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Block, Inc. (XYZ)

Investor Day

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MANAGEMENT DISCUSSION SECTION

Matthew Ross

Head of Investor Relations, Block, Inc.

Good morning. Thank you all for being here. Really appreciate it. Really excited to have you. We have a great agenda that I think will show the broad momentum we're seeing across our business. And for those of you I don't know, I'm Matt Ross, Head of Investor Relations, as was just said.

Before we get into that agenda, you know the drill, we'd like to remind everyone that we're making forward-looking statements during today's presentations. All statements other than statements of historical fact could be considered to be forward-looking. These forward-looking statements include discussions of our outlook, strategy and guidance, as well as our long-term targets and goals. These statements are subject to risks and uncertainties, including changes in macroeconomic conditions, and actual results could differ materially from those contemplated by our forward-looking statements. Reported results should not be considered an indication of future performance. Please take a look at our filings with the SEC for a discussion of the factors that could cause our results to differ.

Also note that the forward-looking statements, including financial guidance and targets discussed during these presentations are based on information available to us and assumptions we believe are reasonable as of today's date. Actual results may vary based on macroeconomic conditions and other risks and uncertainties in the company's periodic reports filed with the SEC. We disclaim any obligation to update any forward-looking statements except as required by law.

Further, any discussion of our lending and banking products refer to products that are offered through Square Financial Services or our bank partners. Within these remarks, we will also discuss metrics related to our investment framework, including Rule of 40. With Rule of 40, we are evaluating the sum of our gross profit growth and adjusted operating income. Also, we will discuss certain non-GAAP financial measures during today's presentation. Reconciliations to the most directly comparable GAAP financial measures are provided on our Investor Relations website. These non-GAAP measures are not intended to be a substitute for our GAAP results.

Finally, these presentations are being webcast on our Investor Relations website. A replay and copy of these presentations will be available on our website promptly following the end of these presentations.

Okay. So like I said we have a great agenda in store today. Jack is going to come up next and talk about where we've come from, where we're going, and the strengths that got us there. We'll dive deep on product, our underwriting strategy, and discuss how we are driving engineering velocity. We're going to talk about how we've redefined our go-to-market strategy over the past year. And a read out will show how all of this comes together for our financial profile and guidance. After the partner panel and Q&A, we'll end the day with our demo hall. This is going to be an amazing opportunity to see and feel our products and talk to our executive team.

Before I turn it over to Jack, I do want to share some of the key themes that we hear throughout the day today. I want you to keep these in mind as you listen to the presentations. This is what makes Block unique. We're a technology company. That's actually a profound statement. Many of our competitors are software companies or payments companies or fintechs or neobanks. We aren't any of those things. We build technology to solve our customers' financial and operational problems. We build hardware, software, commerce capabilities, financial

solutions and networks. We design our products with a focus on customer empathy and creating value rather than extracting it.

Ultimately, we connect ecosystems that empower people. We have unique capabilities, differentiated interfaces, network advantages, and proactive intelligence that we bring to bear for our customers. These strengths drive our conviction in sustaining durable growth, compounding profitability and meaningful cash flow. We're excited to get into it.

With that, I'm happy to turn the mic over to the only person to have founded have been CEO of two S&P 500 companies. Jack Dorsey?

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

Hey, everyone. Thank you for joining us today. Thank you for the time. I'm going to spend a little bit of time talking about where we're going as a company and what we want to focus on in the future. And then we have a full agenda going into all the details and how we're thinking about what we're building today and what we want to build for our customers in the future.

So, I wanted to start with some gratitude. I want to thank you all for having patience with us, for your belief in us, for the time that you're spending with us today. We're really excited to share our story. We put a lot of work into this presentation. We know that our business is complicated and we want to use this time to make sure that it's much easier to understand going forward. We don't see this just as a presentation to you all. We think a lot of the value here is about getting feedback from you as well. So, please give us feedback, be critical, be upfront, be frank. And we are listening. And it's in this room. And it's also for all those who are watching online, always continue to give us feedback. It helps us.

So, I wanted to start off by saying and addressing what the fuck has happened over the past two or three years. I know you all have seen the stock performance, and I know you all have questions about what was going on in the company over those 2.5 years to 3 years ago. And I wanted us to acknowledge this and also own it, and go point by point on how I would diagnose some of our problems in the past and how we're correcting them. So, first and foremost, we had an org structure that served us in the very early days, which was around the GM structure for Square and one for Cash App. But really stressed the product and the organization going forward. We actually pitted these two organizations against each other in order to compete with one another and constantly raise the bar. But in the end, we found that, that competition wasn't serving our customers and it wasn't serving our original goal of being able to be both sides of the counter, Square and Cash App seller and consumer.

So, we changed that. We changed to a functional organization that allowed us to have a lot more flexibility and allowed us to put our best humans and our best talent against our biggest problems and actually build shared resources. Second, we lost our focus on engineering. Because we had a GM structure between these two ecosystems in these two brands. A lot of our engineering talent dissipated and it wasn't highlighted, and we weren't leading with engineering mindset or the ability to solve problems and create challenges for ourselves and solve those problems for our customers. This was a big issue and something that I intended over the past year to really put more of a premium on. We are a technology company, we are engineers, and we need to build magic technology that we can design and productize around for our customers. We've made this reset through a functional organization and you'll see a lot of it in manifest today in the products and the features that we're putting out to all of our customers.

Third, we just had the wrong leadership. We've made a lot of changes over the past year-and-a-half to make sure that we have the right leadership team in place, that it is a functional organization, that all of our folks are focused on mastering their craft above all, so that we can deliver the best products and features to our customers. And then finally, we weren't focused enough. We didn't have the right focus within Square. We didn't have the right focus within Cash App. Now we do. And again, you'll see that manifest throughout the day in our presentation.

So now, what do we look right now? One, we're accelerating our velocity. It's really important to us that we put out as many features and products as a high quality bar as quickly as possible so that we can learn from our customers and what we need to build for the market. Second, we're more and more profitable every single day. That's been a big focus for us, Rule of 40 has been an amazing instrument and framework that we intend to continue to push on and allow us to make the right decisions around our business.

Third, we're connected. We're actually connecting the ecosystems in very visible ways through things like neighborhood and bitcoin, but also invisible ways to you all internally as we continue to bring these ecosystems together and get all the leverage of our shared systems. And then finally, we're more and more automated. And this is really important to me because it allows us to move much faster at a much lower cost of doing our business and bringing that cost to – that cost leverage to our customers as well. So, I wanted to review some of our strengths as a company as a way to expand on the investment thesis that Matt just presented. As I see them, we have all of these capabilities and assets that are very hard to acquire and very hard to build up. We have these two at-scale ecosystems with more behind them. And we're really, really good at interface and building interface and experience.

So I [indiscernible] (00:09:29) dive into each one of those. So, on our capability side, we have all these financial capabilities inclusive of lending, of payments, of everything that sellers and also individuals on Cash App intend to do with their financial life on a daily basis. We have operational capabilities and this mainly is around the Square side. We help businesses operate their business and help them with things that are – take a lot of time away that we can give time back around. We have all these viral networks within our business and within our brands. The most visible and largest, obviously, is Cash App. But we see networks within our staff, our Square seller staff population, within their employees, within their customers, and also sellers themselves. And we benefit from building these networks and make them more and more dense every single day.

And then finally, we have AI capabilities and assets, and these were built in-house and custom to us, which allows us to be more vertically integrated with every single thing that we do. And all of our velocity over the past six months to a year is due to the fact that we've invested in AI infrastructure. That again, is custom to us. On the ecosystem side, you think about two, and we'll go through that. One we have Square, which is focused on sellers and merchants. The second [ph] obvious (00:10:57) one is Cash App, which is focused on individuals. The third, which I think you're seeing more and more weight behind and also the features and how things all connect is bitcoin. And this is really focused on building networks and opening the financial network, so that we can leverage it much better and again bring the costs down to our customers. Afterpay, you know as buy now, pay later. But we really think this is an ecosystem around advertisers. How do we get merchants, whether they'd be very small or very large, to greater reach, so that they can really focus on bringing more and more customers every single day.

And then finally, title is right now focused on musicians. But over the next few years will be focused more and more on general creators and everyone who is creating and looking to distribute their work to a much larger audience.

On the interface side, this is where we really invent and where we have a lot of strength. It starts with hardware. We are a hardware and software company and this is very unique. We build our hardware full stack, we can build

it in the US, and we can build extremely complex hardware systems from a point of sale, which is a full computer that sits on your countertop all the way to a bitcoin miner and the ASIC, and the hashboards. And we can do it in a way that makes sense to our customers. It gives them flexibility and gives them an entirely new experience where they can't find anywhere else in the market.

And because it is in-house, we can pair it with really great software that drives it specifically, which is hard to find. The second is that network aspect, the social networks that we find naturally in Cash App, these are viral networks. They have viral loops associated with them. Every single person that comes on to the network, whether it'd be an individual in Cash App, a seller within Square, an employee of that seller within Square or a customer makes the entire network more valuable and bigger. We have not done enough work to really see this manifest in the products and in our revenue and in the numbers. But this is a big focus for us.

And then finally we have something which we're calling proactive intelligence. This is artificial intelligence paired with real time living data. And we have a deep understanding of both our sellers and also our individuals on Cash Apps, and they're providing us data and understanding every single day, so we can be a lot more proactive with our tools and reach them in a way that they don't have to know which question to ask. We can actually take their data and understand what might be the most predictive next outcome or the predictive next action.

As a company, we've benefited from having multiple inflection points. Our first was this understanding of moving, like seeing more and more of the world and moving to plastic away from paper, cash and checks. And when we saw that, we built the card reader, and that really was the birth of Square. Our next one was noticing what our sellers had to deal with every single day and how they are going to banks to get loans. And those loan amounts were just way too big and way too unmanageable for our sellers. And what they actually needed was a better way to manage their cash flow. And this is where we created Square Loans, which was an invite-only system that allowed us to give anywhere from \$500 all the way up to \$1 million to a seller, based on an understanding of who they were and what they needed and where they sat within their own industry and their own competitive set. And this worked. And this gave us a lending approach that we now extend to Cash App with Borrow. And we can go even further as we look more broadly at our ecosystems.

The third was the debit card and recognizing that all these people have debit cards in their pocket, we could actually build a peer-to-peer network on top of it because there was a very low cost way to push money to that debit card immediately. And all you needed to sign up for that peer-to-peer experience was a debit card in your pocket, and suddenly you could get instant access to your funds. This created Cash App and allowed us to look at that debit card, but also create one of ourselves in the Cash App card.

And then finally, I think we're on the on the brink of another inflection point for us, which is this concept around proactive intelligence. How do we take our living understanding of our sellers and our customers and take that data and pair it with really great AI, such that we can prompt our customers instead of waiting for them to prompt us. Throughout our 16 years, these three words have come back again and again. And it's one of our principles as a company and as something that guides us. How do we give our customers' time back? How do we save them time? We believe this is the most valuable resource that we can give to them. And something that is really important not only to them, but also to us. How do we give ourselves time back and save a lot of the temporal costs and also obviously the financial cost going forward?

And what this means to us is how do we build a fully autonomous economic platform for both individuals and for businesses? And this is exactly what we're focused on. Today, you're going to see a deep dive in the Cash App, into Square, into bitcoin, into all of our products. And we're going to go through all of our features and why they matter and how this all ladders up. But I want to spend a little bit of time before that focused on how I think about

our future and our – specifically the interface of our future. So, as we think about the plan for the next year and the years out, we have a five-point plan that we're working against. And a lot of this has to do with how do we build into our brands the right technology, so that we are future proof. So, we have an interface that lasts a decade and we can be truly proactive and get more and more customers to consider us, but also to stay with us and build on top of us.

So, the first point of that plan is to build Managerbot to operate your business. This is about Square. Right now, we call this Square AI. But as it gets more proactive, as we get a deeper understanding of every single thing that a seller is doing, we want to move to a world where it actually becomes a proactive COO, a manager for your business that truly operates your business. And I'll get more into that. Second, we're going to build Moneybot which you saw cash releases to make the most of your money. We'll go deeper into that. We want to connect neighborhoods globally through Square and Cash App, and we'll go very deep into this later on in the day and what that means, and why we think it's important. We want to reduce our dependency on the current financial system with bitcoin. This is very important to us that we have other options than this current financial system and that's why we've put so much emphasis on bitcoin.

And we want to build it all with tools that we've created that allow us full autonomy and allow us full velocity and really raise the quality bar on ourselves. So, going into Managerbot first. We see this as a way to automate payroll, scheduling, inventory, marketing, all the mundane tasks that a seller has to do on a regular basis. We want them to think of this as hiring a manager or hiring a COO to truly operate their business end-to-end. This reduces manual work and increases throughput, so they can really focus on what makes their business their business, which is their customers, their personality, how they think about their products, how they think about expansion, but take all the mundane work away. Is this possible? Absolutely it's possible today because we have this understanding and because we have this real time information coming in every second that they use Square.

We want this to be consistent. We want it to be always on. And we want it to focus on just effortless operations. So, you can just – you can truly see it as running your business. And again, we have the technology to do this today, and this is going to be a big focus for us. Moneybot is just getting started as well. But this automates budgeting, taxes, savings, payments, everything in an individual's financial life that weighs on them where they have to do something very mechanical. We want Moneybot to be on the very edge of pushing the envelope on helping them build wealth and helping them build savings and helping them really think about their financial life going forward. It's going to be adaptive to all customer behavior and the local context. And you can see this today if you're in the beta for money app, it really understands who you are, the context you're in, the questions you've asked in the past. And it's super, super fast. And this is only the beginning of it.

And then finally, it's globally portable bitcoin-native foundation. What this means is this is working within Cash App such that it can go to stablecoins, it can go to cash, it can go to bitcoin. It all looks the same and it can operate on your money in a much more fluid and easier way so that you don't have to think about how you're transacting and what you need to do. So, both Managerbot and Moneybot, we believe will eventually take over the interface of Square and Cash App, and we're racing to push really hard on these and make them feel like it's something that, again, you can trust to proactively help run your business and help run your individual financial life.

On neighborhoods, this is something that connects all of our ecosystems together. And we see this as one of our strengths, in-person transactions, in-person commerce. We see this as one of the greatest ways to increase Cash App adoption and also Square adoption. It drives usage for both Square and for Cash App. It gives our Square merchants a new way to reach out to their customers, and it gives Cash App customers a new way to engage with our sellers and gives them potentially instant cash back or whatever rewards that a seller wants to make. But it does so in a way that really respects the seller instead of making them a commodity and something like a

delivery app. And we'll go deeper into that later on in the day. It reduces costs for us and it also reduces costs for our customers because all of these are honest transactions there in our network and it truly expresses both sides of the counter in the way that we've been trying to do for years.

Bitcoin there's always been a lot of questions around why we focus on this so much. But really it comes down to this is a long-term infrastructure thesis. I hope that you all saw the Square or the Cash App releases last week. I think you saw a lot of the breadcrumbs in terms of what we're trying to do from a payments perspective and from an everyday commerce perspective. And we believe that generally we need another option for payments and bitcoin represents that, Stablecoin represents that as well. But we believe bitcoin is the most open and the most neutral and the most independent and then something that we really want to see become everyday money as quickly as possible. Why? Because it allows us global access. We can ship all of our features in Cash App, all of our features in Square around the world much faster. If we have a neutral global, open protocol for money.

A big one that we were pushing last week is it's lower fees for sellers. Instead of paying 3% for transactions, they're paying zero into 2027 and 1% thereafter. This really reduces the cost for them. And we do believe that more and more merchants will be driving their customers to lower cost transactions such as bitcoin and Stablecoins.

And finally, it's programmable, and this is really important as we get into agentic commerce and really pushing Managerbot and Moneybot to help run your business having money that is inherently an open protocol and is programmable is going to be very important. And we have a really good reputation in the space. Block is the most important and the most impactful company within bitcoin period. We are doing the most for this open protocol for money. We are open and flexible if it's not necessarily the right answer. But we do believe we need an open protocol for money. We do believe we need a native currency for the Internet and we do believe we need a third option compared to the current financial system today. So that's what this is all about.

Builderbot finally is a model independent autonomous software creation tool. We started this as Goose. You'll see a little bit of it today in another form called G2. This underlies everything that we're doing in terms of building for the company today. This investment a year-and-a-half ago is the only reason we are able to get money bought in Square AI out so quickly. And every single person in our company has used this tool to build something, which is very impressive, and it allows them to automate a lot of their work away and help us focus on what's actually meaningful. And we intend to leverage this significantly over the next few years. Goose is behind all this. You all may see Goose as a front-end, but it's also a back-end. There's something we call Headless Goose, which runs in the background and is constantly looking for ways to improve. Everything that we're doing from Moneybot to Managerbot to our own engineering, to our security. We have gone full on in terms of trying to automate our company. This is our goal, is, how do we automate fully our company, and all the management tasks and all the operational tasks that come along with it. And we want to make sure that it enables every single one of our roles in the company from financial roles, to legal roles, to engineering roles, to design roles such that they can build something themselves and they can get to at least a prototype state or something that saves some time and gives them time back so they can focus on something more, more meaningful.

And finally, before I turn it over to Owen to go through our products in depth, I want to talk about our mindset going forward. We are focused on automation of our company, as I said. If it can be automated, it must be. This is something that we're taking on. We're looking critically at every single thing that we're doing and looking for opportunities to automate our work away. So again, we can focus on being a lot more creative and create more products and more features much faster. We believe that there is a great relationship between humans and AI. We're not going to be diminished by it. We're going to be – we're going to embrace it. And we think our role as humans in this is designing it and making sure that we really focus on the experience and how it feels and that

everything is going to be run by AI. And again, this is a mindset that we're applying to all of our work. How do we design this in a way that feels amazing to customers and allows them to take away a bunch of that friction in time that they otherwise would focus on mundane tasks to really focus on being more creative and focusing on their customers, on their business or their financial life more.

And then finally, I hope you're seeing this in our company and comparing it to the past two years or three years ago. We're really focused on velocity. We're focused on a high quality bar. But what matters most is speed. And speed is going to be our core competency going forward. If we can move much faster as a company, if we can ship our products and features. We're just going to learn much faster and we're going to learn the right product market fit. And I've never felt more confident that we have all the tools, the structure, the team, and the people to actually prove this, and show it off and show that we can move faster than any other company out there, certainly in our space. But as time goes on with larger technology companies and our peers as well. So, this is going to be a big focus for us. But all three of them are really to me what changes our company and makes us much more successful in the future, and allows us to focus on the things that you're about to see during the rest of this day. So, thank you very much for the time. I'll be back for Q&A. Right now, I'll hand it over to Owen to go through Square and Cash App. Thank you.

