Blend Labs, Inc.

Q3 2024 Earnings
Supplemental Slides

NOVEMBER 6, 2024

Forward-Looking Statements and Non-GAAP Financial Measures

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or Blend's future financial or operating performance. In some cases, you can identify forward looking statements because they contain words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "would," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Blend's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this presentation include, but are not limited to, statements regarding Blend's financial condition and operating performance, including its outlook, market size and growth opportunities, capital expenditures,and plans for future operations, Blend's opportunity to increase market share and penetration in its existing customers, projections for mortgage loan origination volumes, other macroeconomic and industry conditions, Blend's ability to create long-term value for its customers, Blend's expectations for revenue growth, and Blend's expectations regarding its share repurchase program. If any of the risks or uncertainties related to the forward-looking statements develop or if any of the assumptions related to the forward-looking statements prove incorrect, actual results could differ materially from those projected, expressed, or implied by our forward-looking statements. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in Blend's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2023, its subsequent Quarterly Reports on Form 10-Q for the quarters ended March 31, 2024 and June 30, 2024, and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 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 software platform gross margin, non-GAAP Blend Platform segment gross margin, non-GAAP operating expenses, non-GAAP income (loss) from operations, non-GAAP net income (loss) per share, and non-GAAP net income (loss). These non-GAAP financial measures adjust the related GAAP financial measures to exclude non-cash stock-based compensation, compensation realignment costs, restructuring costs, foreign currency gains and losses, and non-recurring transaction-related costs. In addition, our non-GAAP financial measures include measures related to our liquidity, such as free cash flow, unlevered free cash flow and free cash flow margin. Free cash flow is defined as net cash flow from operating activities less cash spent on additions to property, equipment, internal-use software and intangible assets. Unlevered free cash flow is defined as free cash flow plus cash paid for interest on our outstanding debt. Free cash flow margin is defined as free cash flow divided by total revenue. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. Blend's management uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to the corresponding GAAP financial measures, in evaluating Blend's ongoing operational performance and trends, in allowing for greater transparency with respect to measures used by Blend's management in their financial and operational decision making, and in comparing Blend's results of operations with other companies in the same industry, many of which present similar non-GAAP financial measures to help investors understand the operational performance of their businesses. However, it is important to note that the particular items excluded from, or included in, these non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies in the same industry. In addition, other companies may utilize metrics that are not similar to Blend's.

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

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

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Third Quarter 2024 Highlights

01

Achieved Non-GAAP Net Operating Income for the first time

02

Revenue of $45.2 million exceeded the high end of our guidance and returned to year-over-year growth

03

Grew Consumer Banking Suite revenue by more than 50% year-over-year and reached a new high of $99 for our Mortgage Suite Economic Value Per Funded Loan*

** See Note 4 included in Appendix*

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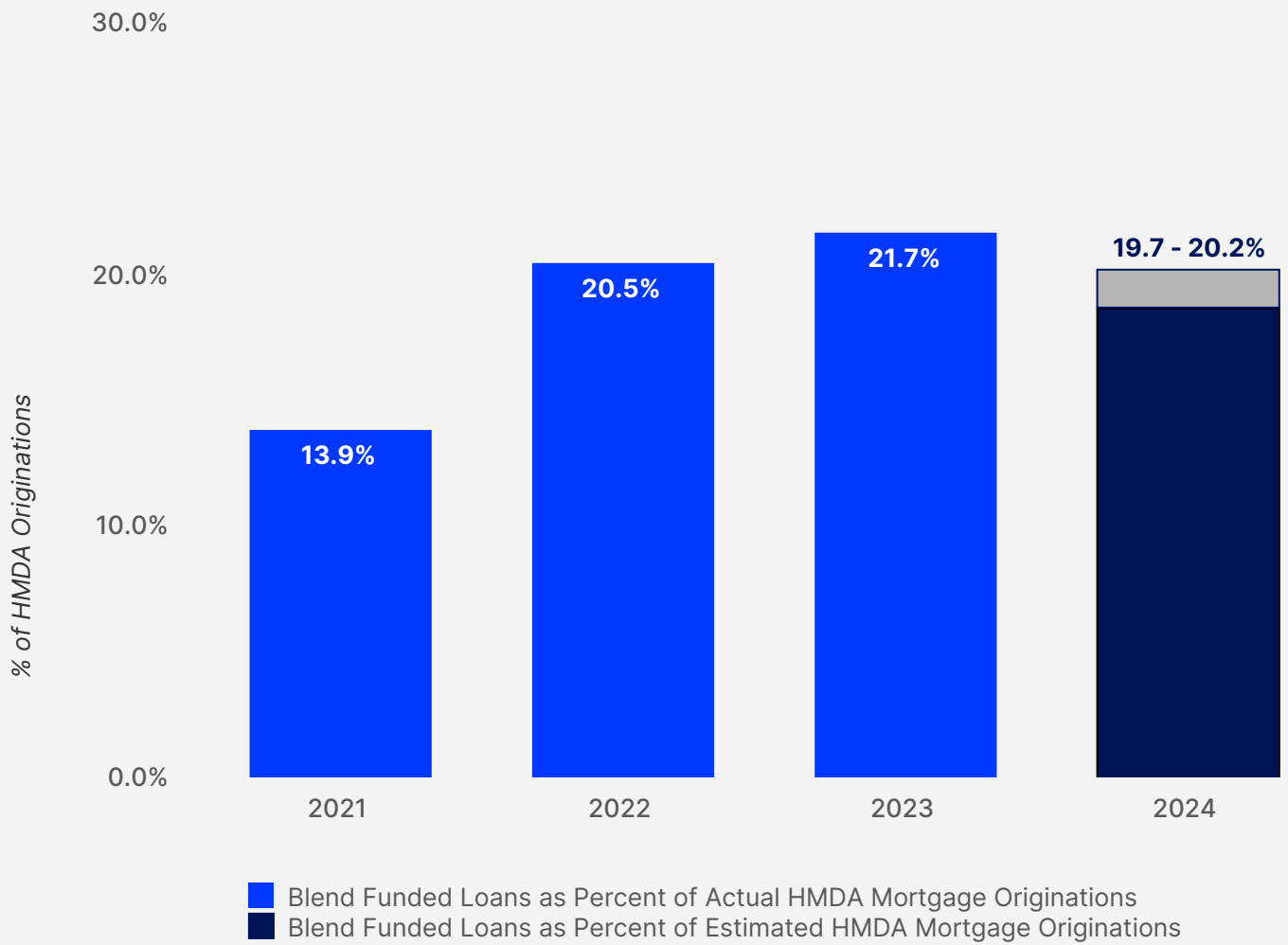
Blend Funded Loans as a percent of HMDA Mortgage Originations

