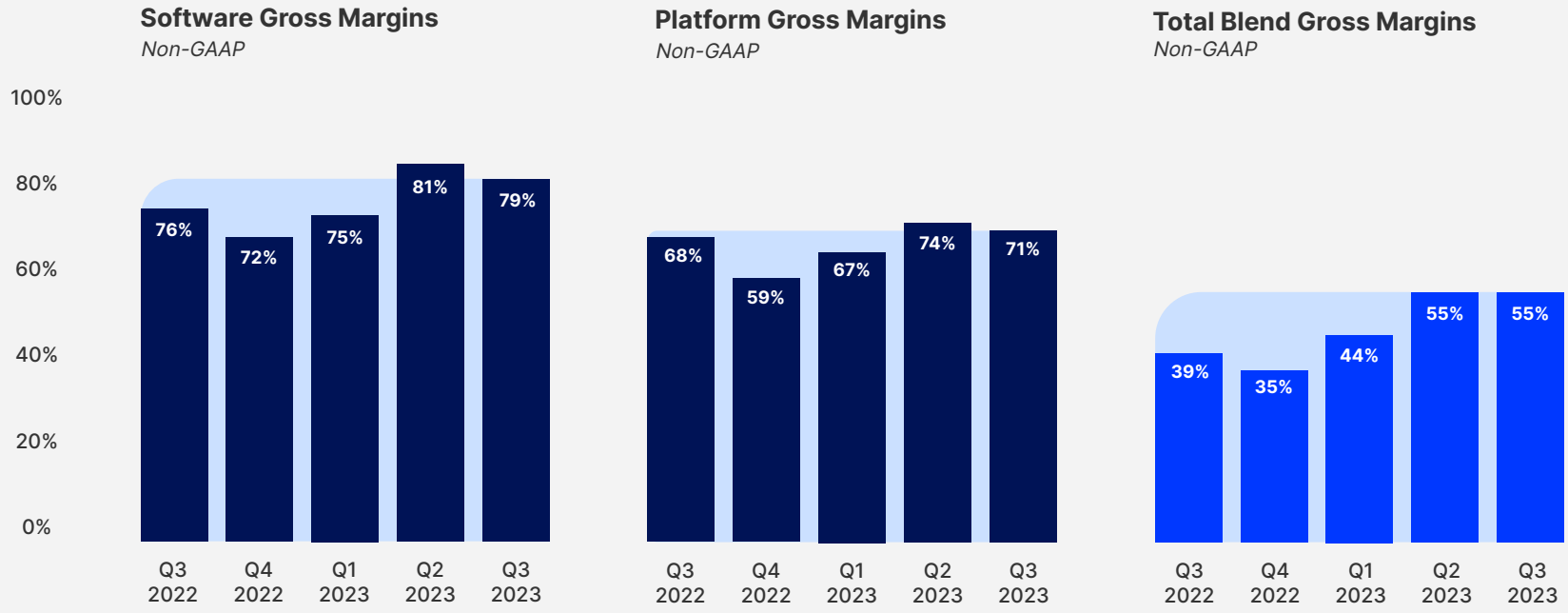
Growing usage of add-on products and gains in core mortgage have driven year-over-year expansion in economic value per funded loan