Unverified Participant

Please welcome Block's business lead, Owen Jennings.

Owen Britton Jennings

Business Lead, Block, Inc.

Hello. Today I'm going to talk about the product strategy that will let us achieve the basic plan that Jack laid out. As you know, the basic plan is to build the smartest app to run your business, build the smartest app to let our consumers run their entire financial life, to connect neighborhoods globally together through bold apps, and then to remove dependencies and single points of failure with bitcoin. So now let's get into the how. At Block, we have an extremely unique set of product capabilities. These capabilities are ones that no one else on earth possesses from our hardware to our networks, to our bitcoin stack, to our underwriting capabilities, and more. Without going into too much detail. We generally think that these capabilities fall into one of four categories. All of our product capabilities are either financial, operational, network-based, or AI-driven in nature. Our brands, our apps are just the interfaces that allow us to make these capabilities useful for our customers from Cash App, to Square, to Afterpay, to Proto and more.

But increasingly what you're seeing is the blending of our brands, the blending of our ecosystems, Neighborhoods, bitcoin payment acceptance, Cash App, Afterpay, all of these are really recent examples of how we're combining our ecosystems together. We've made a ton of progress on the product side over the past 16 years, but there's still so much opportunity ahead. On the Cash App side, we're focused on networks, we're focused on commerce, we're focused on banking, bitcoin, and automation. On the Square side, we're focused on core commerce, automation, and scaling our networks. And then overall, we're focused on bringing together these ecosystems and adding even more value to our customers on both the seller side as well as the consumer side.

Said another way, we're leveraging our capabilities to build what we believe are networks that only Block can create. This is how we're going to achieve the plan. We're building the smartest app to run your business. We're building the smartest app for consumers to run their financial life and we're connecting neighborhoods together globally. We're connecting everyone in the neighborhood. This is the future that we imagine Square on every countertop, buyers connecting with sellers through Cash App. Square employees getting paid instantly into Cash

App, and payments routing on the global bitcoin network, this is the neighborhood that we envision. And this is what you're starting to see come to life.

So let's go a bit deeper into Cash App's product strategy, and how the work on the cash side is going to allow us to achieve the basic plan. Cash App's mission has always been to redefine the world's relationship with money by making it more relatable, instantly available, and universally accessible. Each new product that we launch and every product that we have launched is guided by this mission. Breaking down barriers to access and building technology that makes money more approachable and simpler for our customers. To-date, we've been pretty successful here. We went from a single peer-to-peer app, a simple peer-to-peer app when I joined Cash App about a decade ago into a full-fledged consumer finance platform, an entire financial operating system for the next generation. And to me, these numbers really just reflect how deeply Cash App is stitched into the daily lives of our customers.

But still there's so much more work to do. So let's get into it. Fundamentally, Cash App is an ecosystem. It's a network of products that are stitched together into one simple and cohesive app. As we look to the future, our product strategy is really built around five key pillars. We are the only ecosystem that has these offerings at this scale. We combine the network dynamics of peer-to-peer with commerce capabilities across Pay Now and Pay Later with a full-service banking suite, the best bitcoin experience out there. And now Moneybot, an industry-defining, AI money assistant. Here's a little preview to help you feel it before I get into more.

[Video Presentation] (00:33:59-00:34:40).

Thought I'd wake you guys up a little bit this morning with that one. Okay. So network expansion is our top priority on Cash App. And it's also my number one focus personally. And this is because at the root level, Cash App is fundamentally a network, and network expansion drives everything else that we do. It lifts all boats. We benefit from the classic network effect of a peer-to-peer ecosystem where every new customer that's joining Cash App is making cash more useful for the rest of our customers. And we see this in the data engagement and utility very directly with the number of network connections that a given customer has on Cash App.

When we think about driving network expansion and network density, there's a few key product focus areas for us. The first is network enhancements. The second is multiplayer money. And the third is teams and families. Across all three of these areas, the primary audience that we're targeting is the next generation. And that's because we have such incredibly strong market fit with the next generation. We're seeing really meaningful shifts in terms of what the – how the next generation is earning and how they want to participate in the economy. And Cash App is going to be there to serve them fully.

Okay. So let's talk about network enhancements quickly. We're focused on the core flows of the app and just making it incredibly easy to go through log in, to go through sign-up, to go through the core peer-to-peer flow, card onboarding, et cetera. This means focusing on payment success rates and flow conversions. It means focusing on our customer lifecycle and the overall customer journey. It means leveraging AI and incentives to drive that next best action for our customers. And in the past couple of months, investments in this area have led to hundreds of thousands of incremental monthly actives on the Cash App side.

Second, we're also investing in multiplayer money, and this is because we believe that money is inherently social. We launched pools this past summer and have already seen widespread adoption. This feature, for what it's worth, allows customers to pool funds together for a shared expense, like buying concert tickets or going on a trip. But critically, what we're seeing post-launch is that pools has been a key way to drive new connections on Cash App. And we know that each connection on cash drives incremental inflows and incremental peer-to-peer GPV.

But pools is really just the beginning. We're scratching the surface here. We know that money should be more communal, more expressive. Honestly, it should be more fun. And we're continuing to build new social features and products that allow our customers to connect with each other in deeper and deeper ways.

Last, we're focused on building the simplest, safest consumer finance platform for teens and families. We already have millions of teens that are transacting with us on a monthly basis. We're continuing to invest for this population. We actually just launched high yield savings a few weeks ago for the teen population, but we also plan to support accounts for 6- to 12-year-olds with a focus on the card and on savings. We're also planning to support accounts and balances for those 0 to 5 with a focus on parent saving tools. We're actively working with the Treasury Department and the Trump administration right now on whether we can leverage Cash App Taxes and Cash App Investing to make Cash App an easy and obvious place to save for your child's future.

Fundamentally, our product approach on the teens and family side is about two things. One, expanding access; and two, growing with our customers over time. We believe that we have the most compelling banking product out there for teens right now, and we're only going to expand access from here. We made a bet several years ago to grow with our teen audience, and we're seeing that pay off now with really strong graduation rates, and really strong engagement for teens who are turning 18 and then continuing to run their financial life on Cash App.

Shifting to the second pillar of the Cash App ecosystem, our commerce suite has achieved massive scale over the past few years. Our goal has been to build a commerce platform that lets customers pay however they want, in-person, or online, pay now, or pay later. We've built the tools and products that meet customers where they are with maximum flexibility.

Starting with our pay later products. We built these for the next generation of customers who just want more control of how they manage their money. We have a comprehensive set of Pay Later solutions within Afterpay, but then also increasingly within Cash App as we unify our offerings in the United States. Taken together, we're giving customers flexible and transparent ways to pay over time while at the same time driving engagement and driving better conversion for merchants. All of this is powered by our unique approach to consumer credit. These loans don't revolve. You can't take out another loan on Afterpay if you haven't paid back an existing loan. There's no revolving debt spirals. We use proprietary near-real-time data to underwrite our customers, which allows us to expand access to millions. Brian Boates is going to speak a bit more about this later on today.

We're continuing to invest in core Afterpay, particularly in markets like ANZ where we have tremendous market fit. But we're also focused on unifying Cash App and Afterpay in the United States increasingly as we tie the two together. And this is a huge opportunity both for our customers, but then also for our business. We've seen early success here already, but there's still a lot more to do. We think that we have an opportunity to cut over basically all of the US Afterpay actives into Cash App over time. And this can drive Cash App actives growth, but also it will just increase LTVs for these consumers who are going to attach to products over and above Afterpay as they come into the Cash App ecosystem. And we're not just guessing here. It's already working. We're starting to see – we really started to scale Cash App – Afterpay on the Cash App Card this past summer, and we've already gone from a \$2 billion annualized rate of originations to more than \$3 billion from July through early October. And I think our growth here reflects a few things. First, just our unique data and our world-class ability to underwrite. Second, how much fit these Pay Later products have with our customers? And then third, the potential for unification to be an enormous tailwind for Cash App.

Next, we're announcing that we are not only going to be scaling Afterpay on the Cash App Card post-purchase, but also we're going to be rolling out Afterpay on the cash card pre-purchase. We believe that this is a massive paradigm shift, particularly just because of our scale and the scale of the Cash App Card program. We have more

than 10x at the active card users than some of the smaller competitors who offer similar things in the market. We'll be issuing a new Cash App Visa Debit Flex Card, and we'll be starting pilots in the coming months. I have a card in my pocket and I – actually it's not in my pocket, but it's over there. And I have, and I have my – and I have an app version and I'm happy to show all of you at the demo bar later today. We're really excited about this.

Of course, though, our Pay Now solutions really drive the majority of the cash commerce volume right now. Cash App Pay has grown from basically nothing a few years ago to a quiet behemoth, largely on the back of the enterprise sales team that Nick leads, and that came over with the Afterpay acquisition. And we believe that it will continue to grow as more and more large merchants choose Cash App Pay because we're able to offer a lower cost structure given the stored balances that we have in Cash App. Actually, we just signed up Target, and rolled Target to 100% this week. And we continue to see a really strong pipeline of large merchants who want to accept Cash App Pay.

Cash App Card is obviously the cornerstone of our commerce suite. We're the fourth largest debit card program in the United States, only coming in behind Wells, JPMorgan, and Bank of America.

And about a fifth of all teens in the United States have a Cash App Card. Just think about that for a second. One in five teens in the United States have a Cash App Card, that sort of penetration is truly unparalleled. And as we look ahead, we're focused on enhancing the utility of Cash App Card. Cash App Card is becoming so much more than just a simple payments tool. Increasingly, it's the gateway into Cash App's entire banking suite.

And when it comes to our banking platform, we've made meaningful progress on primary banking actives over the past few years. We've gone from about 2 million primary banking actives a few years ago to now almost 9 million. And this has largely come from just making our banking product more compelling, filling feature gaps, so on and so forth, but also systematically driving cross-sell and upsell into primary banking from our core base of 58 million monthly actives. Okay. But why does this matter? It matters because primary banking actives are more engaged, more retentive, and ultimately just way more valuable than the average customer. A primary banking active on Cash App generates more than \$300 in gross profit on an annualized basis. This is more than 10x the annualized gross profit of a peer-to-peer only customer.

I'm just going to pause here for a second so we can look at this chart. We have so much runway to drive conversion from the 58 million actives into primary banking actives. And each customer that we convert to a primary banking active drives incremental gross profit and incremental ARPU. The way the customers are earning and participating in the economy is fundamentally changing right before our eyes. More than 40% of our customers right now are not earning income via the standard traditional W2 direct deposited into your bank account. These are gig workers and content creators, entrepreneurs, and solopreneurs. And that's why we launched Cash App Green last week, a massive improvement in terms of how we think about our banking suite. Qualifying customers can now earn Green by spending on their Cash App Card. So if you spend at least \$500 a month or by getting their paycheck deposited into Cash App, this is a huge improvement. And when they do so, they get access to all of the best that Cash App has to offer from high yield savings to personalized, targeted instant discounts, to priority phone support, higher overdraft coverage, and now the ability to unlock Cash App Borrow and get higher borrow limits. I think that this program is going to be the single most important driver of primary banking activity on cash as we head into 2026.

Green is going to be the thing that moves our customers from the left side of that chart that we were just looking at to the right side of that chart. It's branded, it's simple and clear. It's gamified. It's now dual access where you can unlock it with spend, and it includes the ability to unlock borrow and get higher borrow limits just by choosing Cash App as your primary banking platform. As I said on the earnings call a couple of weeks ago, on the product

side, we just absolutely love these sorts of multivariate systems. They allow us to run experiments, to turn knobs, to twist dials. They let us calibrate and just find that efficient frontier of what's best for our customers and what's best for our business. The first product I worked on a Cash App was our referrals and invitations program. The next product that worked on a Cash App was Cash App Boost, which was our instant discounts program. And for me, it's just so clear that Cash App Green is going to be another one of those for us. We'll be able to build on top of this primitive. We'll be able to offer more benefits, tweak the offers, change the tiering, and so much more.

The single most important part of Cash App Green, I think, is the ability to unlock Borrow. Borrow is among the highest product market debts that we've ever launched by Cash App. It helps our customers smooth over expenses and manage their cash flows in between paydays. And we have 5xed originations on Borrow over the past two years, all while keeping loss rates relatively flat. And what we see is that customers absolutely love Cash App Borrow. It has one of the highest retention rates of any product in consumer fintech.

But the other critical piece to understand here is the second order effects, and the second order benefits of Borrow. Borrowers are more engaged than the average Cash App customer. A majority of Borrow funds actually stay in the Cash App ecosystem, and flow through Cash App. So the way that we think about it is, one, Borrow is a great business in its own right. Second, it's one of the key drivers of second order engagement that we end up monetizing. And then third, now critically, it's a huge carrot that we can use to incentivize behavior like primary banking activity.

We'll now turn to our fourth product pillar on cash, bitcoin. We fundamentally believe that bitcoin is a better form of money because it's decentralized, because it's censorship resistant, because it's global by default, and because it's inherently deflationary. We're getting back to our core principles on the bitcoin side, and we have a lot of really exciting launches coming up in the coming months. Our basic goal here is to be the simplest, cheapest and most accessible bitcoin platform in the United States. Currently, our bitcoin customers are some of the most valuable customers on cash. We see higher inflows, we see higher engagement, we see a higher monetization rate, and it's all coming from that engagement on the bitcoin side.

First, incredibly easy to buy bitcoin. We were the first public company back in 2017 to launch bitcoin buy and sell. Then we made it easy to get paid in bitcoin with automatic bitcoin distributions when you get your paycheck deposited into cash with no fee and no spread. So our customers could literally get paid in bitcoin.

And now as of last week, we're making it easy for customers to spend their bitcoin. Let me show you how it works. So now in Cash App, there's a map view of sellers that accept bitcoin, which we continue to see increase. We'll pull up that QR code scanner. You can scan a bitcoin QR code, review the receipt details, and just like that, you've paid for your cappuccino or you paid for your latte in bitcoin.

Money has taken on a bunch of different forms over time, from barter, to precious metals, to paper bills, to credit and debit cards. And now increasingly because of the work that we're doing, bitcoin. But it is not the case that every single customer who holds bitcoin right now wants to spend their bitcoin. Which is why we are launching bitcoin payments on USD. This is a complete paradigm shift.

We can now transfer value from a Cash App consumer to a Square seller on bitcoin rails, but using dollars. This allows customers to spend their fiat instead of their bitcoin while still strengthening the bitcoin network. Here's how it works. A customer initiates a payment by scanning a QR code. We prompt the customer to see if they want to fund this bitcoin purchase with bitcoin, and their bitcoin balance, or with dollars. So here we'll select the dollar balance. We then auto buy bitcoin on the customer's behalf. Send the bitcoin to the Square seller on the Lightning Network. We then auto sell the bitcoin all for no fee and no spread. And we settle the transaction in dollars.

There hasn't been a new debit network created in the United States in the past 40 or 50 years. And what you just saw was us moving dollars on the bitcoin network into dollars on the other side. This is a complete paradigm shift. As we look toward the future, the last pillar and probably the most major pillar for us to talk about is automation. Introducing Moneybot. Moneybot is your always-on assistant that helps you manage your money with clarity and with confidence. Moneybot helps customers understand and navigate the complexity of money it learns and adapts it connects the dots between how you spend, how you save, and how you invest. So let me give you a quick tour of here of a Moneybot.

First off, you're going to see Moneybot in the bottom nav. It's the friendly little smiley face that's winking at you. When a customer taps in, we're analyzing their money movements in real time, and then we're reflecting that back to the customer. Moneybot greets you proactively and it suggests prompts based on your activity using our proactive intelligence models. One of the hardest parts of managing your money is knowing the right questions to ask. All right, so let's tap in here where I have a review of I spent 12% less on groceries. Moneybot will then generate a chart in real time showing me my spending patterns. It clearly explains what's happened with my money and why. The most important thing is that it's going to keep on prompting to get to that next relevant action and that next best action for our customers. So Moneybot suggests moving my excess cash into a savings account for my rainy day fund. It's then getting to work in an agentic way. It's going to try to complete this flow on my behalf.

Moneybot isn't read only like everything else out there. It's actually doing the work. It's building agents that can complete flows on behalf of our customers. There is one key thing here that right now we will always have the customer in the loop. We'll always have a human in the loop. So before any transaction happens, a customer will hit confirm. But we're taking out as many steps as possible and we're giving time back to our customers.

Okay. Let's go to the second demo. Let's imagine that I went out to dinner with my friend [ph] Justin Danks (00:54:00). Then I come back to Moneybot and it prompts me, and it says, hey, saw you went to dinner, do you want to split the most recent purchase from [ph] Golf Noodles (00:54:09)? So I can tap into that and I can reply and say, yeah, I want to split it, let's split it with [ph] Danks (00:54:19). But I want to cover the tip. So Moneybot will do the math using the receipt data that we have. It will find the right person or who it thinks is the right person, which is [ph] Danks (00:54:26), and of course, it will complete as much of that flow as possible. So this looks pretty good to me and I can just tap on that action card, the UI of which we generated on the fly. So then using our new core payment primitives, I can confirm the details of the money movement and bam, just like that, I sent the request to [ph] Danks (00:54:47). This is a pretty awesome and pretty new way to think about a bill splitting experience.

Overall, when we created Moneybot, we wanted to do two key things really, really well. The first was personalization. Moneybot knows you, and it knows your Cash App activity from the way it greets you to the guidance that it offers to how it responds, every interaction with Moneybot is one of one. The second is proactive intelligence. A big challenge with AI is often knowing the right questions to ask. But Moneybot changes that. It keeps a pulse on what's happening. And again, it's not just read only. We're actually able to complete these flows on a customer's behalf and take nine or 10 steps out of what otherwise would have taken 10 seconds or 20 seconds to complete. We can now do it basically instantly.

Well, we think this is really just the beginning of inventing on the interface. We're turning Moneybot into the default way to experience cash. We see Moneybot as the primary interface that can power all of the products and all of the features that we offer to our customers. And again, all of this is powered by our focus on memory, proactive

intelligence, the personal and proprietary data that we have, our ability to do generative, on-the-fly UI, and of course, an always-on understanding of your money.

