Blend Labs, Inc.

Q4 2023 Earnings
Supplemental Slides

MARCH 14, 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, 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 Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023, and September 30, 2023 and its Annual Report on Form 10-K for the year ended December 31, 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 software platform gross margin, non-GAAP Blend Platform segment 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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Fourth Quarter 2023 Highlights

01

Revenue of **$36.1 million** in-line with guidance and outperformed mortgage industry origination declines

02

Reduced non-GAAP operating expenses by **more than 40%** compared to Q4 2022 as Blend continues on its path to profitability

03

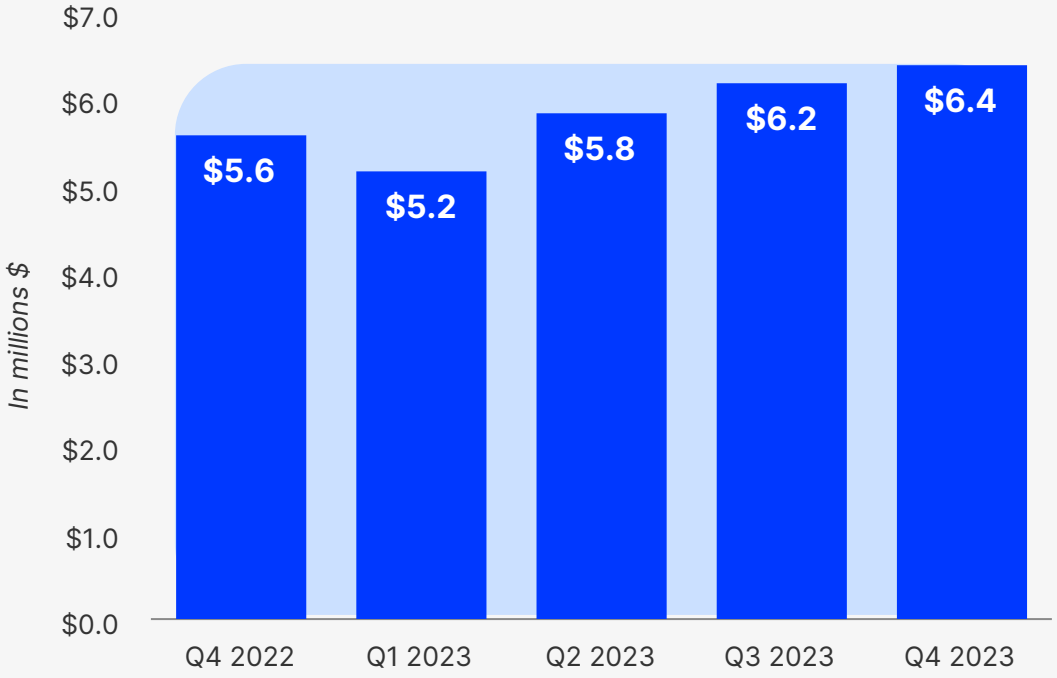
Accelerated momentum in our Consumer Banking Suite led by the expansion of our partnership with Citizens Bank

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Continued Progress in a Challenging Market