** See Note 4 included in Appendix*
***Includes estimated transactions from funded loan reports not yet received*

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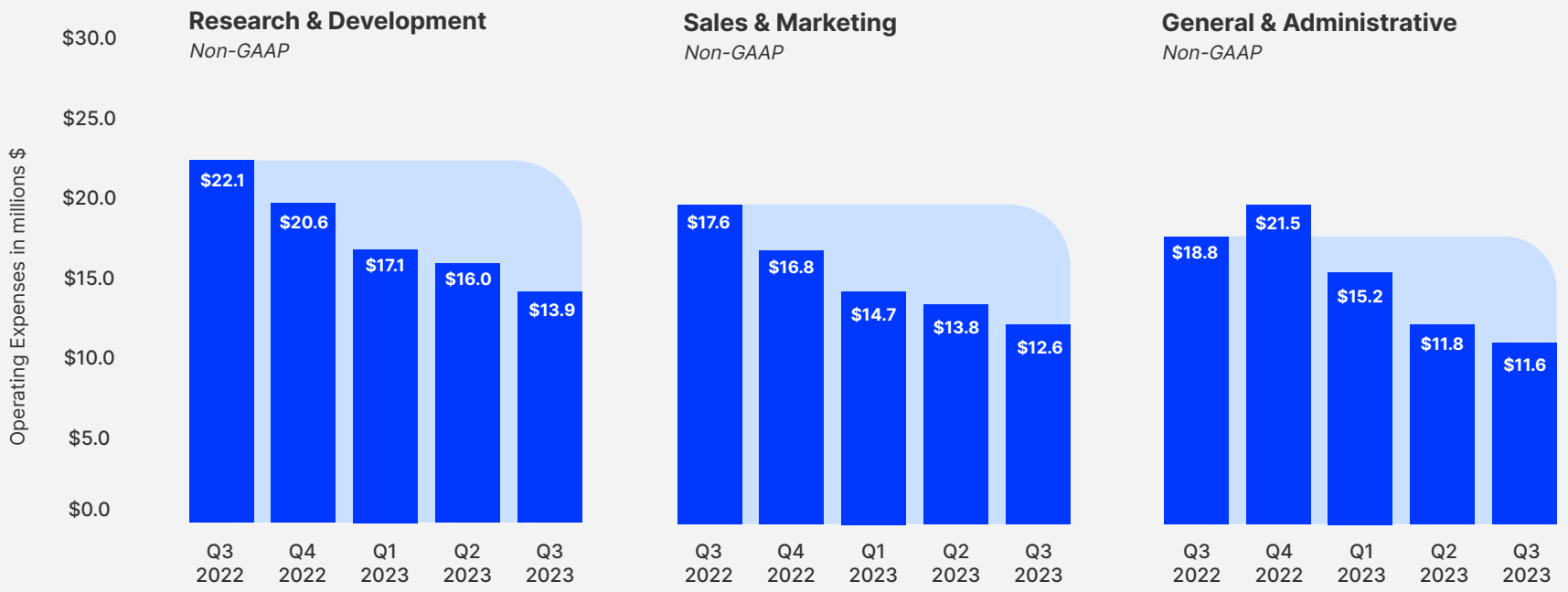
# Executing on the road to profitability




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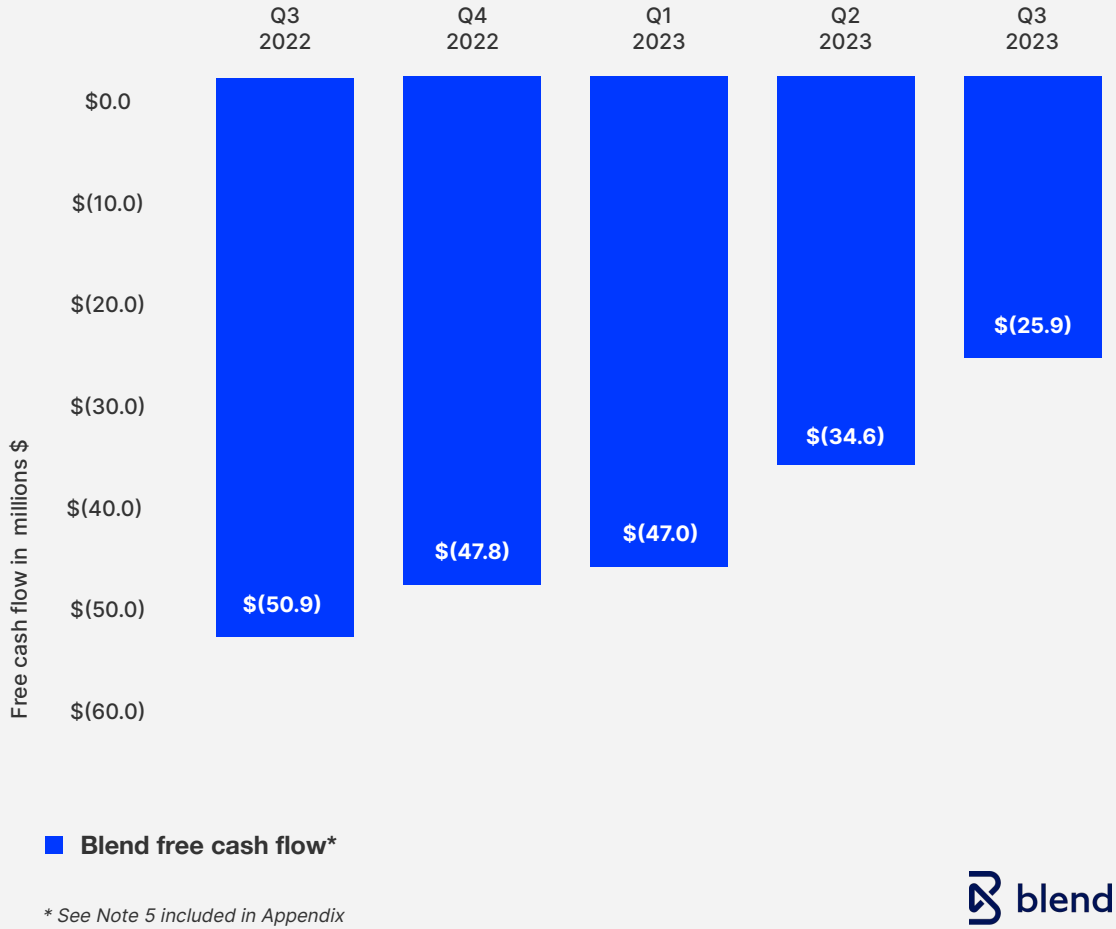
# Reductions in Operating Expenses by function