So, summing up Cash App, I think you can see that we're building momentum across all five of these key pillars, each reinforcing the other to drive long-term growth and customer engagement. On the network side, we're accelerating actives by focusing on the next generation. In commerce we're making our spending products even more flexible across pay now and pay later. On the banking side, we're driving primary banking activity with the launch of Cash App Green. With Bitcoin we're working to make Bitcoin everyday money in a way that no other company is. And on the automation side, we're leading the next evolution of personal finance with Moneybot.

All right. Now let's turn to Square. Our mission on Square is to build the future of neighborhood commerce and to do so by making commerce easy for our sellers. We want it to be effortless to start, run and grow your business. When I joined Square, basically all of our GTV was on that little white reader that plugged into an audio jack. But we've come a long way since then. We're serving almost 5 million sellers of all shapes and sizes across a number of different geographies. When I talk to sellers across the globe, I hear three things really, really consistently.

First, they complain about the dozens of software tools that they have to use, that they have to juggle in order to run their business. It's a huge burden. Second, labor costs and input costs are taking a massive toll, particularly in the past few years. And third, they need more ways to drive growth. It's getting harder to attract new customers and to engage deeply with loyal customers. That's where Square comes in.

Our goal is simple to give sellers the tools that they need to make selling easier and to make operations smarter. To do this, we organize our product efforts here around three key pillars. The first is core commerce. The second is automation. And the third is networks. We believe Square is the only company that designs and builds every layer of the seller experience in-house. This is critical. From the hardware, to the software, to the payments, to the commerce tools, to the financial services that run on top.

And this deep vertical integration gives us end-to-end control of the customer experience so we can move faster, we can offer the best experience to sellers, and we can serve more types of sellers and ultimately give time back. What makes this approach unique is that it can scale across every audience, from food and beverage, to retail, to health and beauty, to services. And it scales across geographies as we grow as well.

We own the entire vertical stack and then we've been able to build primitives for each layer of the stack that work for every type of seller. We've been extremely focused on food and beverage recently, as you know, but our approach lets us serve more types of sellers than many of our competitors who; one, don't have the vertical integration that we do, and then two, don't have the platform primitives that allow you to serve multiple audiences. So, let's get a quick taste of Square before I dive in.

[Video Presentation] (00:59:42-01:00:30)

All right, let's dive into our first pillar for Square, core commerce, Square's Commerce Solutions are bringing together the software side, the banking side and the hardware side into one simple, seamless and scalable product experience for every type of business. Let's start with software. At the heart of Square's commerce ecosystem sits the software, the operating system for sellers, and really the connective tissue for local commerce.

Square makes local commerce easy by powering every job a seller needs to do to run their business; from the front of the house to the back office. The way that I think about this software suite is that it's really like the central nervous system of a given seller's business. And this is critical because we know how important software is,

especially as we move upmarket. Larger sellers are choosing Square because of our software capabilities; from marketing tools, to staff capabilities, to our developer APIs. This is a huge selling point for Nick and the sales team, when they're having conversations with larger sellers, and when sellers use our software, we see retention increase as sellers are deepening their engagement and their relationship with Square.

In 2025, we shipped a ton of new features on the software side and going forward we're not slowing down. As we look into 2026, we're going to make further inroads not only in the QSR space, but also the FSR space and the retail space, so that Square shows up in every single neighborhood, on every single countertop. Banking is also a major differentiator for us when it comes to our core commerce capabilities.

We know that banking is incredibly hard for small businesses. That's why we built Square Banking to focus on speed, simplicity and access. And it's already all inside the tools that our sellers are using every single day. Sellers get instant access to their funds through Square Card and instant payouts. Plus they're getting reliable access to liquidity through our lending products when they need it.

When it comes to lending, Square has a couple of unique advantages. First, we have access to real-time proprietary data that lets us underwrite sellers who would otherwise be left out. And then second, because of our position in the flow of funds, we have first access when it comes time for a payment. This lets us increase access for sellers and it's going to continue to allow us to innovate on the lending and working capital products that we can make available to our sellers. Our banking products continue to be one of the most critical drivers of growth on the Square side.

And going forward, we're leaning in even more. We're expanding nano loans. We're launching a premium credit card, and we're cooking up new credit paradigms that will help sellers of any size and any shape smooth over their cash flows and invest more in their business.

Last, but certainly not least on the commerce side is hardware. Hardware is one of our superpowers. We've been a hardware company from the very beginning, from day one. Not only does this mean fewer points of failure or faster customer experiences, better support. It's also about our brand. Our portfolio of hardware products has grown significantly over the past few years. We're continuing to invest in purpose-built elegant hardware that sellers are proud to put on display.

Our hardware is instantly recognizable by customers, sellers and buyers alike, and it just feels good when you hold a Square handheld in your hand. A lot of investors are calling this the Templeton Touch, but whatever you call it, it's clear that we are defining the point of sale hardware category and we have offerings for any environment and for any type of seller with additional form factors coming next year in 2026.

Overall we've been delivering for food and bev for the past two years, just like we said we would. We've brought together the software side, the banking side, the hardware side, that all food and beverage sellers need. You can see it in the results. After saying we were going to focus on this base, we're seeing GPV growth run at 17%. We're seeing new volume added growth run at 26%. For me personally, I think Katz's Deli choosing a run on Square is a pretty good sign of the market fit that we have here in the QSR and the food and bev space.

Here's another quick example just to bring things to life. This is Van Leeuwen Ice Cream. They've been a Square seller for over a decade. And their journey kind of just perfectly illustrates the value of the Square ecosystem. Van Leeuwen started like most small businesses do. One location, one point of sale. And since then, they've basically adopted everything that we have to offer. At this point, they're running 70 locations on Square and they're doing \$50 million in GPV on an annualized basis.

Turning to the next pillar. Let's talk about automation. For Square, we see AI as the greatest tool to give time back to our sellers. Our AI tools aren't just analyzing data and offering up insights. It's fundamentally helping sellers run their business. We're taking tasks that used to take hours and hours, like organizing all of your vendors and comparing prices to figure out where you're going to buy your onions or your coffee cups from, and we're collapsing that down into seconds.

And just like on the Cash App side, we're focused here on proactive intelligence; smart, tailored action prompts that give our sellers real economic value in real time. Most small businesses today are just overwhelmed by the software tools that they have to use. They're generally paying for 10 to 20 software tools, but then they're only using 20% or 30% of each tool. It's kind of a crazy situation. It creates a ton of unnecessary cost and complexity and a ton of wasted time. Square's automation products are going to change that.

We're giving sellers time back with powerful, easy to use tools like Square AI, voice ordering, order guide and support bot, all of which have been designed to automate the hardest, most time consuming, honestly, the most annoying parts of running a small business so that our sellers can focus on what really matters, which is growing their business.

So, let's take a look at Square AI. I designed to make sellers make faster and better decisions. With Square AI you can check daily sales. You can explore business performance. You can get clear, actionable insights. Here's one example. A business owner asked Square AI, if they were okay to close their wine bar an hour early on Mondays. Square AI, instantly showed them how significant the tips are typically in that hour. And so within minutes, the small business owner and their staff decided to stay open. This is a decision that would have taken hours and hours and multiple spreadsheets before, and we just condensed that down into 3 minutes or 4 minutes.

Next, I'm going to go through a demo of voice ordering. AI voice ordering helps our sellers never miss a sale because they're never going to miss a call ever again. Here's a demo of Willem, our Head of Product on the Square side showing you Square AI voice ordering.

[Video Presentation] (01:08:20-01:09:24)

Next, I'm excited to announce Managerbot. Managerbot is rebuilding Square from the ground up to be AI-native for basically everything in the back office? It's proactive by nature. AI agents anticipate the needs before sellers have to ask; low stock, spiking orders, time to plan for the holiday rush. And it's adaptive by design. Views build themselves for each business, making Square, completely personal and endlessly customizable. It's fast and it's assistive. Smart drafts and automated workflows turn complex tasks like a detailed purchase order into quick and confident actions. And it's agentic at its core.

Routine work takes care of itself, freeing sellers to focus on what truly drives their business. Our vision for Managerbot is that it's going to be the future for Square for everything on the back office side. Managerbot will be truly agentic, meaning it can take actions on your behalf, will generate custom UI in real-time based on the task at hand, and it will offer proactive intelligence to our sellers so that they can make smarter decisions and run their business more efficiently.

Closing out on Square, we'll zoom out and talk about the broader block ecosystem we'll zoom out and talk about the broader Block ecosystem a bit, how we're using our networks to connect not just different parts of Square, but different parts of Block overall. Our network strategy on Square is focused on three key opportunities. First, the network between buyers and sellers. Second, the network between employees and staff, who work at Square, of

small business and then third the vendor network. Brian is about to go pretty deep on this opportunity, so I'm not going to spend too much time. But suffice it to say, we see a massive opportunity to connect Cash App with Square. This will drive growth for Square sellers and will drive actives into Cash App.

On the employee side, there's another incredible opportunity to connect employees at Square businesses directly into Cash App. We'll leverage Square payroll, integrated tipping, time management tools to drive these employees into Cash App. And this does more than just simplify payouts and time management. It's extending our network. Every single new staff member at a Square business will become a Cash App active with access that everything Cash App has to offer.

Third is the vendor network. There are some products here that we're in the process of building, and we plan to leverage the scale of the Square seller base to transform procurement and to improve margins for our sellers. The first step here was order guide, which we announced that Square releases, advising sellers on what they can buy and from whom, so that they're able to save money.

The next step is to connect sellers together in a network that automates AP and financing through standardized catalogs, and then eventually group purchasing and negotiated rates is where we see this network going. Every transaction between sellers in the Square network will strengthen it and will drive further ecosystem growth. So, Square is focused on core commerce, automation and networks, each working together to help sellers thrive. In commerce we've united software, hardware and banking into one seamless platform and in automation with tools like Managerbot, were giving sellers something truly transformational.

On the network side, we're building three interconnected ecosystems; buyers and sellers, the employee network and the vendor network. All of that will create shared value and compounding growth for Block. Together these three pillars position Square as the platform that empower sellers to do more, grow faster and build stronger businesses everywhere. Square is no longer just that little white reader. We're a mature operating system and the central nervous system of millions of small businesses across the world.

And Cash App is no longer just a peer-to-peer payments app. It's a full consumer finance platform that millions and millions rely on to run their everyday lives. We're expanding and deepening network connections on the Cash App side to drive network growth. We're building flexible spending tools for everyday spending. We're the primary banking platform for millions. We're embracing Bitcoin as everyday money, and we are pushing that forward more than anyone else. And all of these things are going to be built directly into Moneybot. That's the power of the Block ecosystem.

Every link that we create between Square and Cash App strengthens the other and accelerates growth for both brands and for Block overall. When you put it all together, we're doing more than \$10 billion in gross profit. We've built more than 25 revenue streams, each of which are doing more than \$100 million in gross profit on an annualized basis. And as we increasingly connect our ecosystems together, we see massive runway to continue to accelerate growth here. We have a strong track record of doing so, and now it's time for us to continue executing.

Overall product velocity of Block is back, not just on the Square side, not just on the Cash App side, but across the company. We've organized ourselves in a smarter, more flexible way. We have the right leaders in the right spot. We've raised the bar on performance. We have deadlines and we have releases to drive urgency. And we're firing on all cylinders. Now, I'm going to pass it off to Brian, the creator of Cash App, to walk through a little bit more about Neighborhoods and how we're connecting Cash App and Square together. Thank you.

Unverified Participant

Please welcome Block's Ecosystem lead Brian Grassadonia.

Brian Grassadonia

Head-Ecosystem, Block, Inc.

Got to find my X on the stage. There's a nice, healthy debate going on back there about what happened with Owens AV issue. We think he might have unplugged the cord, so just keep that in mind when he was given AV guys trouble. I'm with the microphone, anyways good morning, everybody. Thank you for being here and welcome.

I'm extremely excited to get to chat with you all today. I think the last time that we held one of these Analysts/Investor Days in person, it was about 10 years ago. Right down the street and over at the Presidio Officers Club, some of you might have been there. It was right before our IPO, and I got up on stage and I got to share something I was working on, which was Cash App. And at the time of our IPO, I think it's just like worth calling out that Cash App, it really was a footnote in terms of the investment thesis of our company.

I think I had maybe a five-minute allocation, maybe two or three slides to kind of get to share the work. I got a little bit more time today and some [indiscernible] (01:17:00), so maybe I have a little more credibility this time. Yeah, so today I get to share another project that I've been working on similar to the Cash App, it's a network. We've been working on it for about a year and I really do think that this has the potential to have as much impact for Block that Cash App has had potentially even more. So, I'm hoping that you all get excited about it and understand the potential.

So, just to set a little bit of background context. When I started working on Cash App back in 2013, I kind of started a side project. It was born out of an exploration I was doing at the time to figure out if there were ways where we could lower the cost of payment processing on behalf of our sellers. In order to do that, I knew that I would need to create a product that could achieve mass market scale with a cost of funding advantage.

And so as a result, we started exploring ideas in the peer-to-peer payments landscape. And so we started working on a product that we called Square Cash at the time, kind of symbolizing the connection between the two ecosystems. And when I thought it would be, just a small side project ended up being a 12-year journey. So, about a year ago, I stepped away from the day-to-day management of Cash App to kind of see if I could create an experience that would bring the original vision of Cash App back full circle to see if we could drive economic empowerment for our sellers and consumers in a much more deep and even meaningful way.

So, we began our exploration by looking at the neighborhood, a place where we believe that the opportunity for driving economic empowerment truly comes to life. And so in many ways I've always I've thought about Neighborhoods as representing the battleground for the cultural identity of our society. In the ideal scenario, our Neighborhoods are fueled by a thriving small business economy, where local business owners and entrepreneurs feel inspired to be their most creative selves, where they can pour their creativity into their store fronts and into their products, but also often our Neighborhoods don't end up looking like this. They end up looking a bit more like this. Thanks a lot.

We've all visited communities like this. You kind of take the 50 largest national chains. You plop them down in a predictable grid. And these aren't places that inspire us. They're not places that we like to linger. They're places that kind of stress us out. We visit them if we're hungry or if we have to buy something. They're very utilitarian. So,

the unfortunate reality, though, is that these national chains, they have tremendous resources, they're well-capitalized, they have repeatable playbooks for opening new locations and spreading. They have robust software offerings for streamlining their operations and managing cost.

And increasingly, they're developing really sophisticated digital strategies for not just acquiring new customers, but in some ways even more important in today's environment, retaining the customers that they have, establishing first party direct relationship with their consumers, and re-engaging them. At the heart of these digital strategies, a theme that we've seen play out over the last 10 years is that we're increasingly seeing national chains investing in their own first party mobile applications.

And these applications, for the most part, they kind of do the same thing. They tend to wrap some sort of online ordering utility into a rewards program. And these national chains are really invested in distributing these. If you walk down the street, if you walk into their store, they're thinking about the kind of customer lifecycle in their store. They'll oftentimes have a big sign plastered on their window, prompting people to download the app, maybe signage at the point of sale to download their app.

And it's essential that they do this because they're trying to avoid being disintermediated and giving up their customer relationship to third-party delivery marketplaces. And for the most part, this strategy – it's really working as we kind of see here from the App Store rankings. Some of these apps represent the largest apps in the food and beverage section of the App Store.

And so, what started off kind of as a strategy of like the largest national chains has actually become the default playbook that we see for most of the national chains within the United States, develop a relationship with their customers directly so that they can build a followership of downloads, they can send marketing campaigns, they can directly engage their customers. And, we talk to a lot of local businesses and they kind of see this theme playing out and they have the exact same objective, like they don't want to be disintermediated either. They want to make sure that they're establishing a direct relationship with their consumers. They don't want to give up their customer relationship to marketplaces.

And so a lot of them have kind of pursued the same strategy of trying to build their own mobile applications. But we think that this is a futile effort. I don't think this is likely to work. And for some of us, maybe we've seen some of these applications. But the problem with them is, consumers really don't have an appetite to download dozens of mobile applications for every restaurant or QSR that you would visit.

We all have tons of apps on our phone. They kind of get lost in the clutter. We don't have an ability to kind of manage dozens of logins. We don't have the capacity to manage dozens of fragmented loyalty programs. These apps tend to not have the scale for any one of the sellers to build up a stored balance system to drive down the cost of processing. It just is not a strategy that we think is worth pursuing for local businesses, and we don't think it's going to work. So, that's why we built Neighborhoods. And so with Neighborhoods, we roll this out a couple weeks ago at fall releases.

For those of you that were there, they just heard me say a lot of what I just said, I promise you the rest of the presentation is different. So, that's why we rolled out Neighborhoods. So, with Neighborhoods, what we're able to offer to our sellers is we're able to offer them a software offering that gives them all of the same capabilities of having their own mobile applications, all of the same benefits, without having to manage the complexity, without having to invest the cost, without having to figure out how they're going to invest in the distribution strategy to get that application distributed.

It's an ecosystem that exists within Cash App, and I'll explain in a second some of the features that our sellers are able to get with this. So, the first thing that we're offering our sellers with Neighborhoods is a first party online ordering profile. So, when a customer downloads Cash App, they receive a profile. And this profile has all the same capabilities that you would otherwise get with an application. It has an ability to order directly from within the application.

We've built a network-wide reward system that works as part of the program, all stored within Cash App. So, instead of consumers having to manage dozens of different loyalty programs, it's one loyalty rewards program called Local Cash, where if you acquire local cash at one seller, you're able to spend it at another seller so we're able to create kind of economies of scale and a strength in numbers so that the local businesses are able to compete more effectively with local chains.

Because this is built into Cash App, we have a pooled stored balance account which leverages the Cash App stored balance so that we're able to help drive down the cost of processing for sellers that are adopting Neighborhoods, and I'll talk about that in a second. Sellers are able to build a loyal base of followers just like they might if you could imagine if they were building an Instagram followership or something like another social media platform that we're able to drive followers instead of downloads. And those followers, once the seller acquires a follower, we're going to provide an offering that behaves just like if they were to give a download, because we're offering a free suite of marketing tools for the sellers to reach their followers. There's no payment, they don't have to pay to engage their own customers, and there's no gatekeeping and no additional fees.