- Blend grew its share of all HMDA Mortgage Originations in 2023
- Blend will be replacing its presentation of market share with its percent of HMDA Mortgage Originations moving forward
- Percent of HMDA Mortgage Originations is meant to reflect our coverage of actual reported transactions in the industry and can be used as a reliable year-over-year comparison
- HMDA Mortgage Originations by Year:
  - **2021:** 13.0 million
  - **2022:** 6.0 million
  - **2023:** 3.7 million



** See Note 1 included in Appendix for the definition of HMDA Mortgage Originations.*

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Consumer Banking Suite revenue reaches 54% year-over-year growth

Consumer Banking Suite* Revenue



*See Note 2 included in Appendix

Mortgage Suite* Revenue



*See Note 3 included in Appendix

Please refer to Note 1 to the consolidated financial statements in Blend's Annual Report on Form 10-K for the year ended December 31, 2023 for a summary of recent reclassification changes in the presentation of disaggregated revenue.

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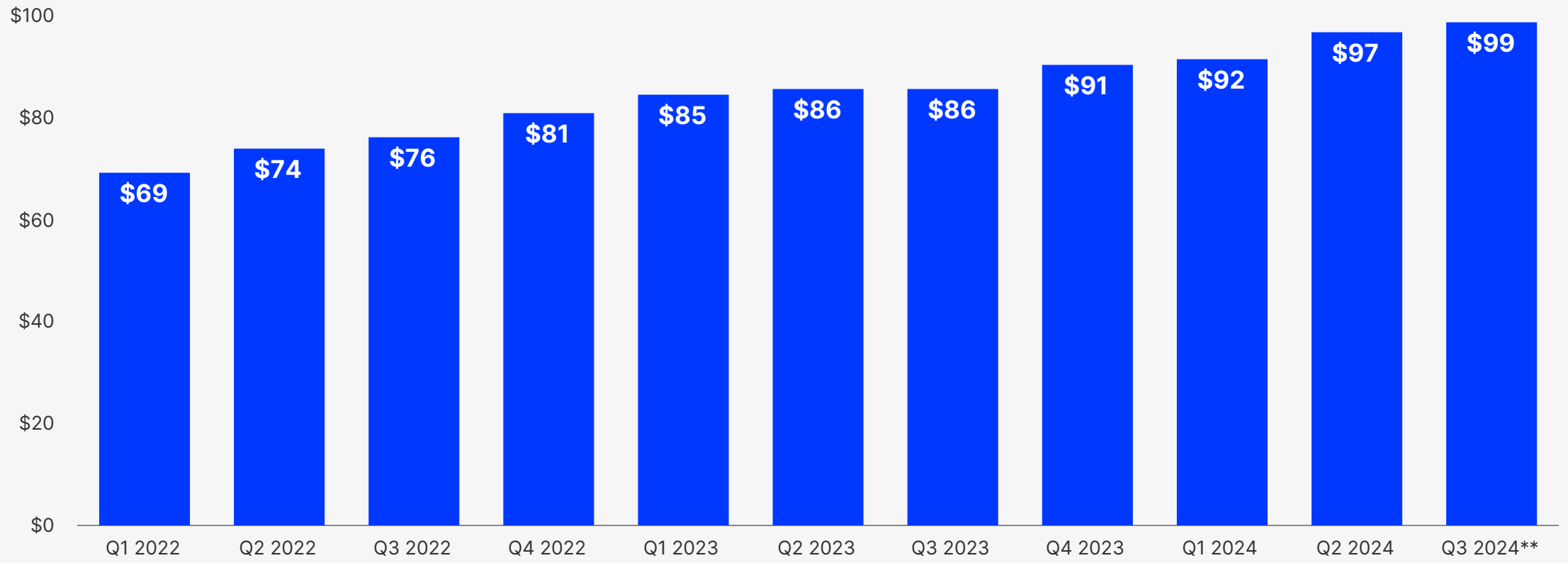
Mortgage Suite economic value per funded loan*