Consumer Banking Suite* Revenue

15% YoY increase



*See Note 2 included in Appendix

Mortgage Suite* Revenue

3% YoY decrease



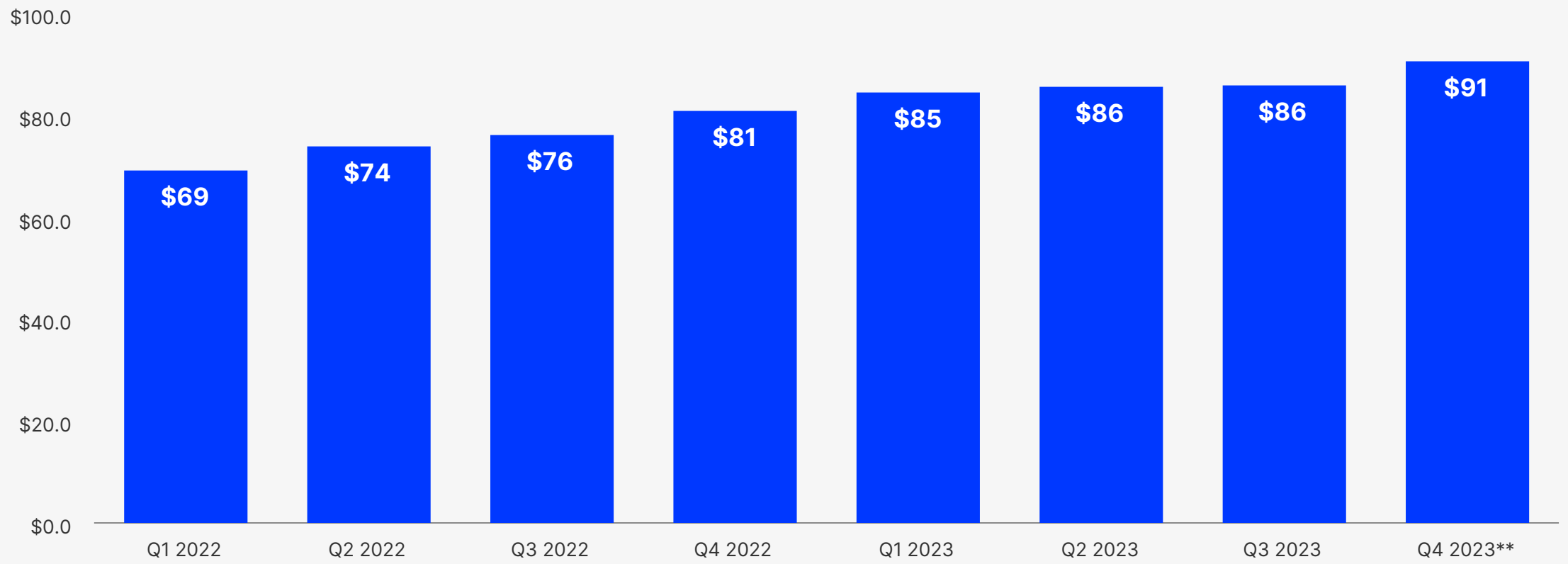
* See Note 3 included in Appendix

Please refer to Note 1 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*

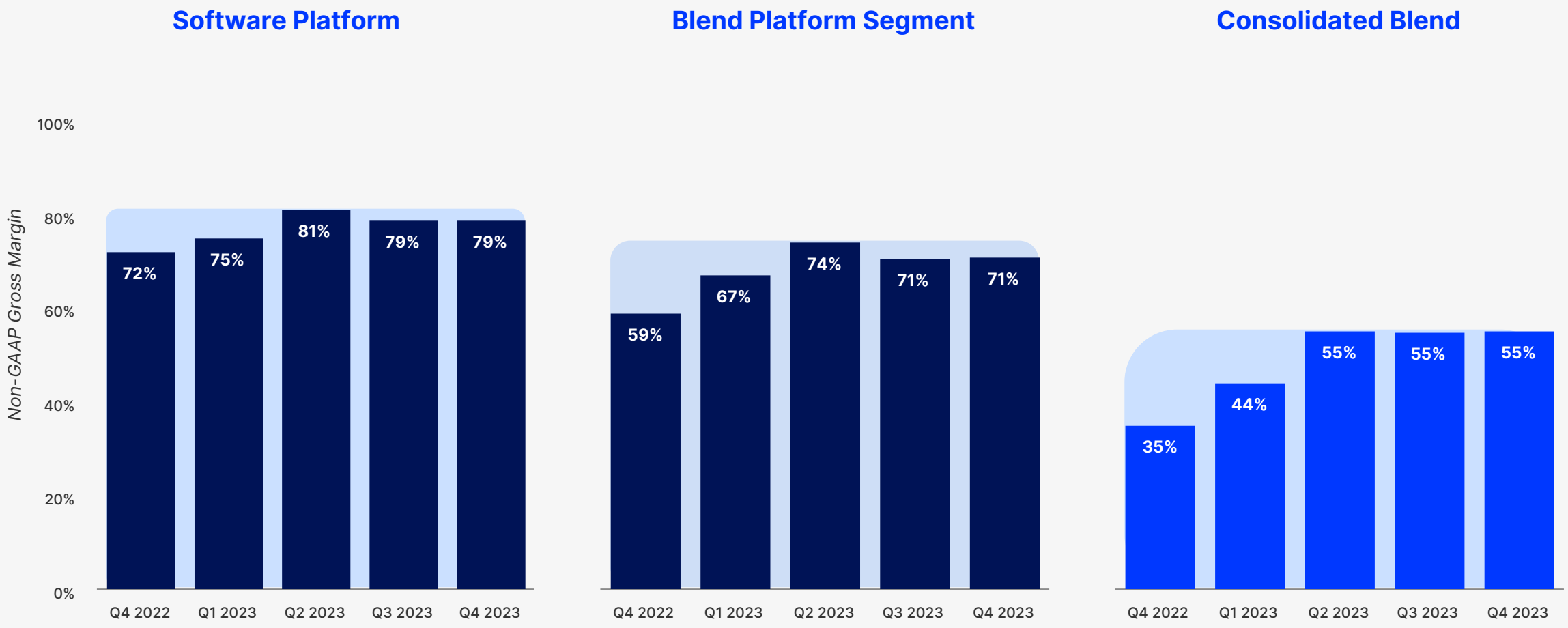