So, next I'm going to kind of walk you through a demo of the customer journey for how Neighborhoods works. So, it begins in store, right, at the point of sale. I was walking down the street just yesterday down on Chestnut Street, there's a large national chain, they had a big billboard, all right, like it's like a window plastering in their window, kind of promoting their digital application or their mobile application. So, we have a very, very wide network in distribution of buyer-facing displays, many of you have seen them in your local Neighborhoods right at the point of sale. And we can start our journey by promoting Neighborhoods right at the point of sale. And just like you might see an opportunity to download a mobile application, customers are prompted to follow the seller and earn rewards on Cash App.

As they move to the checkout flow, there's an opportunity to follow the seller. And then as they move through the flow, we're using Local Cash rewards, which is a cash back program. This is – it's an in-network loyalty program where you can scan the reward and you can save the seller's profile directly into Cash App. So, this is Cash App. And so once you enroll for Neighborhoods, you have a new experience, right, and it's called the Neighborhoods tab on Cash App, and now you can see you're following that seller. You have their card, you have your Local Cash balance, which you can accumulate across sellers, and you can see your order progress right in the middle app right there.

So, just to kind of help illuminate the opportunity here, we have a massive, massive distribution of quick serve restaurants within the square platform today. We see – we have over 250,000 locations that are already on Square. And those – at those locations, we see over 320 million unique cards every single year, just to kind of give you a sense for like the scale of our distribution, the scale of our reach. And so, we've been testing Neighborhoods now for over a year. We have different cohorts, and this is what the cohort curves look like in terms of how effective we've been at acquiring consumers at a given seller into Neighborhoods. You could see each quarter that we've like iterated on that experience, we've gotten stronger than the last quarter. And so, you can see these curves, we haven't really seen the potential of where these go. Right now, they look like they're just up into the right in a kind of a completely linear way.

And if we look at some of the examples for some of the sellers on our platform that have really leaned in, we've been able to achieve almost – enrolling almost 10% of their customer base in just the first six months of them being live. And that looks like it's still continuing to grow.

Now, the most exciting thing for us, I think in terms of the investment thesis for Neighborhoods is that approximately 50% of the people that are enrolling in Neighborhoods were not active on Cash App in the last quarter, which represents a massive opportunity for us to bring new Cash App customers into the ecosystem and continue scaling the Cash App network. We think this is a huge competitive advantage in terms of our proprietary distribution channels to continue growing the Cash App network, bring sellers onto Neighborhoods, turn the network on, customers come into the ecosystem.

So, coming back to the demo. So, once a consumer adopts Cash App, now they have the Neighborhoods tab on their phone and now the profile acts just like it would if they would have had that seller's mobile application. They can order directly from the seller. They can do pick-up. They can do delivery. They can browse items. Here we look at what pastries are available, we're selecting Almond croissant, we'll add it to our cart. And this is where the Local Cash reward system will come into play. You can apply your Local Cash to the order. So as you are earning Local Cash at the seller, you can apply it kind of creating a consumer advantage or a consumer use case for them to – I want to order for this channel versus other channels. We can checkout. And then, we're back onto the Neighborhoods app.

So, the other thing that we're really excited about with this is because we're leveraging Cash App, Cash App brings in over \$300 billion a year in inflows. We have a large stored balance pool that we've been able to create within Cash App that we're putting – allowing our sellers to leverage to bring down the cost of payment processing for them. So instead of them investing in their own mobile application, trying to build their own store balance or their own top-ups, where they might bring down the cost of processing, we're allowing sellers to leverage our store balance ecosystem to bring down their costs, which we've seen to be a really, really compelling reason why sellers are wanting to adopt this. If they can drive sales to this channel, it helps bring down their cost.

Now, I think something that's important to kind of highlight here is that this kind of strategy in terms of our pricing, this isn't about us trying to kind of create a new payment margin business where you charge 1% and we're trying to make a lot on the spread between our cost and the 1%. This strategy is all about building a network that has tremendous value for sellers and tremendous value for consumers so that we can create network scale, so that we can bring sellers into the ecosystem through our pricing, through this pricing mechanism and then allowing us to bring consumers into the ecosystem as well. That's part of – that's what our strategy is here.

So, moving along with the demo. It's just showing as you kind of move throughout the Neighborhood and you find sellers that are on Neighborhood, you can follow multiple sellers. It's simple, it's all consolidated right in your Cash App. You can follow multiple sellers. And as you're building up your Local Cash at sellers, you can spend across the ecosystem.

So again, I think that the [indiscernible] (01:30:47) but this is all about a seller building their own following. This is almost like an anti-marketplace where they're not getting kind of commoditized, where they're just – their items are getting kind of commoditized within a supply, this is about them building their own followership.

And we're kind of putting our money where our mouth is by giving them a suite of marketing tools for them to reach out to their customers directly once they follow them. So, this is a view of the Square dashboard. I can see how many followers I have. I can see how much Local Cash they've redeemed at my store. I can see what kind of demographics we have and how much revenue they're generating. And so as I build up my followers, I can

compose campaigns to engage and so in the same way that if I were to build up – build my own application, distribute my own application.

One of the main reasons that sellers do this is that they can send campaigns and push notifications, offer free items to keep them coming back. So, a seller can compose a campaign. In this case, we'll select their entire audience. But you can cut this by lapsed customers. I can compose, send out a free croissant to my followers, all for free without any payment for us as long as [indiscernible] (01:31:54) followers, you can send it out.

And then, the consumer is in Cash App. They can receive that message. In this case, I have my free croissant. Now, one of the most important things here, the reason why this is so powerful is because we built this in a way where there's a catalog available on the profile. There's online ordering in the profile. These campaigns kind of serve as like a bankable item. Now, I have a bankable item of offers for my sellers to re-engage. I can click on the offer. I can add it to my cart. And then, I can order that item for free, and you can see the discount is applied. So, I'm not paying anything for the croissant.

So, we're extremely excited about Neighborhoods. We have sellers in San Francisco. We're just starting to roll out. Two of the sellers are actually in the hall right now. And so, you can try the two coffee carts Neighborhoods is turned on for the enrollment flow. But I want to just kind of highlight we're showing San Francisco here. But the way that we built Neighborhoods is we built it in a way that it becomes stronger than more sellers that are in the Neighborhood that are adopting it. But we don't have to rely on supply-side saturation in order for the strategy to work. We built it in a way where it can replace any given seller's mobile application. So, it works in a 1-to-1 way. What this means is that we're rolling Neighborhoods out nationwide. We're not going city by city right now. So, there are sellers that are on Neighborhoods right now all across the country. And we're not having to kind of use a traditional kind of like local marketing, like rollout motion.

But this just kind of shows you we're out in San Francisco, and this just kind of highlights the opportunity of our current distribution. These are all the Square seller QSRs that are in San Francisco today. And so, our work right now is about a go-to-market motion where we get sellers turned on. I want to kind of highlight there's – this is a motion for us. This isn't like an automatic. We don't just turn this on for sellers by default. We have to make sure that they have quality supply, that their catalog is up-to-date, that they're ready to take online orders and set up on our system. We need to make sure that the Local Cash rewards system, that they're in agreement with that. So, this is a distribution motion for us to get as much supply on the network as we can. But what we've spent some time in the last year doing is really dialing in the consumer adoption curve at the point of sale, making sure that as consumers are adopting it, they're finding value, that they're reengaging in the ecosystem that they're ordering. And we think – we find that funnel right now to be really stable. So, all of our effort right now is all about scaling Neighborhoods on the supply side.

So with that, I'm going to pass it along. I think I'm 2 minutes over, so let's see. That's the end of it. Thank you, all.

Unverified Participant

Please welcome Block's Hardware Lead, Thomas Templeton.

Thomas Templeton

Hardware Lead, Block, Inc.

Hello? Okay. Today, a lot of modern life works, thanks to open protocols. The Internet, where you scroll and work and socialize and shop, your e-mail, the Wi-Fi you're connected to now, your wireless headphones and speakers,

all these things just work thanks to open protocols. But money, money is different. Money is a tangled mess of closed systems and standards that only sort of work together. Between customers and cashiers are many layers of inefficiency and complexity. For as long as Block has been a company, it's been our work to abstract away complexity for what should be very simple, moving money from buyer to seller, friend to friend, payroll to bank account. This is core to our purpose of economic empowerment. And while we do a good job abstracting away that complexity, the underlying system could be a whole lot better, more transparent, more secure, more open and sound. It could be open by default, like any of the other open protocols that make the modern world work.

And this is why we spent so much time thinking about and talking about and working on projects in support of Bitcoin. Because Bitcoin is an open protocol for money. It lets anyone anywhere, anytime move money without a bank or other third-party intermediary. It's global, battle-tested, and replaces trust that's in a handful of large entities with trust in code and math, removing institutional dependencies. And because it's a single open network, there's less friction, lower transaction cost, and none of the complexity and fragmentation of legacy financial rails. And that's all good for Block because it can help us move faster, roll out products globally at lower cost without needing to customize for countless local payment schemes, and really positions us to be and act more like an Internet company.

As a company, we're uniquely positioned to move Bitcoin forward, to be a leader in a technology that is beginning to behave more and more like everyday money. And we're focused on advancing Bitcoin through three key priorities. First is making Bitcoin more accessible. For years, we've made Cash App the easiest place to buy and sell in Bitcoin. And now also Square, we're giving sellers access to buy, sell and convert a portion of their sales into Bitcoin. Second is everyday utility. Just last week, we enabled millions of Square sellers to accept payments in Bitcoin with a click of a button. And Spiral has long funded developers to build on and improve Bitcoin at the protocol level. And third is security. We started with Bitkey giving customers a safe and easy way to own and manage their Bitcoin. The team behind Bitkey has revolutionized what self-custody can be. And we launched Proto, our Bitcoin mining hardware initiative. Now, I want to spend the bulk of my time here today to talk about Proto, or what's good Block as a business and good for Bitcoin as a network really overlap.

So, why do we care about mining? From a network perspective, the whole bitcoin project depends on it. It depends on it being robust, resilient and decentralized. If mining fails, bitcoin fails. And from a business perspective, mining and mining hardware, in particular, has many of the hallmarks of an industry ripe for disruption. First, it's dangerously centralized. One large company and a handful of small ones, all operating from a single country, essentially own the entire market, and that's bad for pretty much everyone from mining operators to the Bitcoin network itself.

Second, there's no meaningful choice. If you want to mine profitably at scale, you buy the same machines that everyone else has, like it or not. And without any meaningful competition, there's no incentive for the market leader to make even the most basic improvements to their offerings. No matter how much customers complain, the market leader doesn't have to listen at all, let alone take action to address any of those complaints. In all this, we saw an opportunity. We started talking to miners about their pain points, what's wrong with their hardware, what hardware could be. And we decided that if the market leader wasn't going to listen to their customers, we would. And we heard a few things over and over, loud and clear.

First, today's mining machines simply aren't optimized for modern infrastructure. When it comes time to upgrade, which is every few years in this industry, miners face an expensive, wasteful process. They essentially have to start over with an entirely new fleet dealing with significant labor cost and downtime. Second, these machines aren't built to last. And when they break, and they break often, repairs become a nightmare. Parts are scarce, maintenance requires hauling heavy machines off of racks into the repair centers. And the design itself makes

repairs unnecessarily complex. And every minute of downtime is profit lost. And third, the software landscape is fragmented and inefficient. In our dozens and dozens of site visits, we never saw the same software setup twice. Instead of streamlining operations, current solutions actually complicate things, often providing incomplete information for operational decisions and requiring operators to run multiple systems to manage our fleet.

These weren't just a few isolated complaints, we saw systemic problems across an entire industry. So naturally, we started looking at the market opportunity. And two things immediately stood out. First, the size of the market, it's massive. Bitcoin's hash rate, which is the total computing power on the Bitcoin network has expanded over 4x in the last three years alone. Miners are expected to generate \$17 billion in revenue this year, with manufacturers generating up to \$6 billion in hardware sales, with one supplier owning over 80% of the market. We've seen mining adoption only accelerate in recent years, and expect that this trend only strengthens as Bitcoin continues its path towards mainstream acceptance.

The second is that barriers to entry are enormous. You need three things to compete in this space. The first is deep expertise in ASIC and hardware design. Second is establish relationship with the semiconductor foundry. And third, and this is critical, you need an unwavering commitment to Bitcoin to ride out the market cycles. For Block, these actually aren't barriers. They're assets we already have. And when we look at this way, we realize we weren't just well-positioned to enter the space, we had a massive head start.

Let me show you what I mean. First, it starts with the team. The team behind Proto has shipped millions of hardware devices and dozens of markets for Square, Cash Out and Bitkey. And before that, many of them spent years building category-defining hardwares at companies like Apple and Tesla. We're talking about people who've shipped iconic products, led world-class engineering and supply chain teams, and know how to scale high-quality hardware. For 16 years, we put our devices in some of the toughest environments out there, busy kitchen, high-traffic coffee shop, retail stores where they get used hundreds of times a day. And they work. They just work. And the numbers tell the story. We shipped over 30 million Square devices since inception.

Secondly, through our years of manufacturing Square hardware, we built a strong relationship with one of the premier semiconductor foundries in the world. This isn't just about having a supplier. It's about having a strategic partner at the cutting-edge of ASIC technology who can deliver for us and our customers. Third, what ties us all together, Block is committed to Bitcoin for the long term. We see it as fundamental to the future of financial infrastructure, and we're investing accordingly. And this matters to miners. If they're going to be partnering with a key supplier, they want to know it's going to be around for years to come.

And finally, we're doing this where others aren't. We're an American company, designing and assembling our products in the United States, which is particularly attractive to American buyers. We're beginning to break up what has been a dangerous point of centralization in the hardware market, improving supply chain resilience, and giving mining operators a much needed alternative to the single-use machine monopoly of the past decade. Between the market opportunity, the customer needs and our unique capabilities, Proto was a clear next step. We decided to build what the market was missing and what our customers overwhelmingly asked for. Bitcoin miners at their core are infrastructure investors. Their goal is simple, to maximize the return on their investments in power, in sites and hardware.

Every decision comes down to yield on infrastructure, whether it's power contracts, cooling designs, fleet management, or the mining hardware itself. The math is the same, maximizing yield on every dollar invested. Proto was built to solve for that. We didn't just build another disposable single-use shoebox miner. We completely reimagined mining infrastructure, Rig is modular, durable and easy to repair. And instead of having to throw out

and replace an entire fleet each upgrade cycle, mining operators can just buy hashboards, which is better both for Block and our customers.

And on the software side, Proto Fleet only adds value, bringing together many of the functions that have historically required their own infrastructure. And people love it. Beyond the couple hundred people in person in Dalton at our launch, our livestream drew more than 90,000 views through bitcoin magazine coverage. We made headlines in more than 300 publications across more than 30 countries. And longtime miners called it one of the most exciting developments in mining in a decade. All this together, translated to hundreds of inbound sales inquiries and Fleet beta requests in just the first few days after launch.

More than just sparking intense initial interest from the market, all these features together, the modular design, the easily swappable hashboards and the durable infrastructure can create a completely different business model compared to legacy mining hardware. By making hashboards the core upgrade component, we've essentially created a razor-razorblade model. Our highest margins come from these hashboards, which are the parts customers need to upgrade every few years to stay competitive. It's good business for us, and it's a better deal for our customers who save by reusing the razors, so to speak, through multiple upgrade cycles. And where our customers see a software as another revenue stream, we're making our software a completely free and open source. Why? Because we believe that miners who use and love our software will naturally gravitate towards our hardware solutions. It's a powerful lead generation tool that drives our core business.

Today, our target margins mirror that of other manufacturers at 10% to 20%. But this is where our technology and business model create a powerful combination. With each new ASIC, we're pushing the boundaries of chip-level efficiency. These improvements, we believe, will drive higher margins as we deliver more value per board. Our vision is to deliver value to customers by pushing hashboard technology forward, shortening the path to profitability for operators, increasing hardware uptime longevity, and lowering the total cost of ownership. And we're building a business we believe has greater upside, one that sells less of the lower-value commodity parts like chassis and fans, and more the high-value hashboards over time. And what really excites me about this is where we're headed is Rig and Fleet are just the first couple steps.

Today, most of our addressable market is made up of large industrial miners. But that base is continuing to expand. Our total addressable market grows along two key vectors. First, industrial miner demand. With each new ASIC generation that we produce, we believe our systems can deliver higher efficiency and better cost per terahash, driving reoccurring Fleet [indiscernible] (01:48:25) across our growing install base. We expect this to create a compounding hardware demand profile, both from existing customers upgrading and new intrinsic scaling into the market. Second new customer expansion. Advances in system design from new form factors and cooling methods to more flexible power configuration are lowering the barriers to entry. These innovations expand mining into new environments and use cases, unlocking demand from small- and mid-scale operators, distributed power producers, new geographies, and new types of customers.

Stepping back, it's a multiyear growth opportunity. By continuing to invest in ASIC innovation and system design, we're positioned to serve the full spectrum of customers from institutional miners to everyday users. Each advance in performance, accessibility and integration not only expands our total addressable market, but can also strengthen our long-term competitive advantage. Ultimately, we're building a platform that connects the entire mining ecosystem across hardware and software, driving durable growth for Block, while advancing a broader decentralization and resilience of the bitcoin network. Thank you.

Matthew Ross

Head of Investor Relations, Block, Inc.

Okay. We're going to take a 10- or 12-minute break. Be back here sharply at 11:05, and we're get – keep the agenda going from them. See you in a little bit.

[Break] (01:50:00-02:03:07)

All right. We're going to keep it doing with our next couple of presentations.

We talked earlier about the unique capabilities that Block has across our ecosystems. The next two speakers will talk about both – talk about a few, so, first of all coming up is Brian Boates, our risk care who will talk about our underwriting strategy.

Brian Boates

Risk Lead, Block, Inc.

Is the mic on? There we go. All right, everyone's coming back in. I hope you all had a chance to use the restroom. We're going to talk about underwriting.

So, you've already heard a little bit about our lending products, including Cash App Borrow, and what that drives for our business. So, I want to take a step back and talk a little bit more about why we think that risk and credit risk specifically is something that we're really good at, and how it's something we've been able to take advantage of in creating and scaling a number of successful products over the years. So, this isn't new for us. We've been successfully managing credit risk for lending products for more than 10 years now. Seems like forever ago. But I remember shortly after joining the company in 2013 how we were starting to pilot what was Square Capital at the time is now Square Loans, and it was a merchant cash advance product for Square sellers.