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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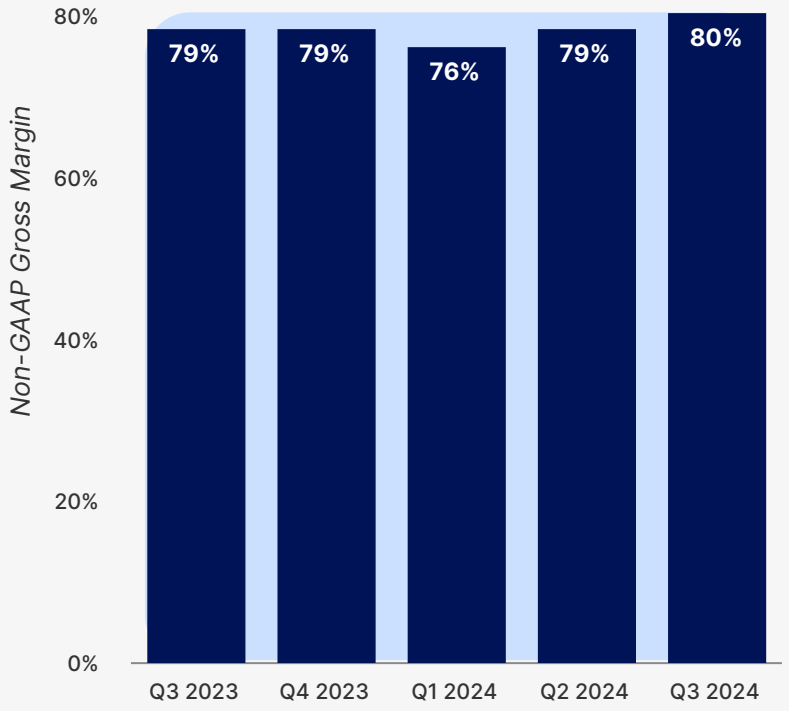
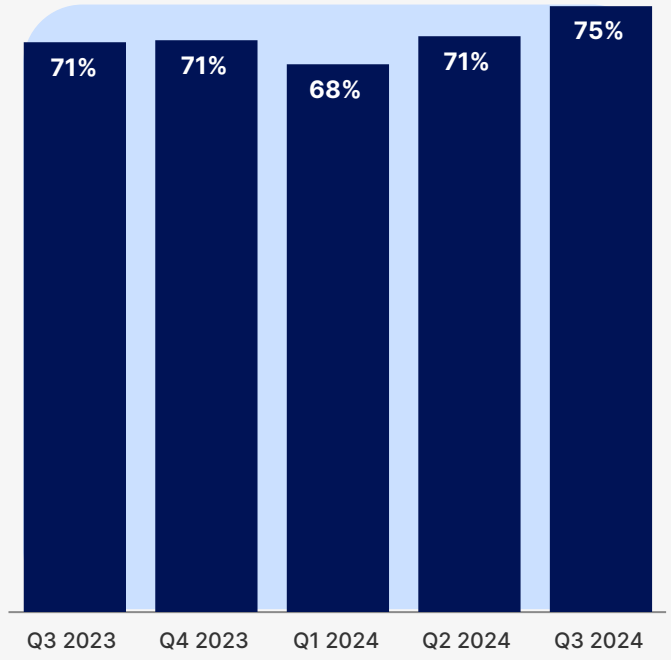
Two consecutive quarters of margin improvement