Showing progress to date on cost efficiency initiatives




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# Driving progress towards cash generation




** See Note 5 included in Appendix*

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# Updated Q4 2023 Guidance

## Blend guidance reflects the following:

- Revised Mortgage Bankers Association forecast outlook
- Continued expansion in economic value per funded loan
- Maintaining focus on our expense base

| | |
|---|---|
| **Blend Platform Revenue** | Between $25M and $30M |
| **Title Revenue** | Between $9.5M and $10.5M |
| **Blend Labs Consolidated Revenue** | Between $34.5M and $40.5M |
| **Blend Labs Consolidated Non-GAAP Net Operating Loss** | Between ($17.0M) and ($14.0M) |

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# Appendix

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# Revenue Disaggregation

*(in thousands)*

| | Three Months Ended September 30, | | | | | Nine Months Ended September 30, | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | | 2023 | | 2022 | | |
| Blend Platform revenue: | | | | | YoY change | | | | | YoY change |
| Mortgage Suite | $ 20,306 | 71 % | $ 22,897 | 76 % | (11) % | $ 60,371 | 72 % | $ 76,627 | 80 % | (21) % |
| Consumer Banking Suite | 6,199 | 22 % | 5,264 | 18 % | 18 % | 17,219 | 21 % | 13,718 | 14 % | 26 % |
| Total Software revenue | 26,505 | 93 % | 28,161 | 94 % | (6) % | 77,590 | 93 % | 90,345 | 94 % | (14) % |
| Professional Services | 2,137 | 7 % | 1,808 | 6 % | 18 % | 6,087 | 7 % | 5,801 | 6 % | 5 % |
| Total Blend Platform revenue | 28,642 | 100 % | 29,969 | 100 % | (4) % | 83,677 | 100 % | 96,146 | 100 % | (13) % |
| Title revenue: | | | | | | | | | | |
| Traditional | 8,701 | 73 % | 19,303 | 76 % | (55) % | 27,492 | 74 % | 89,895 | 93 % | (69) % |
| Digitally-enabled | 3,248 | 27 % | 6,081 | 24 % | (47) % | 9,573 | 26 % | 6,375 | 7 % | 50 % |
| Total Title revenue | 11,949 | 100 % | 25,384 | 100 % | (53) % | 37,065 | 100 % | 96,270 | 100 % | (61) % |
| **Total revenue** | **$ 40,591** | | **$ 55,353** | | **(27)%** | **$ 120,742** | | **$ 192,416** | | **(37)%** |