And the idea was kind of born from within Square's risk team based on the insight that we could use real time card processing data to successfully underwrite sellers without relying on external credit report data. I was fortunate enough to be a part of building out the early underwriting models and framework as we scaled that product to billions of dollars in originations, which allowed us to establish a really strong track record and ultimately begin selling these loans to institutional investors. Since then, we've developed and scaled a number of lending products within Cash App, including Borrow, and we acquired the Afterpay business. This year, across Square, Cash App and Afterpay, we are on track to originate over \$50 billion. So this tremendous growth obviously is enabled in large part by our ability to successfully manage risk and expand our lending offerings responsibly. So just as an example, this chart shows how over the past year, we've been able to double the average customer borrow limit with no significant increase in loss rates, not to mention that the Borrow portfolio has more than doubled in each of the past two years. So this green line, this flat, very flat green line here, that is the loss rate as we've continued to scale the portfolio, which is a very incredible achievement.

So, keep in mind, Borrow customers are generally considered subprime. 70% of Borrow customers have a FICO score below 580. So how we've been able to achieve all this? Well, for starters, risk is not just a back office function at Block. Over the years, the risk team has been a tremendous source of innovation and our expertise as a core part of how we design and build new products. So for the Square loan side, this was recognizing Square's unique position in our seller's card processing funds flow, and using that to seamlessly service repayments instead of relying on customer initiated bulk ACH repayments. On the Borrow side, it's the shorter loan duration, which gives us the ability to tune underwriting dynamically with near real time data and credit scoring.

So the average loan duration is about 21 days, meaning that even with a small fee, our book turns over about 17 times per year, generating cash and really strong returns. And each borrowing event triggers an updated credit decision instead of longer duration loans or open credit lines that typically rely on lagged credit report and data.

And then lastly, Afterpay's down payment requirement for BNPL, transaction-level underwriting, and the ability to pause access to the product when customers become delinquent.

But of course, beyond the product constructs, there is also an incredible amount of sophistication and technology within our credit models and how we underwrite our customers. So I want to take a minute to share more about what makes our credit models and our approach so unique. First, we have a massive amount of incredibly rich proprietary data about our customers and their financial activity. In the case of Cash App customers, this can include any number of things ranging from peer-to-peer transactions, Cash App card spend, paychecks deposited via ACH, investments and savings balances, among many other things. Most other lenders rely on lagged third party data. Even our peers that offer similar products don't have this kind of breadth of financial activity data.

And we believe the high quality of our data – the quality of our data is incredibly high. So we're able to aggregate all of this data, train proprietary in-house credit models using millions of historical credit decisions and repayment outcomes across all of our lending products. And then in near time, near real time, compute credit scores for every single one of our customers. Internally, we started to refer to this as the customer's Cash App score, and it's something we've been able to use successfully across a number of our consumer lending products.

So in contrast, traditional credit scores suffer from a reliance on lagged data that can make other lenders slow to react to developing macroeconomic trends. So for example, this chart shows that while credit card delinquencies nearly doubled from 2021 to 2024, the average traditional credit score remained largely unchanged, missing out on these swings entirely. And the results speak for themselves. So with our internal data and credit models, we're able to approve 38% more customers than we otherwise would if we relied only on traditional scores while achieving the same loss rate. And this is not limited to Cash App. So we take a very similar approach on the Square side, which enables us to approve 63% more sellers than we otherwise would if we relied only on traditional credit scores. And again, achieving the same loss rate. So our unique approach in technology drives how we're able to expand access to financial services and credit for our customers and for our sellers.

Okay. So zooming out a little bit, we can start to look at and manage our entire loan portfolio as a function of the Cash App score, with every customer and every loan mapped directly to an expected loss. Our goal is to maximize variable profit dollars. It's plain and simple. So this is real Cash App score data as of September 2025 and everything right of our credit threshold we deem as good underwriting risk, and everything left would be too risky. So it looks very simple, but there is a lot of technology and data that goes into this. And not to mention, obviously, the high degree of expertise and talent and technical ability within our credit team as well. So the Cash App score gives us a powerful lever for managing risk and enables us to dynamically manage exposure and profitability along an efficient frontier that aims to optimally balance both growth and risk.

And under the hood, there are other powerful levers we can use as well, whether it be how we think about treating first time borrowers or repeat borrowers, as well as individual customer-level dynamic credit limits. So we can even use this as a framework to stress test our portfolio and underwriting strategies by running simulations under different macroeconomic conditions. So you can see now this white dashed line shows the Cash App score distribution under a stress scenario, where you can see the mass of the distribution shifts left and thus the optimal credit threshold shifts to the right.

Given the near real-time nature of our technology and our approach, coupled with the shorter loan duration of Cash App borrow, we can easily react quickly to shifting conditions by tuning credit risk thresholds and customer level limits. And this recalibration enables us to target positive unit economics, maximizing variable profit under various macroeconomic scenarios. We're also innovating in how we explain credit decisions and scores to our customers by using AI to translate technical, internal system details into easily understand recommendations that

both educate and guide customers towards positive behaviors that over time can help customers improve their scores and gain access to more credit. I'm also very excited to share that we've just started piloting the very small number of customers, showing customers their Cash App scores directly inside Cash App for the first time.

So here you can see how the score is visualized for customers alongside actionable recommendations and transparency into how their score is changing over time. So this is a really great example of how we can start to productize the risk team's internal proprietary models. So early feedback, still early. Early feedback has been extremely positive, and as customers see their score and take action, it can drive positive behaviors and deepen engagement with Cash App. And we're just getting started here. So the Cash App score presents a number of significant opportunities for us to transform how customers understand and access credit. We want to give customers not just more transparency, but also more control over their data and their credit scores and potentially even be able to take that with them and qualify for credit products that may be Block doesn't currently offer.

The traditional credit ecosystem has many multi-billion dollar players, but we believe it also has a lot of room for improvement, especially when it comes to transparency and control for consumers. So while still very early, the Cash App score shows potential to be a distinctive revenue generating offering for Block, not just a powerful internal tool for first party products. So we're exploring how it might create additional value for customers and the broader ecosystem over time. So a lot more to come on that front. So in closing, Block has a proven track record and foundation for lending for both businesses and consumers. And the ability to scale lending products with responsible growth and strong returns. Our proprietary data, technology and expertise gives us a unique edge at assessing risk and expanding access. And we're well positioned to innovate across new lending products and more. That's it for me. Thank you for your time. See you later.

Unverified Participant

Please welcome Block's Engineering Lead, Arnaud Weber.

Arnaud Weber

Head-Engineering, Block, Inc.

Hello everyone. I'm Arnaud Weber, the new lead for Block Engineering. I joined the company last June and I've been running Block Engineering for the last few months. I have been working in the tech industry for the last 30 years and have held leadership roles at companies like Google and Twitter. I also started three startup companies with multiple successful exits. As a newcomer, I had the opportunity to quickly gain perspective on Block's biggest strength and opportunities over the last few months. This presentation will focus on Block Engineering, Block Automation and how we are transforming into an AI-first company.

We made a critical change just before I got here to functionalize all of Block, including Engineering. That change has been very powerful. It has accelerated our velocity and enabled us to deliver more products to our customers faster. However, this is still work in progress. My number one priority is accelerating engineering velocity. We need to shape excellent software and do so more frequently. I'm really proud of what the team has accomplished this year, which you can all see with the recent releases we had for both Square and Cash App. However, we will continue to focus on improving our product development velocity.

This focus on velocity is coming at an opportune time as we are able to take advantage of the surge in productivity from using AI tools. The engineering team in all of Block is embracing AI to automate the company and deliver AI products to our customers. Finally, while functionalization helped us become more efficient in many ways, we need to continue to optimize how we work across team boundaries. As Jack said earlier, Block is a

technology company, building connected ecosystems and financial products. With the availability of advanced AI tools, everyone at the company is expected to build what they need or contribute to our main products. Our top priority for 2025 has been to automate Block. We want to automate as many task as possible in order to move faster and allow everyone to focus on the most critical work. Automating Block is still a work in progress, and this effort will continue to be one of the top priority for at least 2026.

In order to make all of this possible, we have developed our own general AI agent, which is tailored to our needs and integrates with every software and data layer at the company. Embracing the AI revolution is critical to our success and this is not just for engineering, but rather every function at the company. Across Block, employees and functions ranging from HR to customer operation to legal are also using our [ph] general (02:18:09) AI agent in their everyday work. Leverage it for use case that range from generating customer insights to automating the intake of inbound requests.

Block has built a world-class engineering team and isn't new to machine learning or artificial intelligence. Block has been developing ML models since building automated onboarding in 2012. In the very early days of the company, we also developed some ML models to pioneer automation of cash flow-based customers underwriting. Most recently, we developed Goose, an open source GenAI agent and partnered with Anthropic to develop the Model Context Protocol, which you may also already know as MCP, which is critical to connect AI systems with any other application, both for reading data and performing actions.

We also launched G2, a [ph] text-to-persistent (02:19:12) application playground to let everyone at the company build the automation they need. We learned a lot about AI while developing Goose and developed a shared agentic substrate that is completely reusable. For example, this allowed us to build Square AI and Moneybot for our Square and Cash App customers. Here is an overview of Block's AI strategy. We are on a journey to automate every function at the company with Goose, our own general agent and G2, our G2, our [ph] text-to-persistent app AI playground (02:19:51). We are working on automating customer support with AI. This is mostly focusing on cash, but will extend to Square and Afterpay for both text and voice. Finally, we are using Goose, G2 and many other tools to fully capitalize on AI automation for the purpose of software development. Let's go through some of these efforts in more details.

We launched Goose, an open source general-purpose AI agent at the beginning of last year. We build Goose to automate the company. We needed to go beyond what large language models can provide and offer everyone a general agent that can do work for them while processing our proprietary data, not just answer questions. Goose is a general AI agent that integrates with many services through MCP. Unlike just a foundation model, Goose can read proprietary and real time data and has been designed to perform action. Goose is foundation model agnostic and is designed for deep insights and continuous learning with self-improvement. We have already integrated Goose with about 150 services, and we will continue to grow this ecosystem of connected tools as needed to enable the automation of most of our functions.

Our differentiated AI strategy also drives what we can build for customers and the speed at which we can build for them. Every AI tool we are delivering to our customers is powered by the same foundation that we are using to automate Block. We were able to build a minimum viable product from Moneybot in six weeks and Managerbot in eight weeks. These were very short development cycles, given the complexity of these agents. Moneybot provides customers deep inside and recommendations to help improve their financial lives. Managerbot redefines a Square dashboard to become the interface for small businesses to optimize and manage their operations.

Owen talked about this earlier. The speed at which we are delivering these to customers is simply incredible. Goose is driving efficiencies throughout every function, not just engineering. For example, Goose is routinely used

to analyze proprietary data such as internal sales data, build dashboards and manage work in ticketing systems. Goose can also create artifacts, documents, or even editing video assets. Finally, Goose is used for software development. For example, we can now simply tag a bug report in our system and have Goose automatically prepare a diagnosis and a possible code change to fix the problem, all that automatically with almost no human in the loop.

Let's talk about G2. Goose has been an amazing productivity tool for Block, but it was just the start. In the third quarter, we rolled out G2, an agentic interface we built to further automate our work. Building on the foundation of Goose, G2 offers an intuitive user interface made of tiles. It enables anyone at the company to create dynamic, autonomous workflows that run on their own so they can focus less on repetitive tasks and have more time to work on more impactful things. The real power of G2 is that any non-technical person can build a custom application they need without requiring the help of an engineer. In the past, an employee will express needs and a team of engineers will build a custom application. With G2, everyone can just build the custom application they need in just a few minutes. G2 exponentially increases the efficiency and potential of each employees at the company. G2 is made of tiles, each tile contains a persistent application that works on the user behalf continuously and asynchronously. G2 usage is similar to Goose usage, but in the context of these persistent applications. Please see for yourself. Here is a one minute video showing G2 in action.

[Video Presentation] (02:24:42-02:25:48)

All right. Let's talk about a few metrics. AI tools are generating substantial operational improvement across the organization, improving both velocity and efficiency. We achieved a 25% reduction in manual work hours by using AI tools across more than 75% of our employee base. In customer support, AI now handles 65% of Cash App cases, significantly improving response times and the overall service quality. Our engineering teams have embraced AI-assisted development with over 90% of code submission now authored partially or fully with AI support. This has translated into a 30% increase in the median number of weekly code change engineering produce throughout September. This [ph] matrix (02:26:45) demonstrates how AI is not just enhancing productivity, but fundamentally transforming how we – how our operational efficiency, positioning us to scale more effectively while maintaining high quality output across every business functions.

We're navigating AI's rapid evolution in engineering by adopting an AI-first approach that goes beyond single tools like Goose or G2. We are leveraging diverse AI technologies to boost development velocity and are evolving the culture to simply become AI-first. We've added AI fluency in our job ladder and interview rubrics. We have also launched several programs to foster effective AI usage and adoption. The next step for engineering is really to use AI for every task, including the most complex or most difficult work. We are accelerating engineering pace beyond AI by developing tools that keep engineers in their flow state, eliminating contact switching and friction that traditionally slows development cycles. We are focusing on systematically enhancing our developer experience from streamlined workflows to powerful frameworks. We are also implementing some rigorous performance management to ensure that we are fundamentally transforming how engineering teams operate to achieve unprecedented velocity and productivity.

Looking forward, we're going to continue to automate Block with more advanced automation in many functions. The strategy to develop AI systems tailored to our needs has been showing great results and we are going to continue to develop Goose and G2. On the engineering side, we will continue to optimize engineering velocity in every possible way. Expect us shipping impactful, high-quality releases at a much higher pace. Thank you.

Unverified Participant

Please welcome Block's Sales and Marketing Lead, Nick Molnar.

Nicholas David Molnar

Head-Sales, Block, Inc.

Howdy. All right. Excited today to speak to everyone about our go-to-market strategy. Going to dive deeper into the Cash App and the Square ecosystems.

So before we start, I just want to ground ourselves in a really important reality that you don't see in a lot of other businesses. And it was one of the kind of key components when I started to get familiar with Block that really hit home for me. And it is the organic nature of both networks and how they unfold. And so when you think about the Cash App ecosystem, with 67% of new actives joining Cash App as a function of an organic experience, it really just illustrates the strength of the peer-to-peer network and the dynamics of how these network effects unfold as individuals really want to pull others in their community, in their neighborhood into the Cash App ecosystem.

And when you look at Square with over 70% of our new volume added coming from our cell phone boarded experience where there is not a single human that speaks to those sellers as they join our platform, really illustrates the strength of where Square started from a sense of building a really strong self-onboarded experience where there's not a single human that speaks to those sellers as they join our platform, it really illustrates the strength of where Square started from a sense of building a really strong self-onboarding motion, technology first, really thinking through how do we drive scale into our ecosystem. So the grounding nature of what drives our network on an organic basis and the foundations I think is really important. The second thing that is really grounding for me that I pay a lot of respect to is just the position that the two brands have in the market. They have really strong brand presence. There's a meaningful amount of customer empathy. There's obviously a lot of scale as my colleagues have spoken to earlier.

But when we think about how we're showing up to our sellers, how we're showing up to our consumers, we have a really strong brand foundation to build off of. So what I want to talk about today first, speak to from – particularly from a marketing, a product attach perspective, how we focused on accelerating Cash App.

Then we're going to speak through what have we done from a Square go to market perspective to transform our motion over the last largely 12 months. And finally, perspectives on, what are our sustainable competitive advantages and kind of where am I really focused over the next 12 months?

Cool, so just starting with product attach. Owen, kind of spoke to this. But when we started to – more specifically, when I started – when I joined the Block ecosystem and got under the hood of saying that, yes, we have 58 million monthly active consumers, but over 40% of them have a Cash App debit card. Over 8 million primary banking actives and so on and so on. And to see not just the scale of the monthly active base, but knowing that Cash App is more than just a peer to peer network, these consumers are engaging with Cash App in a way that is fundamentally different to how they see their other neobank or fintech relationships because Cash App serves them differently.

And what Cash App has been able to prove is an ability to drive product attach rate, drive cross-sell and upsell across its full suite of service. And it's doing it at scale. And the reason why it's important is that when we're able to attach a consumer to more than one product, they have 2.5 times the monthly inflows. So really incredible engagement within the app. But consumers are really looking to use Cash App for more and more things as their

relationship with our network develops. And then secondly, we have really strong channels that we own. The ability to drive over \$600 million dollars of incremental Cash App card GPV from our owned channels is something that I'm really proud of.

And similarly, just gives us a competitive advantage of as we think about our owned and operated channels to drive growth. The other thing that we do and we hold ourselves really accountable to is showing up in a hyper local way. And so if you're looking at this map it represents the actives on Cash App, the darker green, the more dense the network. And even if you take like an example like Florida, we're not just looking at Florida as a city. There are four sub networks that exist within Florida that are all different. They're all unique in their own rights. Those consumers are attaching to our products in different ways. They're engaging with each other and with our business in different ways. And so the ability to be hyper local in how we show up and to consider each sub network I think is core to the DNA of Block.

If you actually overlaid Afterpay on this, Square on this, Bitcoin on this, you would see the really dense map of Block and Block's network. But this really gives us insight into the Cash App ecosystem. Just getting on to now, how we focus on driving customer acquisition efficiently. As I mentioned before, two-thirds of consumers that join Cash App come in organically, but a third join us as a function of really thoughtful strategies that we're implementing. They're not just thoughtful, but they're operating at scale and they're operating with really strong payback periods. The strength of the referral payback period just is a further extension of that organic nature of Cash App where consumers and actives really want to pull their networks in. And we see really strong payback periods, really strong payback periods across our referral network. And our paid marketing spend is operating at scale with up to 6 times or 6 quarter payback on that spend, which is incredibly efficient. And when I think about the course of the last 12 months, we have significantly scaled our marketing spend. And we have been able to prove that we can keep pushing into that curve, accelerating our actives adoption as a function of our paid marketing strategies and execution. And we're seeing those payback periods illustrate the strength that continues to prevail.

And then finally, building brand through partnership is something that I think is such a competitive advantage, not just for Cash App, frankly, but for Block as an overall business. We are really fortunate that some of the best brands in the world, some of the most culturally influential people in the world, some of the most influential sellers in the neighborhoods, they want to partner with Block. It's a really unique opportunity to build brand through partnership. And when you think about some of these examples you've got the launch of Afterpay in Cash App that we did through A\$AP Rocky, you have the Timmy Chalamet brand campaign that went out earlier this year or the Sabrina Carpenter. The Sabrina Carpenter partnership is a really perfect example where it's end to end. It's thoughtful on how do we think about partnering with her on the presale of her tour, where that's driving Cash App actives into our ecosystem and driving Cash App card actives into our ecosystem. But 2.5 million consumers have put a Sabrina Carpenter stamp on their Cash App card. That's big. And it's not just big for our network. It's also big for the partners that we work with. And so the opportunity to keep leaning into this brand led strategy through partnership is something that I'm personally really focused on and the team is leaning into very, very intently.