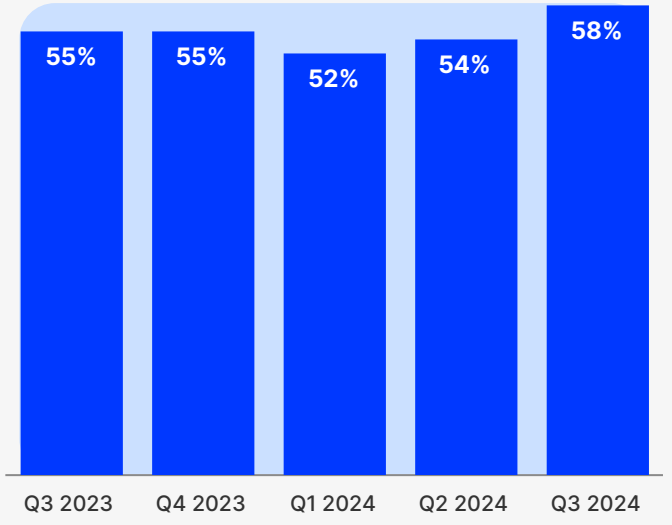
Software Platform



Blend Platform Segment



Consolidated Blend



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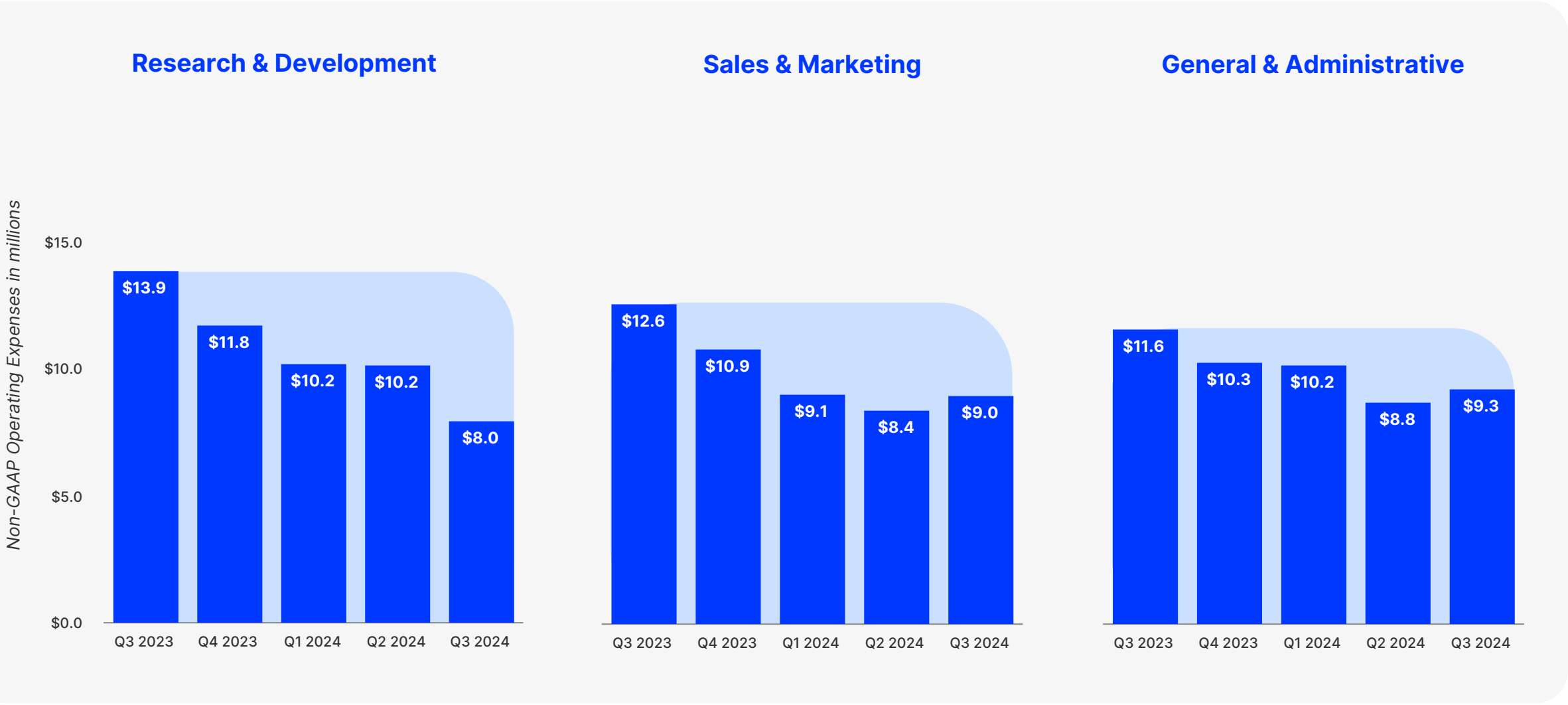
Generating leverage through expense rationalization