Growing usage of add-on products and gains in core mortgage have driven year-over-year expansion in economic value per funded loan



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

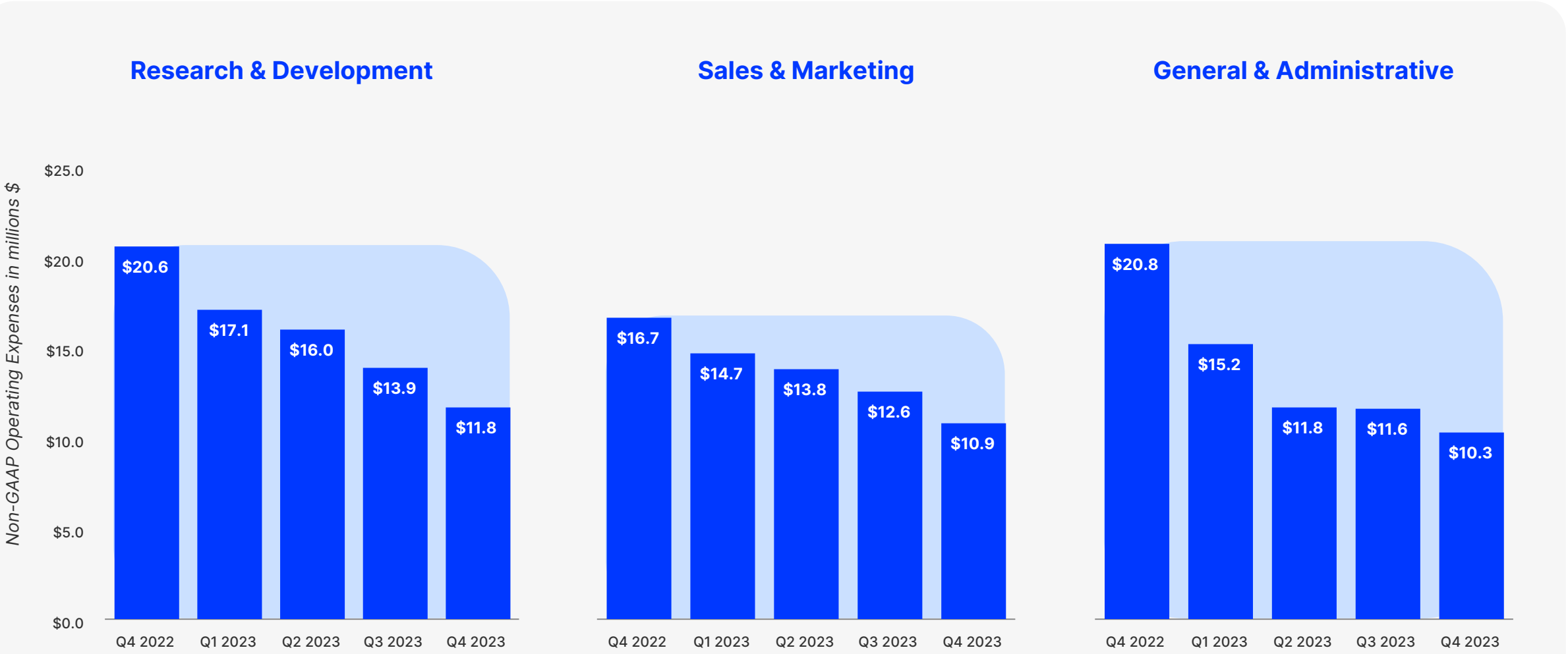
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Improving our operating performance