There's been a lot – this has come up many times. But when you can start to think about Block where Cash App is Square's advantage and Square is Cash App's advantage. That's when it all starts to really hit home because you have two independent networks that are functioning really efficiently and effectively in their own right but when they can both feed each other and drive the network effects of one another, I really that – I really believe that's when you see the next phase of Block's growth come into fold.

So, the last 12 months, we've worked really hard, first and foremost, and it's been a lot of conscious work to think about what are the main levers for us to transform Square's overall, go-to-market opportunity. I fundamentally

believe that Square was underselling itself relative to its true technical capabilities, relative to the scale that it operates at. And it was a real privilege to have the chance to think end-to-end, as like how do we push this? How do we push this further and achieve greater outcomes?

So, when I think back to like, what was the state of play for Square on the 1st of January? We had a strong tele-sales motion, but we hadn't pushed it as hard as we had the opportunity to, there was a lot of room to scale in our telesales motion. We had basically zero field sales reps in the market. We hadn't got out from our offices. We hadn't got out into the field and started selling. There wasn't really an end-to-end strategy. We were doing a lot of different things, a lot of different verticals. And we were probably a bit too peanut butter spread on how we were showing up in the market, so we got really conscious of our end-to-end quick service restaurant strategy and thought about this in detail.

And then finally, there wasn't a clear framework that allowed us to keep scaling into the curve as long as the marginal ROI is there. There should be no limitations for how much we push and scale our business as long as the incremental dollar of spend or the incremental head count brought on is producing a marginal ROI that meets a benchmark and a threshold that we have set. So what that meant over the prior three years, when we talk about NVA, we're talking about new volume added. So, a new cohort of sellers that we're bringing onto the platform, it was pretty stagnant. Between 2022 and 2024, we hadn't really seen much growth and it's pretty daunting when you're thinking about the fact that the baseline is \$30 billion of NVA, and we've got to shift that curve. These are big numbers and we want to shift that curve upwards. But we've seen a really good reacceleration over the course of 2025. So, we estimate that our full-year 2025 NVA growth will be north of 15%, which is pretty amazing to see when you think about the baseline and the scale that we're talking about.

But also, Q4 is going to be the strongest quarter that we've seen year-to-date. And so we haven't just seen a really good outcome over the course of the last 12-months. But we're exiting 2025 in a really strong position with Q4 estimated NVA at over 23%. And that's a combination of seeing strength in self-onboarding and a combination of seeing strength through our sales channels. And I want to dive into a little bit more detail on that. But before I do. Being asked a lot of questions like, is Square just buying market share? Like that's been the question that keeps coming up at me. And I actually feel, well, firstly, the data point here is really clear.

Our new volume added is growing at 12% year-on-year, new profit added or our margin, our gross profit is growing at 11% year-on-year. So yes, there's a 1% delta, but they're largely correlated. And when people think intuitively in this room about what's the spread, I actually think some of this maybe hasn't been as considered as to what might drive the delta between new volume growth and new profit growth. And there's kind of three main things that I want to just like highlight.

The first is in the US, we're actually seeing stronger net profit added than net volume added. People might be like, that's great. I'm like, well, we probably have some room here. We should be getting a bit more aggressive. We should be showing up with – pushing this a bit harder because we've got room in our ROI model. But from a US perspective, we're seeing new profit growth, outpacing new volume growth. Over half of our NVA comes from our international markets. International markets do have different margin profiles than the US market. There is interchange regulation. It leads to lower margins in our international markets. So as our international growth does continue, and I think we have a massive opportunity, given the respective competitive profiles of the US market versus rest of world, to really accelerate our international opportunity.

But there will be a spread between those two. And then the second thing, you've heard Jack told about a couple of times that our goal is to take us from 70/30 self-onboarded to sales mix to 50/50. We don't want to do that by driving any cannibalization of our self-onboarded motion. But naturally, the self-onboarded motion is serving

smaller sellers relative to the – I'm not saying sales time serving – we're not always serving the Katz's Deli of the world. But even when you get to an average deal size that starts to get above 250,000, 500,000, the margin profile is smaller than the self-onboarded motion. So you should expect some spread as sales continues to outpace self-onboarded. I don't see any of these things as a bad thing. I don't see them as buying market share. I see them as some of the strongest cohort network growth curves that I've seen in the business as I've studied the Square business over the last years.

Okay. So let's now just get into four key areas that I think will kind of sum up where our strategy has been for Square. And more specifically, where I see the growth continuing to prevail over the course of the next three years.

Self-onboarded. We are seeing post, like the last couple of quarters, a real step change in our self-onboarded NVA growth curve. We see strength in web and app, which is those kind of coming into our ecosystem via our own channels. And a lot of this is being driven by our marketing spend. And so, what we've seen over the last 12 months is we're 50% – we've grown our overall Square marketing spend by over 50%. And as I – as was on the last slide, 70% of leads into the self-onboarded business and also the lion's share of leads that come into our sales team are coming from a marketing-originated channel. So, we've scaled our marketing spend by 50%. We're maintaining over 300% ROIs and there's four to five quarter payback, so really strong paybacks are sustaining as we've significantly pushed the spend and we are seeing really strong payback period.

So our marketing strategy, I see is a fundamental competitive advantage and the science that exists in how we execute that spend is also a function of just the DNA of what Square – how Square has been developed over the last 16 years. There are a couple of other things that are driving the elevation of our self-onboarded motion, which, by the way is some of the highest growth rates that we've seen since 2017.

So first and foremost, we're moving into an AI era. Square's brand is the number one brand that shows up in SMB-related keyword searches through AI platforms. And that's happening as a result of very conscious strategies. I've spoken about the marketing performance, but a real competitive advantage for us. And then we've been really conscious of how do we continue to build a more personalized onboarding experience that's adaptive, that considers the industry someone's in, the size that they're in, the size of seller, et cetera. So really thinking about our funnels, our flows have a great team that is resolutely focused on how we drive these two components. And then, secondly, we continue to focus how do we show up, how does the brand show up? How do we continue to stay hyper local? Thinking about this from a local neighborhoods perspective.

Brand transition. When I stepped into this role I really – one of the first things I learned was that people thought the Square was for coffee shops and small business. But it is so much more than that, and when you tell our partners at Square serving millions of sellers, talk about the scale of the volume through the platform, the breath of the industries that we serve, we weren't showing up in a way that was reflective of the quality of our software, the quality of our hardware.

And it just wasn't end-to-end from a vertical perspective. So we very purposely declared QSR as our primary vertical that we wanted to focus on. It wasn't done with the goal of alienating all the other verticals that we serve. It was actually the opposite. It was to be illustrative that if we focus on being end-to-end, we can build a marketing and a brand strategy that can shift perception in an industry.

And then let's go and take that playbook and let's scale it across the broad set of industries that we power and that we focus on. It's translating to real outcomes. And so when you look at these some of these brand metrics,

4.5 point lift in the belief that Square is made for the size, the business of my size, a lot of that is starting to come from some of these upmarket deals that we're winning, whether it's Katz's Deli or Bluestone Lane.

Square is made for my industry, being really thoughtful on how we're showing up end-to-end in all the publications, in all the local channels being really thoughtful of this industry and how this industry shows up. The quick service restaurant industry is very different to the full service restaurant industry. They both happen to sell food, but there are a lot of things that are very, very different. And so we're thoughtful in how we execute these strategies end to end. And a lot of that is coming through in our sellers understanding the breadth of technology that we can offer them.

Now getting to sales. We've seen really strong sales growth over the course of 2025. Our international sales NVA growth is over 70%. Seeing really strong strength outside – in rest of world outside of the US market. Field sales is at 12% of US NVA now. Remember, that was at zero, basically zero on the 1st of January. 12% is a great number. But we've been ramping over the course of the year the field team. So when you think about the ramp here in June, we were 42 field reps in seat. End of December, we estimate we'll be at 150. And we just want to keep pushing it and pushing it globally as long as the marginal ROI prevails. There's a really interesting dynamic in the US market that is unique to us, which is we're able to see the Cash App debit card data every day in a really granular neighborhood level.

What that does is it allows us to see Square's penetration in local neighborhoods, our competitors' penetration in local neighborhoods. So the TAM, where our opportunities are, lead lists, we can then build targeted field motions and density profiles against the information that we have. So, we know the addressable market and then we have good models to estimate how do we maintain that marginal ROI and really scale into the curve. And we've only really just started this from a global perspective. We had our first UK field cohort start last month, and we're starting now to push that out across all of our international markets. We're also seeing really strong payback, even though that team scaled from zero to likely 150 by the end of the year, we're seeing a marginal ROI of about 250% through this channel. US field is already outpacing our US outside payback period, even though it's a really new motion and we have a lot of room to keep scaling. So, I'm really proud of the team. I'm proud of the leadership within that team and how they're driving the outcomes.

A big part of field as well is how we work really locally with partners. If you think about a local neighborhood, there's many people that power that neighborhood, whether it's the Cisco rep that's showing up every day at our partners, the same partners at [ph] West Servings door (02:52:34), whether it's the telco rep, we're thinking really in real pod like ways and working very closely with a few partners that we believe can be really impactful in driving this motion. But over 50% of our inbound leads to our field sales rep, have come from partner led motion, which is a really interesting learning and one that is new for us that we're seeing come to life. And then a couple of, I've mentioned Bluestone Lane and Katz's Deli, upmarket wins that really starts to put us on the map.

Blind Tiger is an example of someone that went to a competitor and on their own accord, after having a couple of years with that competitor, decided to come back. And then unbeknown to me, wrote this beautiful post on LinkedIn, that many of you've probably seen, illustrating why they made their decision and why they love Square. And it's really incredible when you start to see the market start to prevail where people understand the true dynamics of the Square platform and how powerful and capable it is. Bluestone Lane was actually also beginning to roll out that same competitor had some teething issues, tested us in parallel and within three weeks later they'd rolled out across all 70 locations.

So I feel like we're showing up better and better. And then you'll hear from Alex Fisher, who leads our Square sales team later today on a partner panel with Bilt and Sysco and excited for you to get some insight directly from

them as to how we're partnering both from the Afterpay and Cash App side as well as the Square side. And then finally, these are kind of new channels, but many that we believe we have clear leading indicators that can scale pretty quickly over the course of the next three years.

Many people ask us about our third party sales motion. It was about 1% of our US NVA. So de minimis, nothing this year. But we were in pilot to prove that we believe that we could drive the right outcomes, the right economics. 90% of our deals that we're doing through third party is at rack rate or a flat rate and the seller size is more upmarket. So we've brought in some leadership who I believe built the third party motions across the world. We have really strong teams now, we feel like we can scale this. And we believe that by 2028 it can be over 10% of our NVA, so an S-curve to watch over the course of the next three years. That was the laser instead of the clicker.

And then international, seeing really strong growth from international perspective, you're already seeing sales NVA almost at 50% in our international markets, which really gives us this confidence to keep investing into the curve but we have really strong product market fit in our international markets, the quality of our hardware is unmatched, and it's a real comparative advantage when we can bring that level of innovation into these international markets. We've invested deeply in direct processing relationships in our core markets, which means that we can compete given our scale on a processing cost perspective with better margin profiles.

And we feel like we're in a really good spot to compete and then we're starting to roll out new opportunities where we're shipping our software with some payment partners in local markets, starting with LatAm and a test and learn underway in Mexico. So what do we think? I really believe, yes, 2025 was a great year, but we have so much room to keep growing. 23% of NVA growth over the course of the next three years is something we can touch and feel. We can see the line of sight. We know the levers. We've spoken about them today as to how we make that happen. I believe it's a lot of it is about the right execution, the right focus, the right marginal ROI, profiles, and then beginning to build some of these new motions, scale field, continue to see the right ROI and bring third party and partnerships and lean really hard into our international opportunities.

Cool. So these are the four sustainable competitive advantages that I believe Block has that are largely unreplicable with our competitor set. Number one, we have true global reach. We are not just a US company and we know how to show up locally, build local strategies and get the leverage we need from a global perspective. And we're seeing over 50% of our NVA come through our international markets today. Two, there's been a huge amount of investment in our payment infrastructure and architecture in all of those markets. Gives us a processing advantage, a scale advantage that we can bring into some of the newer early stage markets.

Number three, Cash App is Square's advantage and Square is Cash App's advantage. We're no longer just selling the what – when you show up and you're like, we can do your kitchen display, we can do your payments, we can do your order management. It's a very different conversation when you show up and say, we can do all of those things that you want to run your company, but we also have a business called Cash App.

Cash App has 58 million monthly active consumers. We have our neighborhoods products, we can drive down processing costs as a result of the strength of Cash App, and we can drive foot traffic into your store, that is a very different conversation than the one that we have had over the last three years. And fourth, we're not just driving growth for growth sake. We are driving profitable, considered compounding cohort curves. I'm really proud of what the team has been able to do in step-changing the NVA curve, and looking at the profit profile that's been able to come with that.

So just to close, we are winning more today than yesterday. Sounds really basic, but if we keep winning more today than we did yesterday, I believe it puts us in a really, really good spot. So, I appreciate everyone listening here today. Excited to have a conversation later at the Q&A and yeah, see you all soon. Thanks.

Unverified Participant

Please welcome to the stage, Block's foundational lead, CFO and COO, Amrita Ahuja.

Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

Hi, everyone. All right. This is our last formal presentation of the day. We'll have a seller panel and Q&A after this and I hope you enjoy the demo hall too. But let's talk about how everything you heard today comes together to form our financial outlook for the future. First, I want to reflect on what we've delivered in the recent past. Our track record underpins believability in delivering for the future. Looking at the last five years, we've achieved a 30% compound annual growth rate.

Since 2020, we've nearly quadrupled our gross profit. And since our last Investor Day in 2022, we've nearly doubled in scale. These results highlight the strength, the diversity, the resilience of our business model to achieve scale and exceptional growth. We've scaled by expanding multiple ecosystems. Both Square and Cash App have grown as contributors to our overall gross profit over the last five years. We now have two powerful ecosystems, Square serving sellers, Cash App serving consumers, each driving growth and with a long runway ahead.

It's our focus on product velocity to bring back a slide that Owen showed you, that delivers growth. Over the last five years, we've consistently launched, acquired and scaled new revenue streams. From our BNPL platform to Square's online solutions and lending within Cash App. Today, 26 revenue lines each generate more than \$100 million in annual gross profit, more than double what we had three years ago in 2022. It's this product velocity and 5 times the number, by the way, in 2020. And over the past year, through September, the products introduced or acquired since 2020 now represent about a quarter of our total gross profit. These products are a testament to our ability to find new problems to solve on behalf of our customers, which then turn into vectors of growth for our business. And over time, we can scale them into meaningful scale and size. That was a product view.

Now let's take a customer lens. First with customer acquisition. After moderating last year, we've seen an inflection in both Cash App and Square acquisition in recent months. Cash App's monthly transacting actives have hit a new all-time high of 58 million as of September. And as you heard from Owen and Nick, this is from a combination of product launches, network enhancements and our marketing.

We believe the recent momentum puts us in a great position as we head into 2026. On the Square side, it's a similar story. We've seen a meaningful acceleration in new volume added in 2025, driven by a product focus on food and beverage, our expanded sales presence in the US and internationally, and a revamped marketing strategy. That's encouraging traction on the strategy we laid out earlier this year. Within our ecosystems, we see engagement drive retention. In Cash App, as actives build larger networks with other actives, we see improvements in retention.

For Square, we see a similar trend as sellers adopt more products across our ecosystem. We are focused on continued improvements here because as we retain more of our customers, they grow with us over time. We've also seen our focus on engagement translates into monetization. Product adoption has driven meaningful

expansion in monetization for both ecosystems. Since 2020, Square has nearly doubled its gross profit per seller and Cash App has more than doubled gross profit per active. And we believe we have a long run way here for future growth as we continue to cross sell and launch more products.

Let's shift to our profitability. Over the last few years, we've executed a transformation in our cost profile. We sustained top line growth while maintaining discipline on our expenses. And as a result, we've significantly improved our margin profile. You can see the results in the sustained improvements in both adjusted operating income and adjusted EBITDA, adding more than \$2 billion in both metrics in 2025 relative to 2022. Functionalization has been a key driver of this progress. We've found efficiencies within our teams and across shared infrastructure throughout the business from our development cycles to go-to-market. And we believe that there are opportunities to find further efficiencies as we look to the future.

Overall, our execution puts us in rare company. This screen here is based on consensus expectations for the next year. We're one of only 24 companies in the S&P 500 operating at \$10 billion or greater gross profit scale, growing gross profit 15% annually and delivering 20% or more in adjusted operating income in margins. That's less than 5% of the S&P 500 at this level of scale, growth and efficiency, and we're one of them. It's a powerful moment to appreciate what we've built, and we want to continue to deliver on this progress to drive shareholder value.

Over the last decade, our total addressable gross profit opportunity has expanded dramatically. Back in 2015, we had a single core market, US payments. Between 2015 and 2020, our addressable market expanded as we added Square international markets and launched Cash App. These markets grew to \$190 billion by our last Investor Day in 2022. Today, our addressable opportunity is nearly \$0.5 trillion, more than doubling in just three years, boosted by the additions of buy now pay later, Cash App Borrow and Proto. On the right, you can see the break out across key groupings of commerce enablement, financial solutions and the Bitcoin ecosystem. Each represents a large and growing opportunity. And across this \$500 billion addressable market, we're less than 2% penetrated today. This sets the foundation for a long runway of durable growth ahead.

Now let's get into those three categories I just showed you. We know our business is complex and evolving. Starting in the fourth quarter, we plan to introduce a new framework to simplify how you can understand and model it. As always, we seek your feedback as we refine this approach. We'll break our revenue categories into three areas, commerce enablement, financial solutions and Bitcoin ecosystem. We believe this approach better reflects the jobs we do for our customers than our current revenue categories, transaction revenue, subscription and services and hardware.