# Q3 2023 GAAP Financial Results

*(in thousands)*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue | | | | |
| Software | $ 26,505 | $ 28,161 | $ 77,590 | $ 90,345 |
| Professional services | 2,137 | 1,808 | 6,087 | 5,801 |
| Title | 11,949 | 25,384 | 37,065 | 96,270 |
| Total revenue | 40,591 | 55,353 | 120,742 | 192,416 |
| Cost of revenue | | | | |
| Software | 5,675 | 6,809 | 16,964 | 24,151 |
| Professional services | 2,937 | 3,084 | 8,448 | 11,371 |
| Title | 9,916 | 24,350 | 33,921 | 81,650 |
| Total cost of revenue | 18,528 | 34,243 | 59,333 | 117,172 |
| Gross profit | 22,063 | 21,110 | 61,409 | 75,244 |
| Operating expenses: | | | | |
| Research and development | 18,826 | 34,240 | 67,174 | 104,846 |
| Sales and marketing | 14,494 | 20,518 | 48,190 | 65,297 |
| General and administrative | 15,819 | 32,140 | 56,146 | 105,714 |
| Amortization of acquired intangible assets | — | 275 | — | 8,411 |
| Impairment of intangible assets and goodwill | — | 57,857 | — | 449,680 |
| Restructuring | 9,122 | 5,936 | 24,254 | 12,316 |
| Total operating expenses | 58,261 | 150,966 | 195,764 | 746,264 |
| Loss from operations | (36,198) | (129,856) | (134,355) | (671,020) |
| Interest expense | (8,210) | (6,158) | (23,726) | (17,442) |
| Other income (expense), net | 2,632 | 3,281 | 8,746 | 3,378 |
| Loss before income taxes | (41,776) | (132,733) | (149,335) | (685,084) |
| Income tax (expense) benefit | (44) | (14) | (168) | 2,717 |
| Net loss | (41,820) | (132,747) | (149,503) | (682,367) |
| Less: Net loss attributable to noncontrolling interest | 60 | 6,619 | 1,095 | 42,764 |
| Net loss attributable to Blend Labs, Inc. | (41,760) | (126,128) | (148,408) | (639,603) |
| Less: Accretion of redeemable noncontrolling interest to redemption value | (1,452) | (7,847) | (5,100) | (46,297) |
| Net loss attributable to Blend Labs, Inc. common stockholders | $ (43,212) | $ (133,975) | $ (153,508) | $ (685,900) |

# Q3 2023 GAAP Financial Results (cont.)

*(in thousands)*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Net loss per share attributable to Blend Labs, Inc. common stockholders: | | | | |
| Basic and diluted | $ (0.18) | $ (0.57) | $ (0.63) | $ (2.95) |
| Weighted average shares used in calculating net loss per share: | | | | |
| Basic and diluted | 246,410 | 235,267 | 244,057 | 232,717 |