Reductions in Operating Expenses by function

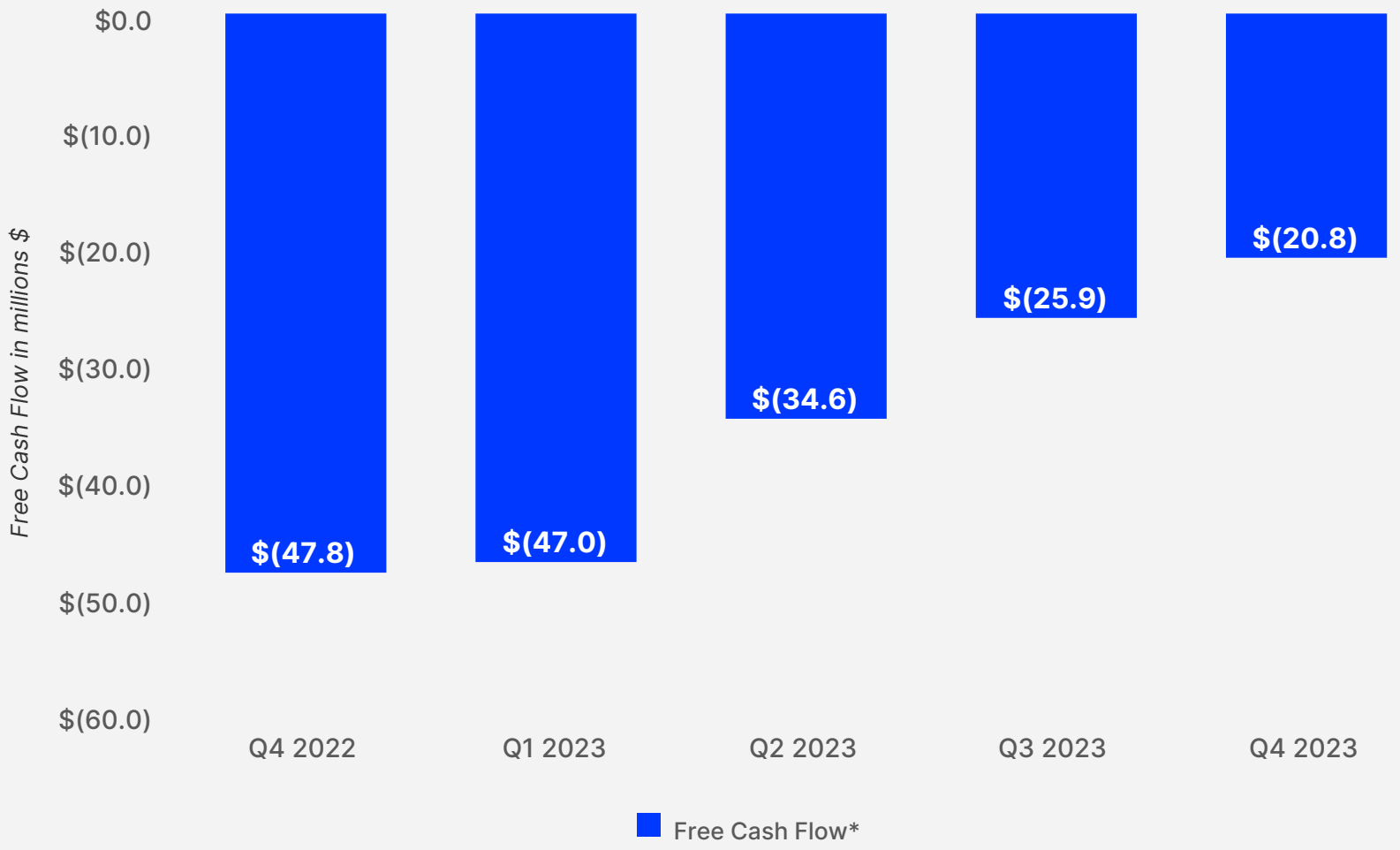
Showing progress to date on cost efficiency initiatives