Significantly reduced operating expense year over year



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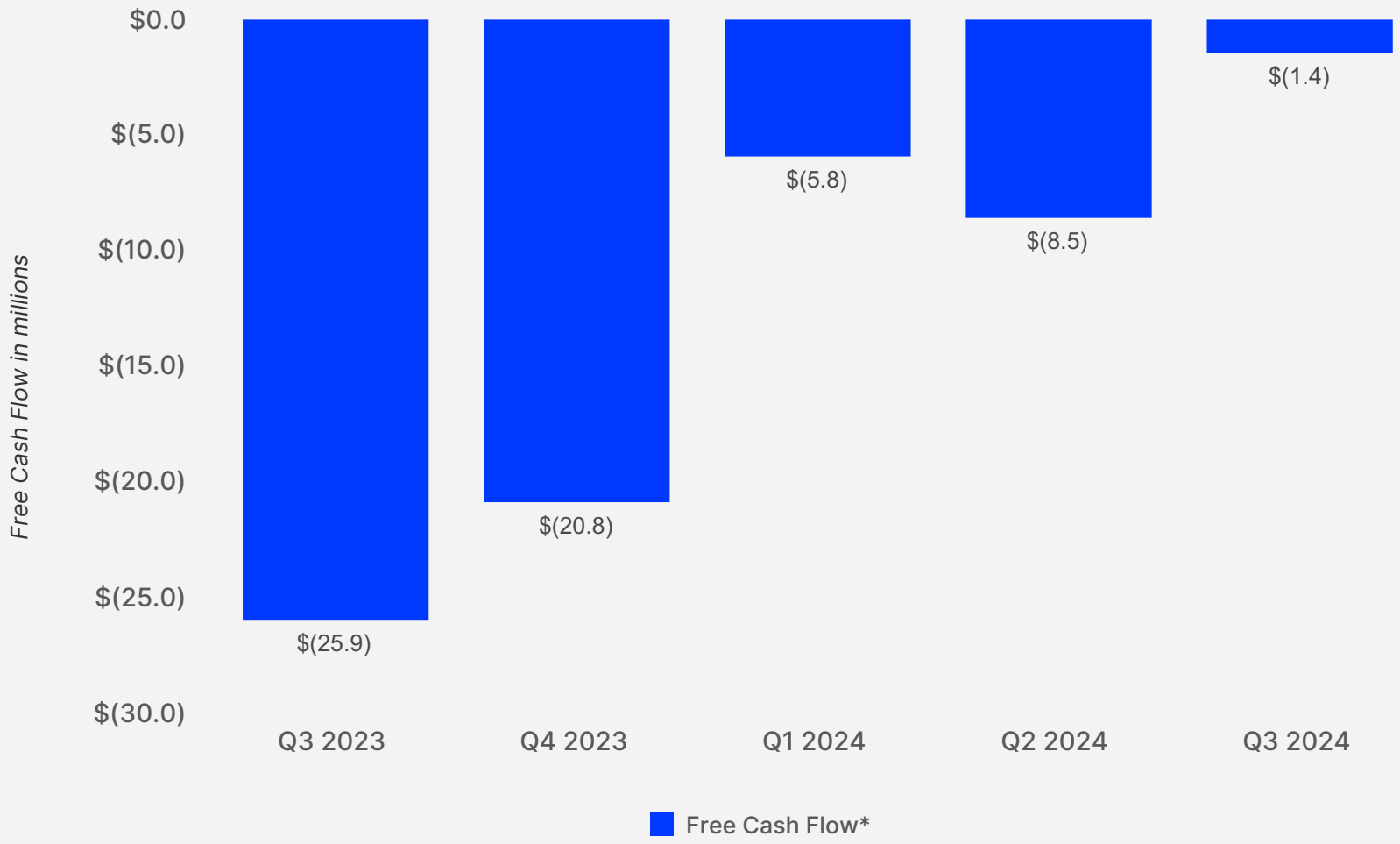
Free Cash Flow

- Having achieved non-GAAP operating profitability this quarter, we expect to generate positive free cash flow in the near future



** See Note 5 included in Appendix*

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Q4 2024 Guidance

Blend guidance reflects the following:

- Blend's expectation that U.S. aggregate industry mortgage originations will be lower in 4Q24 relative to 3Q24
- Impact of our strategic partnership with Covered Insurance Solutions, which is expected to have a negative impact on revenue and positive impact on operating income going forward
- New deployments ramping up in Consumer Banking
- Continuing expansion in utilization of our add-on products
- Increasing operational efficiency and reducing costs

Blend Platform Segment Revenue	$29.0M - $31.0M
Title Segment Revenue	$10.5M - $11.5M
Total Revenue	$39.5M - $42.5M
Non-GAAP Net Operating Income	$0.0M - $3.0M

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Appendix

©Blend 2024

Revenue Disaggregation

(dollars in thousands)