# Reconciliation of GAAP to Non-GAAP Measures

*(in thousands)*

| Gross Profit Reconciliation | Q3 2023 Gross Profit | Q3 2023 Gross Margin | Q2 2023 Gross Profit | Q2 2023 Gross Margin | Q1 2023 Gross Profit | Q1 2023 Gross Margin | Q4 2022 Gross Profit | Q4 2022 Gross Margin | Q3 2022 Gross Profit | Q3 2022 Gross Margin |
|---|---|---|---|---|---|---|---|---|---|---|
| Blend Platform | | | | | | | | | | |
| Software | $ 20,830 | 79 % | $ 22,629 | 80 % | $ 17,167 | 75 % | $ 16,691 | 72 % | $ 21,352 | 76 % |
| Stock-based compensation | 8 | — | 9 | — | 13 | — | 20 | — | 24 | — |
| Non-GAAP Software | 20,838 | 79 % | 22,638 | 81 % | 17,180 | 75 % | 16,711 | 72 % | 21,376 | 76 % |
| Professional services | (800) | (37)% | (489) | (22)% | (1,072) | (62)% | (2,102) | (103)% | (1,276) | (71)% |
| Stock-based compensation | 210 | — | 253 | — | 340 | — | 316 | — | 148 | — |
| Non-GAAP Professional services | (590) | (28)% | (236) | (11)% | (732) | (42)% | (1,786) | (88)% | (1,128) | (62)% |
| Total Blend Platform | 20,030 | 70 % | 22,140 | 73 % | 16,095 | 65 % | 14,589 | 58 % | 20,076 | 67 % |
| Stock-based compensation | 218 | — | 262 | — | 353 | — | 336 | — | 172 | — |
| Non-GAAP Total Blend Platform | 20,248 | 71 % | 22,402 | 74 % | 16,448 | 67 % | 14,925 | 59 % | 20,248 | 68 % |
| Title | 2,033 | 17 % | 1,353 | 11 % | (242) | (2)% | (183) | (1)% | 1,034 | 4 % |
| Stock-based compensation | 9 | — | 2 | — | 135 | — | 239 | — | 280 | — |
| Non-GAAP Title | 2,042 | 17 % | 1,355 | 11 % | (107) | (1)% | 56 | — % | 1,314 | 5 % |
| **Total** | **22,063** | **54 %** | **23,493** | **55 %** | **15,853** | **42 %** | **14,406** | **34 %** | **21,110** | **38 %** |
| Stock-based compensation | 227 | — | 264 | — | 488 | — | 574 | — | 452 | — |
| **Non-GAAP Total** | **$ 22,290** | **55 %** | **$ 23,757** | **55 %** | **$ 16,341** | **44 %** | **$ 14,980** | **35 %** | **$ 21,562** | **39 %** |

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

*(in thousands)*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **GAAP operating expenses** | **$ 58,261** | **$ 150,966** | **$ 195,764** | **$ 746,264** |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation and amortization of warrant | 8,815 | 27,499 | 38,819 | 80,040 |
| Compensation realignment costs | 1,289 | — | 4,163 | — |
| Amortization of acquired intangible assets | — | 275 | — | 8,411 |
| Impairment of intangible assets and goodwill | — | 57,857 | — | 449,680 |
| Restructuring | 9,122 | 5,936 | 24,254 | 12,316 |
| Litigation contingencies | — | — | (245) | — |
| Transaction-related costs | 857 | 732 | 1,891 | 2,956 |
| **Non-GAAP operating expenses** | **$ 38,178** | **$ 58,667** | **$ 126,882** | **$ 192,861** |
| | | | | |
| **GAAP loss from operations** | **$ (36,198)** | **$ (129,856)** | **$ (134,355)** | **$ (671,020)** |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation and amortization of warrant | 9,042 | 27,951 | 39,798 | 81,535 |
| Compensation realignment costs | 1,289 | — | 4,163 | — |
| Amortization of acquired intangible assets | — | 275 | — | 8,411 |
| Impairment of intangible assets and goodwill | — | 57,857 | — | 449,680 |
| Restructuring | 9,122 | 5,936 | 24,254 | 12,316 |
| Litigation contingencies | — | — | (245) | — |
| Transaction-related costs | 857 | 732 | 1,891 | 2,956 |
| **Non-GAAP loss from operations** | **$ (15,888)** | **$ (37,105)** | **$ (64,494)** | **$ (116,122)** |
| | | | | |
| **GAAP net loss** | **$ (41,820)** | **$ (132,747)** | **$ (149,503)** | **$ (682,367)** |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation and amortization of warrant | 9,042 | 27,951 | 39,798 | 81,535 |
| Compensation realignment costs | 1,289 | — | 4,163 | — |
| Amortization of acquired intangible assets | — | 275 | — | 8,411 |
| Impairment of intangible assets and goodwill | — | 57,857 | — | 449,680 |
| Restructuring | 9,122 | 5,936 | 24,254 | 12,316 |
| Litigation contingencies | — | — | (245) | — |
| Transaction-related costs | 857 | 732 | 1,891 | 2,956 |
| Gain on investment in equity securities | — | (2,884) | — | (2,884) |
| Foreign currency gains and losses | 74 | 122 | (83) | 349 |
| Income tax benefit | — | — | — | (2,864) |
| **Non-GAAP net loss** | **$ (21,436)** | **$ (42,758)** | **$ (79,725)** | **$ (132,868)** |