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Driving progress towards positive cash flows

- Q4 2023 marked another quarter of improvement in cash burn



** See Note 5 included in Appendix*

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Q1 2024 Guidance

Blend guidance reflects the following:

- Blend's internal forecast of 800,000 - 875,000 total industry mortgage originations in 1Q24
- Maintaining our leading market share in Mortgage while driving incremental growth in Consumer Banking
- Continued expansion in utilization of our add-on products
- Increasing operational efficiency and reducing costs

Blend Platform Segment Revenue	$22M - $24M
Title Revenue	$10.5M - $11.5M
Blend Labs Consolidated Revenue	$32.5M - $35.5M
Blend Labs Consolidated Non-GAAP Net Operating Loss	($14M) - ($12M)

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Appendix

©Blend 2024

Revenue Disaggregation

(in thousands)

	Three Months Ended December 31,					Year Ended December 31,				
	2023		2022			2023		2022		
Blend Platform:					YoY change					YoY change
Mortgage Suite	$ 17,203	66 %	$ 17,653	70 %	(3)%	$ 77,574	70 %	$ 94,280	78 %	(18)%
Consumer Banking Suite	6,411	25 %	5,591	22 %	15 %	23,630	22 %	19,309	16 %	22 %
Total Software Platform	23,614	91 %	23,244	92 %	2 %	101,204	92 %	113,589	94 %	(11)%
Professional Services	2,258	9 %	2,034	8 %	11 %	8,345	8 %	7,835	6 %	7 %
Total Blend Platform	25,872	100 %	25,278	100 %	2 %	109,549	100 %	121,424	100 %	(10)%
Title	10,232		17,507		(42)%	47,297		113,777		(58)%
Total revenue	**$ 36,104**		**$ 42,785**		**(16)%**	**$ 156,846**		**$ 235,201**		**(33)%**