	Three Months Ended September 30,					Nine Months Ended September 30,				
	2024		2023			2024		2023		
Blend Platform:					YoY change					YoY change
Mortgage Suite	$ 21,546	65 %	$ 20,306	71 %	6 %	$ 55,078	64 %	$ 60,371	72 %	(9) %
Consumer Banking Suite	9,520	29 %	6,199	22 %	54 %	24,199	28 %	17,219	21 %	41 %
Total Software Platform	31,066	94 %	26,505	93 %	17 %	79,277	92 %	77,590	93 %	2 %
Professional Services	2,038	6 %	2,137	7 %	(5) %	6,363	8 %	6,087	7 %	5 %
Total Blend Platform	33,104	100 %	28,642	100 %	16 %	85,640	100 %	83,677	100 %	2 %
Title	12,080		11,949		1 %	34,971		37,065		(6) %
Total revenue	**$ 45,184**		**$ 40,591**		**11 %**	**$ 120,611**		**$ 120,742**		**— %**

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GAAP Financial Results

(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue				
Software	$ 31,066	$ 26,505	$ 79,277	$ 77,590
Professional services	2,038	2,137	6,363	6,087
Title	12,080	11,949	34,971	37,065
Total revenue	45,184	40,591	120,611	120,742
Cost of revenue				
Software	6,294	5,675	17,143	16,964
Professional services	2,310	2,937	7,614	8,448
Title	10,584	9,916	30,039	33,921
Total cost of revenue	19,188	18,528	54,796	59,333
Gross profit	25,996	22,063	65,815	61,409
Operating expenses:				
Research and development	10,127	18,826	37,226	67,174
Sales and marketing	9,883	14,494	29,468	48,190
General and administrative	13,140	15,819	39,599	56,146
Restructuring	6,165	9,122	7,355	24,254
Total operating expenses	39,315	58,261	113,648	195,764
Loss from operations	(13,319)	(36,198)	(47,833)	(134,355)
Interest expense	—	(8,210)	(6,747)	(23,726)
Other income (expense), net	10,710	2,632	11,952	8,746
Loss before income taxes	(2,609)	(41,776)	(42,628)	(149,335)
Income tax expense	(18)	(44)	(83)	(168)
Net loss	(2,627)	(41,820)	(42,711)	(149,503)
Less: Net loss attributable to noncontrolling interest	182	60	191	1,095
Net loss attributable to Blend Labs, Inc.	(2,445)	(41,760)	(42,520)	(148,408)
Less: Accretion of redeemable noncontrolling interest to redemption value	(1,760)	(1,452)	(4,748)	(5,100)
Less: Accretion of Series A redeemable convertible preferred stock to redemption value	(4,048)	—	(6,709)	—
Net loss attributable to Blend Labs, Inc. common stockholders	$ (8,253)	$ (43,212)	$ (53,977)	$ (153,508)

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GAAP Financial Results (cont.)

(in thousands except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss per share attributable to Blend Labs, Inc. common stockholders:				
Basic and diluted	$ (0.03)	$ (0.18)	$ (0.21)	$ (0.63)
Weighted average shares used in calculating net loss per share:				
Basic and diluted	254,910	246,410	252,977	244,057

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Reconciliation of GAAP to Non-GAAP Measures

(dollars in thousands)

Gross Profit Reconciliation	Q3 2024		Q2 2024		Q1 2024		Q4 2023		Q3 2023	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
Blend Platform										
GAAP Software platform	$ 24,772	80 %	$ 20,801	79 %	$ 16,561	76 %	$ 18,553	79 %	$ 20,830	79 %
Stock-based compensation[1]	3		3		4		6		8	
Amortization of capitalized internal-use software[9]	219		23		—		—		—	
Non-GAAP Software platform	24,994	80 %	20,827	79 %	16,565	76 %	18,559	79 %	20,838	79 %
GAAP Professional services	(272)	(13)%	(460)	(21)%	(519)	(25)%	(359)	(16)%	(800)	(37)%
Stock-based compensation[1]	101		119		135		147		210	
Amortization of capitalized internal-use software[9]	—		—		—		—		—	
Non-GAAP Professional services	(171)	(8)%	(341)	(15)%	(384)	(18)%	(212)	(9)%	(590)	(28)%
Total GAAP Blend Platform	24,500	74 %	20,341	71 %	16,042	67 %	18,194	70 %	20,030	70 %
Stock-based compensation[1]	104		122		139		153		218	
Amortization of capitalized internal-use software[9]	219		23		—		—		—	
Total Non-GAAP Blend Platform	24,823	75 %	20,486	71 %	16,181	68 %	18,347	71 %	20,248	71 %
GAAP Title	1,496	12 %	1,337	11 %	2,099	19 %	1,532	15 %	2,033	17 %
Stock-based compensation[1]	1		—		15		—		9	
Amortization of capitalized internal-use software[9]	—		—		—		—		—	
Non-GAAP Title	1,497	12 %	1,337	11 %	2,114	19 %	1,532	15 %	2,042	17 %
GAAP Gross Profit	**25,996**	**58 %**	**21,678**	**54 %**	**18,141**	**52 %**	**19,726**	**55 %**	**22,063**	**54 %**
Stock-based compensation[1]	105		122		154		153		227	
Amortization of capitalized internal-use software[9]	219		23		—		—		—	
Non-GAAP Gross Profit	**$ 26,320**	**58 %**	**$ 21,823**	**54 %**	**$ 18,295**	**52 %**	**$ 19,879**	**55 %**	**$ 22,290**	**55 %**