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

*(in thousands)*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **GAAP basic net loss per share** | **$ (0.18)** | **$ (0.57)** | **$ (0.63)** | **$ (2.95)** |
| Non-GAAP adjustments: | | | | |
| Net loss attributable to noncontrolling interest | — | (0.03) | — | (0.18) |
| Accretion of redeemable noncontrolling interest to redemption value | 0.01 | 0.03 | 0.02 | 0.20 |
| Stock-based compensation and amortization of warrant | 0.03 | 0.11 | 0.16 | 0.36 |
| Compensation realignment costs | 0.01 | — | 0.02 | — |
| Amortization of acquired intangible assets | — | — | — | 0.04 |
| Impairment of intangible assets and goodwill | — | 0.25 | — | 1.93 |
| Restructuring | 0.04 | 0.03 | 0.09 | 0.05 |
| Litigation contingencies | — | — | — | — |
| Transaction-related costs | — | — | 0.01 | 0.01 |
| Gain on investment in equity securities | — | (0.01) | — | (0.01) |
| Foreign currency gains and losses | — | — | — | — |
| Income tax benefit | — | — | — | (0.01) |
| **Non-GAAP basic net loss per share** | **$ (0.09)** | **$ (0.19)** | **$ (0.33)** | **$ (0.56)** |

| | | | | |
|---|---|---|---|---|
| **Stock-based compensation by function:** | | | | |
| Cost of revenue | $ 227 | $ 452 | $ 979 | $ 1,495 |
| Research and development | 4,090 | 12,274 | 17,050 | 34,656 |
| Sales and marketing | 1,577 | 2,749 | 6,291 | 8,451 |
| General and administrative | 3,148 | 12,476 | 15,478 | 36,909 |
| **Total** | **$ 9,042** | **$ 27,951** | **$ 39,798** | **$ 81,511** |

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

*(in thousands)*

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|---|---|---|---|---|---|
| **GAAP research and development expense** | **$ 18,826** | **$ 22,091** | **$ 26,257** | **$ 33,248** | **$ 34,240** |
| Non-GAAP adjustments: | | | | | |
| Stock-based compensation and amortization of warrant | 4,090 | 4,829 | 8,131 | 12,625 | 12,274 |
| Compensation realignment cost | 811 | 1,224 | 1,032 | — | — |
| **Non-GAAP research and development expense** | **$ 13,925** | **$ 16,038** | **$ 17,094** | **$ 20,623** | **$ 21,966** |
| | | | | | |
| **GAAP sales and marketing expense** | **$ 14,494** | **$ 16,128** | **$ 17,568** | **$ 19,951** | **$ 20,518** |
| Non-GAAP adjustments: | | | | | |
| Stock-based compensation and amortization of warrant | 1,577 | 1,931 | 2,783 | 3,274 | 2,749 |
| Compensation realignment costs | 294 | 365 | 40 | — | — |
| **Non-GAAP sales and marketing expense** | **$ 12,623** | **$ 13,832** | **$ 14,745** | **$ 16,677** | **$ 17,769** |
| | | | | | |
| **GAAP general and administrative expense** | **$ 15,819** | **$ 19,646** | **$ 20,681** | **$ 33,406** | **$ 32,140** |
| Non-GAAP adjustments: | | | | | |
| Stock-based compensation and amortization of warrant | 3,148 | 7,340 | 4,990 | 11,718 | 12,476 |
| Compensation realignment costs | 184 | 189 | 24 | — | — |
| Litigation contingencies | — | (245) | — | 700 | — |
| Transaction-related costs | 857 | 596 | 438 | 183 | 732 |
| **Non-GAAP general and administrative expense** | **$ 11,630** | **$ 11,766** | **$ 15,229** | **$ 20,805** | **$ 18,932** |

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

**Notes:**

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

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

(3) ***Amortization of acquired intangible assets*** *represents non-cash amortization of customer relationships acquired in connection with the Title365 acquisition.*