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GAAP Financial Results

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenue				
Software platform	$ 23,614	$ 23,244	$ 101,204	$ 113,589
Professional services	2,258	2,034	8,345	7,835
Title	10,232	17,507	47,297	113,777
Total revenue	36,104	42,785	156,846	235,201
Cost of revenue				
Software platform	5,061	6,555	22,025	30,706
Professional services	2,617	4,133	11,065	15,504
Title	8,700	17,690	42,621	99,340
Total cost of revenue	16,378	28,378	75,711	145,550
Gross profit	19,726	14,407	81,135	89,651
Operating expenses:				
Research and development	14,417	33,248	81,591	138,094
Sales and marketing	11,940	19,951	60,130	85,248
General and administrative	14,542	33,406	70,688	139,120
Amortization of acquired intangible assets	—	—	—	8,411
Impairment of intangible assets and goodwill	—	—	—	449,680
Restructuring	694	2,959	24,948	15,275
Total operating expenses	41,593	89,564	237,357	835,828
Loss from operations	(21,867)	(75,157)	(156,222)	(746,177)
Interest expense	(7,085)	(7,348)	(30,811)	(24,790)
Other income (expense), net	(1,498)	1,538	7,248	4,916
Loss before income taxes	(30,450)	(80,967)	(179,785)	(766,051)
Income tax (expense) benefit	74	(476)	(94)	2,241
Net loss	(30,376)	(81,443)	(179,879)	(763,810)
Less: Net loss attributable to noncontrolling interest	91	874	1,186	43,638
Net loss attributable to Blend Labs, Inc.	(30,285)	(80,569)	(178,693)	(720,172)
Less: Accretion of redeemable noncontrolling interest to redemption value	(1,527)	(2,141)	(6,627)	(48,438)
Net loss attributable to Blend Labs, Inc. common stockholders	$ (31,812)	$ (82,710)	$ (185,320)	$ (768,610)

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GAAP Financial Results (cont.)

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net loss per share attributable to Blend Labs, Inc. common stockholders:				
Basic and diluted	$ (0.13)	$ (0.35)	$ (0.76)	$ (3.28)
Weighted average shares used in calculating net loss per share:				
Basic and diluted	248,616	238,442	245,206	234,161

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Reconciliation of GAAP to Non-GAAP Measures

(in thousands)

Gross Profit Reconciliation	Q4 2023		Q3 2023		Q2 2023		Q1 2023		Q4 2022	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
Blend Platform										
Software platform	$ 18,553	79 %	$ 20,830	79 %	$ 22,629	80 %	$ 17,167	75 %	$ 16,689	72 %
Stock-based compensation[1]	6	—	8	—	9	—	13	—	19	—
Non-GAAP Software platform	18,559	79 %	20,838	79 %	22,638	81 %	17,180	75 %	16,708	72 %
Professional services	(359)	(16) %	(800)	(37) %	(489)	(22) %	(1,072)	(62) %	(2,099)	(103) %
Stock-based compensation[1]	147	—	210	—	253	—	340	—	316	—
Non-GAAP Professional services	(212)	(9) %	(590)	(28) %	(236)	(11) %	(732)	(42) %	(1,783)	(88) %
Total Blend Platform	18,194	70 %	20,030	70 %	22,140	73 %	16,095	65 %	14,590	58 %
Stock-based compensation[1]	153	—	218	—	262	—	353	—	335	—
Non-GAAP Total Blend Platform	18,347	71 %	20,248	71 %	22,402	74 %	16,448	67 %	14,925	59 %
Title	1,532	15 %	2,033	17 %	1,353	11 %	(242)	(2) %	(183)	(1) %
Stock-based compensation[1]	—	—	9	—	2	—	135	—	239	—
Non-GAAP Title	1,532	15 %	2,042	17 %	1,355	11 %	(107)	(1) %	56	— %
Total	**19,726**	**55 %**	**22,063**	**54 %**	**23,493**	**55 %**	**15,853**	**42 %**	**14,407**	**34 %**
Stock-based compensation[1]	153	—	227	—	264	—	488	—	574	—
Non-GAAP Total	**$ 19,879**	**55 %**	**$ 22,290**	**55 %**	**$ 23,757**	**55 %**	**$ 16,341**	**44 %**	**$ 14,981**	**35 %**