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

(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
GAAP operating expenses	**$ 39,315**	**$ 58,261**	**$ 113,648**	**$ 195,764**
Non-GAAP adjustments:				
Stock-based compensation[1]	6,566	8,815	21,631	38,819
Workforce reduction costs[2]	1,681	9,122	2,871	24,254
Abandoned and terminated facilities costs[3]	4,484	—	4,484	—
Compensation realignment costs[4]	—	1,289	1,155	4,163
Litigation contingencies[5]	303	—	303	(245)
Transaction-related costs[6]	—	857	—	1,891
Non-GAAP operating expenses	**$ 26,281**	**$ 38,178**	**$ 83,204**	**$ 126,882**

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

(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
GAAP loss from operations	**$ (13,319)**	**$ (36,198)**	**$ (47,833)**	**$ (134,355)**
Non-GAAP adjustments:				
Stock-based compensation[1]	6,671	9,042	22,013	39,798
Workforce reduction costs[2]	1,681	9,122	2,871	24,254
Abandoned and terminated facilities costs[3]	4,484	—	4,484	—
Amortization of capitalized internal-use software[9]	219	—	242	—
Compensation realignment costs[4]	—	1,289	1,155	4,163
Litigation contingencies[5]	303	—	303	(245)
Transaction-related costs[6]	—	857	—	1,891
Non-GAAP income (loss) from operations	**$ 39**	**$ (15,888)**	**$ (16,765)**	**$ (64,494)**
GAAP net loss	**$ (2,627)**	**$ (41,820)**	**$ (42,711)**	**$ (149,503)**
Non-GAAP adjustments:				
Stock-based compensation[1]	6,671	9,042	22,013	39,798
Loss on extinguishment of debt[7]	—	—	5,531	—
Workforce reduction costs[2]	1,681	9,122	2,871	24,254
Abandoned and terminated facilities costs[3]	4,484	—	4,484	—
Gain on sale of insurance business[8]	(9,239)	—	(9,239)	—
Amortization of capitalized internal-use software[9]	219	—	242	—
Compensation realignment costs[4]	—	1,289	1,155	4,163
Litigation contingencies[5]	303	—	303	(245)
Transaction-related costs[6]	—	857	—	1,891
Gain on investment in equity securities[10]	—	—	(4,417)	—
Foreign currency gains and losses[11]	30	74	20	(83)
Loss on transfer of subsidiary[12]	—	—	601	—
Non-GAAP net income (loss)	**$ 1,522**	**$ (21,436)**	**$ (19,147)**	**$ (79,725)**

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

(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
GAAP net loss per share	**$ (0.03)**	**$ (0.18)**	**$ (0.21)**	**$ (0.63)**
Non-GAAP adjustments:				
Stock-based compensation[1]	0.02	0.03	0.09	0.16
Workforce reduction costs[2]	0.01	0.04	0.01	0.09
Abandoned and terminated facilities costs[3]	0.02	—	0.02	—
Compensation realignment costs[4]	—	0.01	—	0.02
Litigation contingencies[5]	—	—	—	—
Transaction-related costs[6]	—	—	—	0.01
Loss on extinguishment of debt[7]	—	—	0.02	—
Gain on sale of insurance business[8]	(0.04)	—	(0.04)	—
Amortization of capitalized internal-use software[9]	—	—	—	—
Gain on investment in equity securities[10]	—	—	(0.02)	—
Foreign currency gains and losses[11]	—	—	—	—
Loss on transfer of subsidiary[12]	—	—	—	—
Net loss attributable to noncontrolling interest[13]	—	—	—	—
Accretion of redeemable noncontrolling interest to redemption value[13]	0.01	0.01	0.02	0.02
Accretion of Series A redeemable convertible preferred stock to redemption value[14]	0.01	—	0.03	—
Non-GAAP net loss per share	**$ 0.00**	**$ (0.09)**	**$ (0.08)**	**$ (0.33)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
Stock-based compensation by function:	2024	2023	2024	2023
Cost of revenue	$ 105	$ 227	$ 382	$ 979
Research and development[15]	2,169	4,090	8,088	17,050
Sales and marketing	862	1,577	2,715	6,291
General and administrative	3,535	3,148	10,828	15,478
Total	**$ 6,671**	**$ 9,042**	**$ 22,013**	**$ 39,798**