(4) ***Impairment of intangible assets and goodwill*** *relates to charges recorded based on the results of the interim quantitative impairment analysis performed in the three months ended June 30, 2022 and in the three months ended September 30, 2022, in response to certain triggering events, such as a continued decline in economic and market conditions, decline in our market capitalization, and current and projected declines in the operating results of the Title365 reporting unit.*

(5) ***Restructuring charges*** *relate to our workforce reduction plans executed as part of our broader efforts to improve cost efficiency and better align our operating structure with our business activities.*

(6) ***Litigation contingencies*** *represent reserves for legal settlements that are unusual or infrequent costs associated with our operating activities.*

(7) ***Transaction-related costs*** *include non-recurring due diligence, consulting, and integration costs recorded within general and administrative expense.*

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

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

(10) ***Income tax benefit*** *represents the non-recurring release of historical valuation allowance resulting from changes in U.S. tax law requiring capitalization and amortization of research and development costs for tax purposes.*

(11) ***Net loss attributable to noncontrolling interest and accretion of redeemable noncontrolling interest to redemption value*** *relate to the 9.9% non-controlling interest in our Title365 subsidiary.*

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

*(in thousands)*

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|---|---|---|---|---|---|
| **Net cash used in operating activities** | **$ (25,887)** | **$ (34,390)** | **$ (46,653)** | **$ (47,333)** | **$ (50,485)** |
| Additions to property, equipment, internal-use software and intangible assets | (31) | (170) | (304) | (458) | (446) |
| **Free cash flow** | **(25,918)** | **(34,560)** | **(46,957)** | **(47,791)** | **(50,931)** |
| Cash paid for interest | 7,364 | 7,189 | 6,911 | 6,498 | 8,889 |
| **Unlevered free cash flow** | **$ (18,554)** | **$ (27,371)** | **$ (40,046)** | **$ (41,293)** | **$ (42,042)** |
| | | | | | |
| Revenue | $ 40,591 | $ 42,815 | $ 37,336 | $ 42,785 | $ 55,353 |
| **Free cash flow margin** | **(64)%** | **(81)%** | **(126)%** | **(112)%** | **(92)%** |

# Sharecount Outlook

*(in thousands)*

| | 3 Months ended September 30, 2023 | 9 Months ended September 30, 2023 |
|---|---|---|
| Weighted average shares used in calculating net loss per share (basic and diluted) | 246,410 | 244,057 |
| Dilutive securities[(1)] | 5,610 | 2,080 |

*(1) Dilutive securities represent the number of potential common shares that would have been included in the computation of earnings per share if the Company had reported net income for the quarter ended September 30, 2023. Since the Company reported net loss for the quarter ended September 30, 2023, all outstanding potential common shares are antidilutive.*

| | Quarter ended December 31, 2023 | Year ended December 31, 2023 |
|---|---|---|
| Estimated weighted average shares used in calculating net loss per share (basic and diluted) | 248,512 | 245,180 |
| Estimated outstanding common shares as of period-end | | 249,567 |

# Key Business Metrics - Transaction Volume

*(in thousands)*

| | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | FY 2022 | Q1 2023 | Q2 2023 | Q3 2023* |
|---|---|---|---|---|---|---|---|---|
| **Mortgage banking transactions** | 380 | 348 | 292 | 212 | 1,232 | 181 | 241 | 217 |

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

| | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | FY 2022 | Q1 2023 | Q2 2023 | Q3 2023 |
|---|---|---|---|---|---|---|---|---|
| **Title closed orders** | 27 | 14 | 11 | 6 | 58 | 4 | 5 | 4 |

# Footnotes

**Note 1: 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 2: Consumer Banking Suite Revenues** consist of home equity, personal lending, credit cards, deposit accounts, auto finance, and other banking products, but excludes software-enabled title.

**Note 3: 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 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 3 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. Total number of loans funded by Mortgage customers may be revised in future periods as actual reported funded loans are received, which may impact the economic value we calculate per funded loan.

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# Footnotes

**Note 5:** 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.

**Note 6: Blend Income Coverage** is our internal measurement of the ratio of available income and payroll source data that our product has access to that could produce a verified result for a borrower, divided by the number of full time employees in the United States.