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

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
GAAP operating expenses	**$ 41,593**	**$ 89,564**	**$ 237,357**	**$ 835,828**
Non-GAAP adjustments:				
Stock-based compensation[1] and amortization of warrant	6,070	27,617	44,889	107,657
Compensation realignment costs[2]	1,011	—	5,174	—
Amortization of acquired intangible assets[3]	—	—	—	8,411
Impairment of intangible assets and goodwill[4]	—	—	—	449,680
Restructuring[5]	694	2,959	24,948	15,275
Litigation contingencies[6]	650	700	405	700
Transaction-related costs[7]	175	183	2,066	3,139
Non-GAAP operating expenses	**$ 32,993**	**$ 58,105**	**$ 159,875**	**$ 250,966**

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

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
GAAP loss from operations	**$ (21,867)**	**$ (75,157)**	**$ (156,222)**	**$ (746,177)**
Non-GAAP adjustments:				
Stock-based compensation[1] and amortization of warrant	6,223	28,191	46,021	109,726
Compensation realignment costs[2]	1,011	—	5,174	—
Amortization of acquired intangible assets[3]	—	—	—	8,411
Impairment of intangible assets and goodwill[4]	—	—	—	449,680
Restructuring[5]	694	2,959	24,948	15,275
Litigation contingencies[6]	650	700	405	700
Transaction-related costs[7]	175	183	2,066	3,139
Non-GAAP loss from operations	**$ (13,114)**	**$ (43,124)**	**$ (77,608)**	**$ (159,246)**
GAAP net loss	**$ (30,376)**	**$ (81,443)**	**$ (179,879)**	**$ (763,810)**
Non-GAAP adjustments:				
Stock-based compensation[1] and amortization of warrant	6,223	28,191	46,021	109,726
Loss on extinguishment of debt[12]	3,970	—	3,970	—
Compensation realignment costs[2]	1,011	—	5,174	—
Amortization of acquired intangible assets[3]	—	—	—	8,411
Impairment of intangible assets and goodwill[4]	—	—	—	449,680
Restructuring[5]	694	2,959	24,948	15,275
Litigation contingencies[6]	650	700	405	700
Transaction-related costs[7]	175	183	2,066	3,139
Gain on investment in equity securities[8]	—	—	—	(2,884)
Foreign currency gains and losses[9]	6	109	(77)	458
Income tax benefit[10]	—	—	—	(2,864)
Non-GAAP net loss	$ (17,647)	$ (49,301)	$ (97,372)	$ (182,169)

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

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
GAAP basic net loss per share	**$ (0.13)**	**$ (0.35)**	**$ (0.76)**	**$ (3.28)**
Non-GAAP adjustments:				
Net loss attributable to noncontrolling interest[11]	—	—	—	(0.19)
Accretion of redeemable noncontrolling interest to redemption value[11]	0.01	0.01	0.03	0.21
Stock-based compensation[1] and amortization of warrant	0.03	0.12	0.18	0.47
Loss on extinguishment of debt[12]	0.02	—	0.02	—
Compensation realignment costs[2]	—	—	0.02	—
Amortization of acquired intangible assets[3]	—	—	—	0.04
Impairment of intangible assets and goodwill[4]	—	—	—	1.92
Restructuring[5]	—	0.01	0.10	0.06
Litigation contingencies[6]	—	—	—	—
Transaction-related costs[7]	—	—	0.01	0.01
Gain on investment in equity securities[8]	—	—	—	(0.01)
Foreign currency gains and losses[9]	—	—	—	—
Income tax benefit[10]	—	—	—	(0.01)
Non-GAAP basic net loss per share	**$ (0.07)**	**$ (0.21)**	**$ (0.40)**	**$ (0.78)**

Stock-based compensation by function:				
Cost of revenue	$ 153	$ 574	$ 1,132	$ 2,069
Research and development	1,996	12,624	19,046	47,280
Sales and marketing	846	3,274	7,137	11,725
General and administrative	3,228	11,719	18,706	48,628
Total	**$ 6,223**	**$ 28,191**	**$ 46,021**	**$ 109,702**