Let's get into what each includes. Commerce enablement products help sellers scale with Square processing software and hardware, and those products give consumers tools to spend with purpose through Cash App Card, BNPL Solutions and Cash App Pay. Financial Solutions products expand access to capital through Square Banking and Cash App Borrow. They enable customers to withdraw funds immediately with instant transfers and they help consumers save and invest. Our Bitcoin ecosystem makes Bitcoin accessible and secure through Proto, Bitkey and our buy-sell product within Cash App.

As Jack said, we are a technology company that builds tools to empower customers. We have a broad array of products to serve our customers, and we continue to innovate across each of these areas. Taken together, the diversity here builds a durable growth profile. These next few slides get into our business composition using these categories. We'll start with Block overall, you'll see a healthy growth CAGR for each of these three categories as all three have compounded in the mid-teens to mid-20% range over the past couple of years.

Commerce makes up a majority of our mix at nearly 60%, with financial solutions delivering the strongest growth in recent quarters and nearly 40% mix as of Q3. In the next few slides, I'm going to get deeper on these metrics because we plan to report many of them every quarter to help you track our performance. Let's dive into Cash App and its mix across the three categories. Commerce is the consistent long-term driver of Cash App's growth, indexed to spending across our ecosystem. Financial solutions is the recent area of upside as we've launched and scaled Borrow. Each now contributes roughly half of total Cash App gross profit.

In Commerce Enablement, we have key spending products, the Cash App Card, Cash App Pay and BNPL. We put BNPL is Commerce given the importance of the integrations for BNPL with the rest of Cash App's Commerce tools. We measure performance on volumes and monetization rate. In the bars you'll see the consistent growth approaching \$50 billion in volumes in the third quarter with growth accelerating in each of the last two quarters. As we've scaled, you'll see that the line above it, our monetization rate has been remarkably stable between 1.5% and 1.6% of volumes. We see this as profitable, durable growth driven by product innovation that expands our share of daily spending. Onto financial solutions, with products like Cash App Borrow and Instant Deposit, we track gross profit per active here. You'll see steady expansion in the past year, growing from \$9 in Q4 of last year to \$13 as of the third quarter, driven primarily by scaling Borrow.

Now, let's hit a couple of the key operating metrics that influence those categories. Primary banking actives are a key indicator of engagement and inflows growth. These are actives who deposit a paycheck or spend \$500 or more each month. As you heard from Owen, we're now at 8.7 million primary banking actives in October. This group has grown quickly, now representing 15% of total Cash App actives. Steady growth here drives the consistent inflows per active growth we've delivered. As we build greater utility, we can drive engagement and ultimately see more of our customers become primary banking actives over time. Turning to our lending products, the bar chart shows the strong growth we've delivered across borrow and BNPL with a recent acceleration as we've expanded Borrow.

We grew lending origination volume more than \$4.5 billion year-over-year. Growth of more than 50%. We know investors are always focused on risk and returns here. The lines above reflect performance. You'll see our margins on originations have been remarkably consistent, right around 2%, along with returns on invested capital or ROIC in the high-20% range. So even with this scale, we delivered an ROIC of 28% in Q3. By the way, this is a trailing 12 month calculation and doesn't reflect the full benefit of migrating originations to SFS, which we expect will improve returns from here.

We've looked at many other modern fintech and BNPL competitors. We do not believe that any of them are operating at this scale with this growth or with this return profile. We deliver all three. We know transparency matters here. As we scale these products, we plan to share these metrics on a consistent basis. Staying on lending. Even as we've scaled volumes significantly, Borrow loss rates have remained below 3%. We use risk loss as a key input to how we manage the business. If losses rise, we can adapt our funnel to adjust our risk exposure and to maintain a targeted loss rate. As we scale Borrow over time, we'd expect to see a higher mix of originations going to repeat customers that tend to have lower loss rates.

This chart shows Borrow mix by customer tenure over time, with a majority of origination dollars this year going to actives who have used the product for more than a year. These actives have a loss rate in the mid 2% range compared to newer actives with a higher loss rate. This difference is part of our underwriting strategy. We can be more intentional with the pace at which we expand Borrow access to new customers to manage total loss rates and optimize profit. This is a product we want to scale quickly even if that means risk loss grows on a dollar basis. We know the returns and growth are incredibly strong. And we have been generating that growth at stable loss rates. Borrow is an exceptional investment and delivers a very important need to our customers and as Owen

shared Borrow also drives engagement and retention benefits above and beyond the lending specific returns you see here.

I want to share the unit economics for our two largest lending products. Borrow on the left and BNPL Pay-in-Four on the right to explain their strength and why we're excited to invest behind them. There are three things I want to highlight here. First, our margins on originations of these products are stable, right around 2% of origination volume consistent with what I showed you earlier. Second, these loans are incredibly short duration. Our book turns over in roughly a month for both of these products. Finally, that combination leads to remarkable results. Without leverage, we're looking at ROICs of around 30%. For \$100 of our capital without leverage, that means we can generate around \$30 per year, respectively on these loans. And if we use warehouses or other funding structures like deposits, that increases returns with ROEs at 100% or greater.

Let's shift gears to Square. Similar to Cash App, Commerce Enablement is the consistent compounder here. It represents over three quarters of the mix and spans our payments, hardware and software portfolio. Financial Solutions has been the area of faster growth with Square loans, as well as our broader business banking suite, Instant Transfer, Square Debit, Balance Products. Financial Solutions have steadily gained a greater share of our mix. This chart lays out the power of the ecosystem approach based on our real data over the past year. As a seller goes from adopting one product to five plus products, monetization increases by around 14 times. That's from a combination of different revenue streams, payments, banking and software. And often enabled by sellers growth, more locations, serving additional use cases and handling complexity with our ecosystem.

We think of our gross profit in terms of monetization rates, that is gross profit as a percentage of GPV. For Commerce Enablement, you see general stability with some puts and takes from our payment and geographic mix, but overall, a strong attach rate that serves as our foundation.

Financial Solutions represent a key area of cross-sell. Where you've seen steady improving attach and room for further growth. Now let's get Frank. Recently, we got a lot of questions about gross profit growth relative to GPV growth. We recognize there's a lot of noise currently in Square's gross profit trends, given the operational changes we've made and strong upmarket growth, increasing hardware costs.

This chart addresses that directly. We're showing two cuts of gross profit. One for reported Square gross profit and one excluding hardware, a Q2 network remediation payment and the operational processing change we called out. What you'll see with that blue line, is that excluding those three items, actually, we actually accelerated gross profit from our low in Q1 earlier this year and continue to grow faster than GPV in Q3.

What you're seeing is that the spread on a reported basis is driven by these three items. Recent underlying growth trends have been strong and improving. We've talked about our conviction and the strength of our business and the strategies we're deploying across product go-to-market. And we've talked quite a lot about our conviction in accelerating growth. This chart shows why. We've seen the show up in reported GPV and underlying gross profit growth today. This view is relevant to the near term dynamics of our growth. But it's not something we plan on showing on an ongoing basis as we believe these processing partner impacts are largely transitory.

All right. We've talked about where we have been and where we are today. Now let's talk about what we expect to deliver in the years ahead. Let's start with the near term in 2026. First and foremost, we remain committed to achieving rule of 40. Let's take a look at how we expect to get there. On the top line, we expect to deliver gross profit growth of 17% next year to reach nearly \$12 billion in gross profit, continuing our strong momentum from the back half of this year.

We believe Square and Cash App for both positioned to drive durable growth. On the Square side, we expect the results of recent go-to-market investments, scaling field sales, and continued strength from self-onboard to continue compounding. On the Cash App side, we're turning the corner on actives growth and we have a number of recent and upcoming product launches that we expect to contribute to growth more meaningfully next year.

Shifting to the bottom line, as we plan to balance that growth with discipline and strong profitability. We're going to start guiding to adjusted EPS which as a reminder, similar to adjusted OI includes the impact of stock based compensation. For 2025, we expect adjusted EPS of \$2.35. And looking ahead to 2026, we expect to grow adjusted operating income by 31% with adjusted EPS growth of 36% to reach \$2.7 billion dollars of adjusted operating income and \$3.20 of adjusted EPS.

We've transformed our cost profile over the last couple of years and we believe we still have a lot more to do. There are a number of levers in our expense base where we can drive continued efficiency across our fixed cost base, partner value chain, risk loss, and broad investments in automation. And finally, we expect this to generate meaningful cash at approximately 20% of gross profit in 2026. I'll come back to this new non-GAAP metric we are introducing shortly.

Our priority remains achieving Rule of 40 in 2026 and sustaining it over time. Taken together, we believe this financial profile puts us in great shape to deliver next year. Similar to prior years, we will strive to outperform this initial guide with a focus on delivering stronger growth through our investments. Now let's get into the growth drivers across each ecosystem over the next three years. Starting with Cash App. We expect low single digit actives growth over the next three years. We are laser focused on growing our actives base and are executing at scale to compound impact.

Growth here will be driven by network innovations we discussed today with specific initiatives like teens and families, multiplayer money and Block networks. Actives growth has a compounding effect that is also felt in engagement across our ecosystem, as Owen highlighted. In recent years, we've executed well on consistent increases to inflows per active in monetization rate, driving Cash App's ARPU growth. We expect those to continue at a healthy clip. We expect inflows per active growth to come from growth in primary banking actives by introducing incentives like Cash App Green, powerful tools for our customers, we expect to increase monetization rate through the banking and lending products we've talked about Cash App Borrow and our Bitcoin capabilities.

Our forecasts imply the average active is bringing in about \$7,000 in inflows into Cash App in 2028. Still a fraction of the median income in the US reflecting the runway ahead to continue to grow Cash App longer term. I think we'll come back to the Square side of it. But let's put it together first with what the next few years looks like.

If we look longer term, we plan to sustain our compound disciplined growth in 2027 and 2028. We expect to grow gross profit in the mid-teens range over that timeframe. We believe we have sustainable drivers in both Cash App and Square and expect Proto to ramp in the coming years. On profitability, we expect adjusted operating income to grow 30% with adjusted earnings per share growth in the low 30% range. We're continuing to see gains in operational leverage and we expect those to build over time. The investments and priorities we're making today are setting us up for compounding returns in the years ahead.

And finally, we expect non-GAAP cash flow to improve to 25% by 2028. This is a powerful combination of growth with efficiency. Mid-teens topline growth with over 30% earnings per share growth. We expect to achieve Rule of 40 in 2026 and sustain it in 2027 and 2028. Now, let's come back to the next driver of that three-year view which is Square. Over the next three years, we expect a low to mid-teens compound annual growth rate across both reported gross profit and GPV. We expect gross profit and GPV growth to accelerate in 2026 relative to 2025 to

the low double digits. And we expect further acceleration into the mid-teens in 2027, and 2028. Importantly, we expect gross profit growth to be similar to GPV growth each of the next three years once we lap some of the dynamics that we discussed earlier in the first half of 2026.

Our accelerating growth expectations are due in large part to the increasing investment in strong marginal ROIs, Nick discussed earlier. We have two powerful growth levers here. Retention and acquisition. For acquisition, approximately every 8 points of new volume growth in a given year leads to an incremental 1 percentage point of GPV growth in the following year. Retention has a more immediate and outsized impact as a 1 point improvement in retention translates directly to 1 additional point of GPV growth. We believe we have opportunities in both areas. On the growth of GPV relative to gross profit as we move upmarket with larger sellers and as international becomes a bigger part of the mix, our – we expect to see a mix shift in our payments pricing.

However, we expect that to be generally offset by increased software attach as we reach larger sellers, as well as cross-sell, upsell and pricing initiatives as we execute on our recent pricing and packaging change. Shifting to Block's incremental profit margins. What we're seeing here is the real story of our efficiency. We're scaling the business at a mid-teens growth rate and converting that growth to increasing incremental profitability. For every \$1 of additional gross profit we generate, our incremental margin tells us how much flows to the bottom line.

In 2025, we're converting a third of growth to adjusted operating income. In 2026, we expect incremental margins to expand, despite investing over \$130 million in a number of net new growth initiatives, that we expect will sustain our growth for the long-term, including Moneybot, Neighborhoods and Afterpay Pre-Purchase. Looking ahead to 2028, we expect to convert about half of our incremental gross profit to profitability with our incremental margins improving each year. Shifting to the returns we see on the investments we make to drive long-term growth.

In Square, we're generating a 2x ROI on our go-to-market investments over three years with a six quarter payback period. Cash App is even more compelling, we're seeing 9x ROI over three years with just a two quarter payback period. When you can acquire customers at these economics, you keep investing and that's what we're doing. Embedded in the outlook we provided today is continued investment behind these returns as we scale acquisition across both ecosystems. If we execute well on our growth initiatives and outperform our gross profit guidance, we expect to reinvest some of that upside in sustaining long-term growth as long as the marginal ROIs remain compelling. Since our last Investor Day in 2022, we've achieved substantial leverage on our fixed costs. Our quarterly gross profit has doubled since Q1 of 2022, and we've moderated growth on the key areas of our expense base, product development and G&A.

Looking ahead, we believe there's more we can do on fixed costs to unlock investment in sales and marketing and to grow our lending portfolio. And we believe all this will allow us to sustain compounding earnings growth.

Now let's shift to capital allocation. We have three priorities here. First and foremost, we're investing in product innovation and go to market execution to sustain long-term growth. Second we're returning capital to shareholders through a consistent share repurchase program, we've repurchased more than \$1.5 billion of our shares in 2025 through September, and we are committed to continue this trend. And third, we're optimizing our capital structure, we intend to achieve an investment grade rating over time. This is about building a strong, resilient balance sheet that supports sustainable growth. These three priorities work together, invest in growth, return value to shareholders, and strengthen our foundation.

Today, as I shared earlier, I want to introduce a new cash flow metric that we plan to report going forward. We're calling it non-GAAP cash flow, and we believe it's the most representative measure of the cash we're generating

and our ability to return capital to shareholders. Let me walk you through how we define it. We start with cash flow from operations and subtract CapEx which gets you to free cash flow. Then you make two important adjustments.

First, we adjust for settlement timing, the timing of working capital for our payments products. This can change quarter to quarter, but doesn't really reflect the underlying economics of our business. This is a standard adjustment payments and fintech companies tend to make. And second, we adjust for the capital we invest in our lending products, adding back cash freed up from warehouse lines, why? Our lending business has recurring funding needs which we support today through warehouses facilities and plan to eventually use deposits to fund our growth.

Traditional free cash flow doesn't capture the full picture. Non-GAAP cash flow shows you the deployable cash we're generating, the cash available for share repurchases and strategic investments. This is the metric we'll anchor to going forward and we think it's the right lens to evaluate the cash potential of our business. We plan to meaningfully inflect our non-GAAP cash flow over the next three years.

As we mentioned, we expect a 20% cash flow yield as a percentage of gross profit in 2026 and we expect to improve this as a percentage of gross profit over the coming years. So over the next three years, we expect to generate approximately \$9 billion in cash on a non-GAAP basis. And in 2028, we expect to generate \$4 billion, that's \$9 billion we can return to shareholders or invest strategically. We plan to continue to repurchase shares and we'll act more aggressively when we believe shares traded a deep discount to intrinsic value like we think they do today. That's why today, we announced we've expanded our share repurchase authorization by an additional \$5 billion. We believe we can return up to 80% of our non-GAAP cash flow back to shareholders over the next three years.

Our commitment to profitable growth provides us with compelling opportunity for value creation here. This is where it all comes together. This is the financial profile we're building towards. These are the numbers if you extrapolate our guidance to 2028. We'll be approaching \$16 billion in gross profit, generating \$4.6 billion of adjusted operating income. Delivering \$5.50 of adjusted EPS and generating \$4 billion in cash flow on a non GAAP basis. This is the financial profile of a company that's positioned to create durable value for shareholders for years to come.

As we close, I want to leave you with how we started on our investment thesis. Block is a technology company, building connected ecosystems that empower people to participate more fully in the economy. And our strategy is to drive durable growth, compound profitability and generate meaningful cash flow through our four strengths. First, our unique capabilities, the mix of financial infrastructure, hardware, operations, networks and AI that we've built over 16 years is hard to match. Second, differentiated interfaces, simple, intuitive products that make lasting customer relationships.

And third, network advantages. Each new seller or individual makes the entire ecosystem stronger. Finally, proactive intelligence, using real time data and AI to help our customers run their business, make the most of their money and give time back. These are what will fuel the next chapter of Block. Thank you.

Unverified Participant

We now have a 20 minute lunch break, so feel free to grab some food and come back at 12:55 PM. The demo hall downstairs is also open.

[Break] (03:32:09-03:53:42)

Matthew Ross

Head of Investor Relations, Block, Inc.

All right, we are back. Hope you're all enjoying your lunch. So we have two more sessions up here for the rest of the day. We have a Q&A in a few minutes. But before I do that, really excited to have this partner panel for you to listen a little bit more about what we're doing across Square and Block and how we're working with our partners. So, we have Alex Fisher, Square Sales and Block Partnerships Lead. He's going to have a conversation with two folks that we've started working with recently. Lindsay Hirsch, Head of Growth Strategy, Planning & Design at Sysco; and Brandt Smallwood, President at Bilt. So, please join me in welcoming them to the stage.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

Hi, everyone. Thank you for having us. I am thrilled to be here and huge thank you to Lindsay and Brandt for joining us today. I know these two incredible businesses don't need much of an introduction, but I would be remiss if I didn't share a little bit about them before we begin. So first, Sysco, Lindsay thank you for joining us. Sysco is the largest food services provider in the world. The unseen infrastructure behind millions of restaurants and food businesses. They power the sellers at the heart of our Square ecosystem. Helping them operate smarter, more efficiently and more sustainably in a changing economy. And Bilt. Brandt, thanks for joining. Bilt has fundamentally reimaged the relationship between where we live and how we build wealth.

By turning the largest monthly expense, most Americans face, housing, into their most valuable financial asset, they've created the fastest growing rewards ecosystem in the country, with over 5 million members and a presence in one in four buildings. And now their neighborhood program is growing as well as our commerce platform and they're building a comprehensive ecosystem that serves Bilt members through the entire housing lifecycle, from renting to home ownership and everything in between. They've proven that your home isn't just where you sleep but the center of how you earn, spend and grow financially.

Matthew Ross

Head of Investor Relations, Block, Inc.

Gave you a long intro there.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

You did. There's a lot to say, a lot of good stuff. So together, these two businesses illustrate how Block connects supply, merchants and spend on one ecosystem. So we'll dive right in. Lindsay, let's start with you. Nick gave a preview of this earlier in his presentation. But Square has become the default point of sale for your sales consultants across your 750,000 restaurant locations. What led to this decision and how has our partnership differentiated Sysco in the food and beverage marketplace?