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

(in thousands)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
GAAP research and development expense	**$ 10,127**	**$ 12,916**	**$ 14,183**	**$ 14,417**	**$ 18,826**
Non-GAAP adjustments:					
Stock-based compensation[1]	2,169	2,567	3,352	1,996	4,090
Compensation realignment costs[4]	—	166	591	654	811
Non-GAAP research and development expense	**$ 7,958**	**$ 10,183**	**$ 10,240**	**$ 11,767**	**$ 13,925**
GAAP sales and marketing expense	**$ 9,884**	**$ 9,370**	**$ 10,215**	**$ 11,940**	**$ 14,494**
Non-GAAP adjustments:					
Stock-based compensation[1]	862	875	978	846	1,577
Compensation realignment costs[4]	—	50	179	205	294
Non-GAAP sales and marketing expense	**$ 9,021**	**$ 8,445**	**$ 9,058**	**$ 10,889**	**$ 12,623**
GAAP general and administrative expense	**$ 13,140**	**$ 12,524**	**$ 13,935**	**$ 14,542**	**$ 15,819**
Non-GAAP adjustments:					
Stock-based compensation[1]	3,535	3,706	3,587	3,228	3,148
Compensation realignment costs[4]	—	38	131	152	184
Litigation contingencies[5]	303	—	—	650	—
Transaction-related costs[6]	—	—	—	175	857
Non-GAAP general and administrative expense	**$ 9,302**	**$ 8,780**	**$ 10,217**	**$ 10,337**	**$ 11,630**

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

(dollars in thousands)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net cash used in operating activities	**$ 2,076**	**$ (6,666)**	**$ (3,868)**	**$ (20,691)**	**$ (25,887)**
Additions to property, equipment and internal-use software development costs	(3,432)	(1,867)	(1,964)	(82)	(31)
Free cash flow	**(1,356)**	**(8,533)**	**(5,832)**	**(20,773)**	**(25,918)**
Cash paid for interest	—	1,621	4,529	6,350	7,364
Unlevered free cash flow	**$ (1,356)**	**$ (6,912)**	**$ (1,303)**	**$ (14,423)**	**$ (18,554)**
Revenue	$ 45,184	$ 40,480	$ 34,947	$ 36,104	$ 40,591
Free cash flow margin	**(3)%**	**(21)%**	**(17)%**	**(58)%**	**(64)%**

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

Notes:

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

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

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

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

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

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

(7) ***Loss on extinguishment of debt*** *represents a write off of unamortized debt issuance costs and debt discounts related to the extinguishment of our term loan.*

(8) ***Gain on sale of insurance business*** *represents the gain recognized in connection with the sale of certain assets of our insurance agency, partially offset by transaction costs.*

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

(10) ***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.*

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

(12) ***Loss on transfer of subsidiary*** *represents a loss recognized in connection with the transfer of our subsidiary in India to a third-party and includes impairment charges related to certain assets transferred as part of the agreement, costs incurred to settle certain liabilities arising from the agreement, and one-time legal costs incurred to facilitate the transaction.*

(13) ***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.*

(14) ***Accretion of Series A redeemable convertible preferred stock to its redemption value*** *relates to the redemption rights outlined in the Haveli investment agreement.*

(15) ***Stock-based compensation expense*** *is net of $0.8 million and $1.9 million of additions to capitalized internal-use software for the three and nine months ended September 30, 2024 and none for the three and nine months ended September 30, 2023.*

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Share Count Outlook

	Quarter ended September 30, 2024
Weighted average shares of outstanding common stock	254,910

Outstanding potentially dilutive securities	As of September 30, 2024
Outstanding stock options	17,943
Non-plan Co-Founder and Head of Blend options	26,057
Unvested restricted stock units	16,023
Unvested performance stock awards	4,700
Common stock warrants	11,709
Series A redeemable convertible preferred stock	46,154
Total outstanding potentially dilutive securities	122,586

	Quarter ended December 31, 2024	Year Ended December 31, 2024
Estimated weighted average shares of outstanding common stock	256,539	253,882
Estimated outstanding common shares as of period-end		257,314

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Footnotes

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

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

Note 5: We define **Free Cash Flow**, a non-GAAP financial measure, as net cash flow from operating activities less cash spent on additions to property, equipment, internal-use software and intangible assets. **Unlevered Free Cash Flow** is defined as Free Cash Flow before cash paid for interest on our outstanding debt. **Free Cash Flow Margin** is defined as Free Cash Flow divided by Total Revenue. We believe information regarding Free Cash Flow, Unlevered Free Cash Flow and Free Cash Flow Margin provide useful information to investors as a basis for comparing our performance with other companies in our industry and as a measurement of the cash generation that is available to invest in our business and meet our financing needs. However, given our debt service obligations and other contractual obligations, Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures. In April 2024, we repaid in full all amounts outstanding and payable under our debt obligations and therefore eliminated any debt service obligations.