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

(in thousands)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
GAAP research and development expense	**$ 14,417**	**$ 18,826**	**$ 22,091**	**$ 26,257**	**$ 33,248**
Non-GAAP adjustments:					
Stock-based compensation[1] and amortization of warrant	1,996	4,090	4,829	8,131	12,625
Compensation realignment costs[2]	654	811	1,224	1,032	—
Non-GAAP research and development expense	**$ 11,767**	**$ 13,925**	**$ 16,038**	**$ 17,094**	**$ 20,623**
GAAP sales and marketing expense	**$ 11,940**	**$ 14,494**	**$ 16,128**	**$ 17,568**	**$ 19,951**
Non-GAAP adjustments:					
Stock-based compensation[1] and amortization of warrant	846	1,577	1,931	2,783	3,274
Compensation realignment costs[2]	205	294	365	40	—
Non-GAAP sales and marketing expense	**$ 10,889**	**$ 12,623**	**$ 13,832**	**$ 14,745**	**$ 16,677**
GAAP general and administrative expense	**$ 14,542**	**$ 15,819**	**$ 19,646**	**$ 20,681**	**$ 33,406**
Non-GAAP adjustments:					
Stock-based compensation[1] and amortization of warrant	3,228	3,148	7,340	4,990	11,718
Compensation realignment costs[2]	152	184	189	24	—
Litigation contingencies[6]	650	—	(245)	—	700
Transaction-related costs[7]	175	857	596	438	183
Non-GAAP general and administrative expense	**$ 10,337**	**$ 11,630**	**$ 11,766**	**$ 15,229**	**$ 20,805**

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

(in thousands)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net cash used in operating activities	**$ (20,691)**	**$ (25,887)**	**$ (34,390)**	**$ (46,653)**	**$ (47,333)**
Additions to property, equipment, internal-use software and intangible assets	(82)	(31)	(170)	(304)	(458)
Free cash flow	**(20,773)**	**(25,918)**	**(34,560)**	**(46,957)**	**(47,791)**
Cash paid for interest	6,350	7,364	7,189	6,911	6,498
Unlevered free cash flow	**$ (14,423)**	**$ (18,554)**	**$ (27,371)**	**$ (40,046)**	**$ (41,293)**
Revenue	$ 36,104	$ 40,591	$ 42,815	$ 37,336	$ 42,785
Free cash flow margin	**(58)%**	**(64)%**	**(81)%**	**(126)%**	**(112)%**

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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) ***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 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.*

(12) ***Loss on extinguishment of debt*** *relates to the proportionate write-off of unamortized debt issuance costs and debt discounts due to the partial extinguishment of the Term Loan and the write off of unamortized portion of debt issuance costs related to the termination of the Revolving Facility.*

Share Count Outlook

	Quarter ended December 31, 2023	Year ended December 31, 2023
Weighted average shares used in calculating net loss per share (basic and diluted)	248,616	245,206
Dilutive securities[(1)]	10,839	2,501

(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 and year ended December 31, 2023. Since the Company reported net loss for the quarter and year ended December 31, 2023, all outstanding potential common shares are antidilutive.

	Quarter ended March 31, 2024
Estimated weighted average shares used in calculating net loss per share (basic and diluted)	250,560
Estimated outstanding common shares as of period-end	251,625

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Key Business Metrics

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023*	FY 2023
Mortgage banking transactions	379	350	292	213	1,234	181	241	217	166	805

**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	Q4 2023*	FY 2023
Title originations closed orders	27	14	11	6	58	4	5	4	2	15

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. Total mortgage market volume is estimated by management using a sample of third-party estimates, such as those published by Mortgage Bankers Association, Fannie Mae, and Inside Mortgage Finance, when Home Mortgage Disclosure Act ("HMDA") data is unavailable for the relevant period. Estimates of historical data may be revised from time to time based on newly published HMDA data.

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.

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 $140 million term loan under our Credit Agreement) and other contractual obligations, Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures.

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