Lindsay Hirsch

Head-Growth Strategy, Planning & Design, Sysco

Yeah, absolutely. When we were considering and thinking about our partnerships, at the heart of it, we were really trying to optimize for our independent restaurant customer. And what is it that would meet their needs? And when we were looking for a partner, we were looking for someone who could provide the right solution for that particular customer as well as operate at the scale that we needed with Sysco and so if I think about that it came down to

really three things. The first was around, we wanted a holistic ecosystem. It wasn't just around a point of sale, we wanted to partner with someone who could provide more than just the hardware and software and extend to things like marketing, loyalty and even access to capital, which many of our independent restaurants are looking for.

The second thing, as we thought about it, was time is one of the most precious things that our independent customers have. And we wanted to make sure that we were going to work with a partner who could ensure that they would be able to onboard customers quickly when they moved to their system. And Square's reputation really helped with that.

And the last thing that we looked at is Sysco scale. We have operations coast-to-coast and even internationally in places like Great Britain, France, Ireland, Canada. And we wanted to work with a partner who was also thinking completely across the US and nationally.

And in terms of, to your other question around what – how it's allowed us to differentiate, I think fundamentally we see other food service distributors partner with certain folks and they're able to provide the standard discounts on hardware and software. And I think what really tips the edge and what's allowed us to differentiate, and Nick alluded to this, is our groceries on us. This is allowing us to provide what our particular customers need and those Square sellers what they need with access to some discounts that they can use and give right away on their food and supplies on a day-to-day basis.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

I love it. I know you won't share any specific numbers because I pushed you on this backstage, but can you walk us through some of the business impact you've seen, maybe share some examples of how Square has transformed your customer relationships?

Lindsay Hirsch

Head-Growth Strategy, Planning & Design, Sysco

Yes, absolutely. I think the testament to this early partnership, first of all has been the engagement which is been amazing with our over 5,000 sales colleagues. I think the first statistic that I like to give is over 60% of our sales consultants, as we call them, have actually used this Square offer with their customers. And I think a testament to that, we've had for multiple years what we call our Restaurant Solutions Partnership Program, and this has been the fastest ramp one that we've seen. So that's been incredibly exciting.

The second stat that I won't give some specifics, as you mentioned, but when we see a customer move over to Square, those customers with Sysco are growing faster than customers who are not. The other thing that we found very compelling is as we all go and prospect together, so we can provide as a joint partners a holistic solution to the customers. So their food distribution needs, the ecosystem on the back end that they're really looking for, and there's a particular seller on Sysco's behalf in New York that has used us and gotten 12 new prospects to convert over by having this offer in hand.

And then the last thing, to your point, Alex, around, it also allows us to provide something special to our most critical customers. So for Sysco, we have a loyalty program that we call Perks!, where we provide them with the best levels of service across what we can offer. But with the Square partnership, we've also given them exclusive access to different things like events.

So as an example, we just had one in Dallas last week where we brought all these Perks! independent customers together to really talk about some of the challenges that restaurateurs are experiencing today, to be able to learn, to connect directly with the Square team, directly with the Sysco team, and just really strengthen the bonds that those communities have.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

That's great. What was the number you said for one of sales consultant...

Lindsay Hirsch

Head-Growth Strategy, Planning & Design, Sysco

12.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

Incredible.

Lindsay Hirsch

Head-Growth Strategy, Planning & Design, Sysco

12.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

I love that, more of that. So how does working with Block give Sysco a new way to support these businesses. I know we share a deep fixation on supporting small local businesses. How is Square helping you guys do that?

Lindsay Hirsch

Head-Growth Strategy, Planning & Design, Sysco

Yeah, absolutely. I think it's really allowing us to show up holistically. And I brought a quote from one of our sales consultants. His name is Jeremy. That really brings this to life. So Square helped me offer more than just food solutions. I was able to solve a real business pain for my customer.

With high processing fees, poor support, and outdated tools, my customer needed something better. Square delivered on every front, fast onboarding, reliable equipment, and real savings. It strengthened my relationship and reinforced my value as a trusted advisor.

We always say at Sysco, when our customer wins, when our customer is able to grow, we're able to grow. And I think this really just highlights the level of that reinforcing the network effect. When we can go in there together, we can provide that customer savings, we can allow them to grow. And then that helps the entire e-commerce and network effect on both sides.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

Thank you, Lindsay. Brandt, over to you. So Bilt has done something truly extraordinary, taking something as fundamental and routine as paying rent and turning it into a rewarding local experience that connects users to the neighborhood. Can you share a little bit about how you saw this opportunity and moved to innovate in this space?

Brandt Smallwood

President, Bilt

Yeah, absolutely. And first of all, thank you so much, Alex, and the Block team for having us. Really excited to talk about the partnership. Yeah. So Bilt, started with just a simple insight which was pretty much every industry and every category that consumers spend, be that hotels and airlines to retail and even the local coffee shop have some form of loyalty program. That loyalty program they use to reward their best customers to drive behavior, repeat spend, bigger basket sizes, whatever, and it gives something back to those customers who engage more frequently.

What was interesting to us, and really the initial insight was that housing is consumers' largest spend category. So when you think of someone paying rent or mortgage, that's often 30% to 50% of someone's income. And it's pretty much the only category out there that doesn't use loyalty as a tool to drive behaviors that those parties care about. So whether that's things in the rental space, like setting up auto pay or doing digital payments or making your payment for your rent on time or signing a lease or renewing a lease, there were no real tools in the industry for property managers to do that and to drive those behaviors and as a consequence for consumers to get something more back when they engage in the ways that the merchants or in this case, the property managers were looking for.

And so that was the initial insight. There are a bunch of structural things as to why that was the case. The property space is pretty unconsolidated. So, the largest property managers have 100,000, 200,000 units. And when you think about standing up a loyalty program that has connectivity and the ability to earn points that you can transfer to United and Alaska Airlines and Marriott, 100,000 consumers is just not scale enough to make a difference.

And so one of the insights and one of the things Bilt did differently was aggregate all of these partners. Today, we partner with 70 of the top 100 property managers in the country. We are the way that everyone who lives at their buildings pays rent, covering now one in four properties across the country. And we are their loyalty solution that they use to drive those types of behaviors that I discussed. So, that was kind of the initial insight. And over time, that extended to the neighborhood, so people choose where they want to live, not just by the four walls that they live in, but it's by what's around them. That could be schools and museums, it could be restaurants and bars and activities and entertainment. And being able to have a unified commerce experience and loyalty platform where people as consumers can go and get more and be rewarded in their neighborhood where they're spending most of their money outside of housing spend, as well as for those merchants to reach the people that live nearby was just a natural sort of extension of our ecosystem.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

So, I guess maybe digging a little deeper, what comes next? What do your users want? And how do you think about building or partnering to deliver on that ask?

Brandt Smallwood

President, Bilt

Yeah. I think for us, it started and there's certainly a foundational level of rewards and just a reward sort of currency and the ability to do those types of things for consumers.

But I think where we've really been pushing and what we're trying to do, you hear a lot of companies talk about connected commerce, but to us, no one's really pulled that off in a big way in a local sort of environment and for local businesses and, physical kind of point of sale. So a lot of where we're focusing, a lot of the partnership that we're working with Block across the business on is around creating better commerce experiences. So it's not just, hey, I get rewards because I spent more at this place or I get extra whatever, because I went to this restaurant 3 times that month. It's also just actually making the whole interaction feel better. So the example, that you can take from out in the market is, I don't know if you all – if you've been in taxis and also rideshare, if you remember the first time you took an Uber or Lyft, and you get out of the car at the end, and you don't have to like, swipe your card or pay or get a receipt or sign a receipt or hope that they have a credit card terminal or Square terminal or whatever, it's just you can get up and leave. And that little thing makes that whole experience so much better, such that now when you go to the airport, you don't even, taking a taxi is the weird experience.

It's actually way better to just get out of the car and leave when you're done. And those are the types of experiences we're trying to create, kind of category by category. So to give a few examples of what we've done, in the pharmacy space, we've created really kind of the first of its kind automatic HSA and FSA reimbursement capability.

So now go to any Walgreens in the country, use any credit card that you want to use or any debit card that you want to use. And through our integrations with Walgreens, we can automatically identify one, that you transacted there, two, which items in your basket are HSA or FSA eligible, and then three, file that reimbursement on your behalf. So now your contact solution, what's reimbursable, can be in the same basket with the other, 10 items you bought and we'll go and file that \$6 reimbursement for you that you probably wouldn't have done otherwise because it's too much of a pain.

Take an example like the restaurant space. At restaurants, many folks on the rewards side can give you a statement credit or they can give you points. But for a restaurant that's trying to create a real hospitality experience, we now through integrations, with likes a Block, can actually power a better experience for the merchant where they can know when you show up, send a free round of drinks to your table automatically, because you did some action that they deemed important, maybe that's you came three times that month. They can set that up with a few clicks, automatically fulfill that. And as the consumer, you didn't know what happened behind the scenes, but now you're at this local restaurant that you love, you go all the time, they know your name, they send the free round of drinks when you show up or they get you dessert or they send a free Lyft ride for you at the end of the meal. And those type of experiences, I think, drive behavior for merchants by just creating a better commerce experience.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

Magical and greater experiences.

Brandt Smallwood

President, Bilt

Excellent.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

Okay.

Brandt Smallwood

President, Bilt

We use a lot of the same language. Makes the partnership great.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

So, one more question, and we'll end on a little bit of a teaser here. While we can't share yet what we're working on together, can you share a bit about how you see Block as a partner that can help fuel the evolution of these experiences?

Brandt Smallwood

President, Bilt

Yeah, I think, if you look at some of the announcements box put out recently, there's a real shared vision in terms of making local commerce just a better experience. And I think what's cool about Block and Bilt is when you look at our businesses, on the merchant side, the areas that Block is really strong versus areas Bilt is really strong, there's a lot of complementarity there, as well as some overlap where there's a lot we can do together. And then, when you look across the businesses, the types of capabilities that you all can bring from Afterpay and Cash App and other kind of consumer-facing product experiences that are useful to our customers who live in buildings and shop at merchants that are local. So we're really excited. I think we have, between our company, is a real shared mission in terms of what we're trying to do for neighborhood commerce, and excited by being able to integrate sort of the best of both to do that.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

Awesome. Well, thank you both so much.

Lindsay Hirsch

Head-Growth Strategy, Planning & Design, Sysco

Thank you.

Alex Fisher

Head-Global Go-To-Market & Enablement, Block, Inc.

That brings us to our time. And thank you, all, for your time and attention.

Brandt Smallwood

President, Bilt

Thanks very much.

[Break] (04:10:28-04:11:47)

Matthew Ross

Head of Investor Relations, Block, Inc.

All right. We have arrived at the last session of the day before the demo hall, which I'm personally very excited about. So, we have about 45 minutes or so to answer questions directly. So, we're going to have Jack, Amrita, Owen and Nick come back on the stage. I'll do my best to moderate from up here. We've got a few mic runners running at different parts of the auditorium. And so if you have a question, just raise your hand, and we'll try to get to you.

QUESTION AND ANSWER SECTION

Matthew Ross

Head of Investor Relations, Block, Inc.

Start with Brian and then Tim, first two hands I saw. Sorry, go ahead, [ph] Jason (04:12:18), yeah.

A

Q

First of all, thank you very much for a tremendous presentation. Really appreciate all the detail. And what I really wanted to ask big picture is just as we look at the guidance that you've laid out for 2026 as well as the subsequent couple of years, what do you see is just the biggest risks to these financial targets, putting the macro aside? And maybe as part of that, if you can talk about some of the embedded assumptions just around loan loss rates and any additional color on commerce enablement versus financial solutions versus Bitcoin in terms of the gross profit buildup? Thank you.

Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

I can start on this. The way we build our forecasts is we take the known trend lines in our business in very real time and extrapolate them based on obviously the history of data that we have across a multitude of products that we've got across our ecosystems, and we extrapolate them for the months and quarters ahead. We then overlay that with a portfolio of new initiatives, many of which we shared today, that we expect to launch in the weeks and months ahead.

And when we probability-weight that portfolio of initiatives as to when we expect that they would be released and how they would compound to growth in the future. And so, that really is the exercise that underpins what we shared today. Specifically from a 2026 perspective, more of that growth, more of that weighting obviously is coming from the initiatives that we've already got in our portfolio and that have – we've been recently launching products, like our Cash App Borrow product, Afterpay's integration with Cash App Card, in particular the post-purchase integration which we've already scaled and will continue to scale, but also more nascent product launches in the future like pre-purchase.

And then with Square, what you'll see is the compounding growth of product innovation as well as go-to-market. Some of the exit rates that Nick talked about continuing into the future will be, of course, incredibly guided by our marginal returns as to how we invest in that and how we expect that those investments to deliver growth into the future. From an execution standpoint, a lot of it, of course, comes down to execution – sorry, from a risk standpoint, a lot of it, of course, comes down to our ability to execute, whether it's measuring returns on a weekly

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and monthly basis so that we ensure that our investments are appropriately calibrated to growth or it's measuring loss rates, for instance, on our financial services products or lending products to ensure that we've got the right inputs around our expansion efforts there. But what we see today, we're incredibly excited about what we think we can deliver in 2026 and beyond.

Bryan C. Bergin

Analyst, TD Cowen

Q

Hey. Bryan Bergin from TD Cowen. Thanks for all the detail. Nice job here. I wanted to dig in on the margin, maybe talk about the confidence in that margin outlook over the three-year period, and particularly some of the key sources for you. Curious as you guys are also going full-on with Goose [indiscernible] (04:15:34) how you think about what that means for you for a needed workforce intensity in the company as well?

Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

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Sure. There's a full gamut of costs that we can explain, and I think it's different movers across our different cost categories. From a personnel standpoint, I think you've already seen us over the past few years get far more efficient. As we look ahead, functionalizing our company, working against a consolidated Block roadmap together, being able to move people into squads so that they're working on the most high-priority initiatives, I think that gives us a tremendous amount of urgency and speed, but it also gives us efficiency in how we deploy our resources to deliver impact and the returns on our teams. I think we are still in the very, very early days of that.

I think the second piece from a personnel standpoint is automation. We can enable our current employee base to deliver more and more to see higher returns from our existing employee base and to ramp in mid-teens from a gross profit growth perspective without meaningful personnel investments above and beyond how we enable our team from an automation perspective. There's a number of other non-personnel cost categories from variable costs with sales and marketing and risk loss. These are big categories where we want to continue to refine and get more and more efficient, but are mindful of investing there where we see strong returns to drive growth.

And then, there's a number of other non-personnel fixed categories which are real estate, T&E, software and cloud fees, professional consultant fees. There's a big body of spend. And we are going to be fairly rigorous in how we scrutinize that spend to ensure that we can put more of our dollars in the categories that actually return for our customers.

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

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We do intend to go all-in on automating through Goose and all the tools that we've got on top of it. And I would expect to be able to prove a lot more of that next year, but the number one priority for our company is to automate our company. Because if we can do that we can do that for our sellers, we can do that for all of our customers, and we've already seen by investing in that we get entirely new product categories such as Moneybot [indiscernible] (04:17:57) as well, that acceleration will lead to things we're not talking about right now in terms of futures and products as well, it just allows us to experiment much faster, build much faster. and get to product market very much faster.

Matthew Ross

Head of Investor Relations, Block, Inc.

A

We go to [ph] Tim (04:18:15) next, and then there's a question over here also.



Thank you. All right, great. This question is more for Nick, I think. But you talked about 300 salespeople in-seat by the end of 2027, I think it was, and it was – you've given a lot of tools for them. So, whether it's Neighborhoods, the AI tools, you mentioned a stat today around 50% of the leads coming in are coming from the partners, so it's kind of supercharging these salespeople. So with that as a backdrop, I was hoping you could talk about the sales force productivity, meaning for these 300 people, what should we be expecting in terms of their contribution, whether it's through the acceleration over the next few years, or it's a per salesperson? Or maybe if you can't go to that level, maybe just how does that productivity expectation compare to maybe the competitor salespeople?

Nicholas David Molnar

Head-Sales, Block, Inc.



Yeah. So my anticipation is that this telesales – this field sales motion should be able to get to the same size of our existing telesales motion over the course of the next three years. Like that's the scale of the opportunity. If we want to get to a 50-50 field is going to be the primary driver of our ability to step change the sales-led cohort. And we're already seeing very clear line of sight. We are working really closely with our development teams on how do we better automate the sales motion. I would still estimate that about 50% of our rep's time right now is spent on admin and not spent selling. So, we have a huge amount of room to give time back to our reps to make them more productivity and to be able to drive more NVA per rep while we scale the count of reps.

From the field motion specifically, we are really early, and the ROIs that we put up on the screen are reasonably primitive in a sense of like how we're stirring our reps on what – like where to go, when to go. So, for example, we don't presently have best routing path of a day for a rep of where they should go and when. The reps are walking there local neighborhoods, and we know their lists, and yes, the TAM is recently under-penetrated now. So, that works. But there's a way to make them significantly more efficient than what they are doing right now or our present like sales force way of working is designed for someone sitting at their desk. It's not designed for someone on the move. So, how do we think about bringing that in, where if you walk into a store and you're trying to sell, you need to find the right moment that's at the right time when the person behind the counter has the space to listen to you or wants to commit to finding the space to listen to you. There's a lot more science that can be brought into how we show up in the field. And our processes to-date, and our technology to-date are not optimized for our field team, but we're really focused on making them optimized, so like the baseline of our ROI in my mind is kind of like the starting point that gives us confidence. But I think we have a lot more room in finding efficiency of our reps, and giving them better technology to help them automate and scale.

Owen Britton Jennings

Business Lead, Block, Inc.



And just one thing to add, from a development perspective, we have dedicated teams that are partnering with some of the teams at Block that are a bit more operational in nature. So, we have a dedicated development team that's working with sales and account management, similar thing for customer operations, similar thing for risk operations and compliance operations and so, there's folks across engineering, design and product, who's entire job is to look at that work flow for say field sales or say for account management and say how am I going to automate that, how am I going to get that 50% number down the 30%, 20%, 10%, and really excited about the progress we've made in the past few months.



Thank you.

Matthew Ross

Head of Investor Relations, Block, Inc.

[indiscernible] (04:22:24)

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Harshita Rawat

Analyst, Bernstein Institutional Services LLC

Hi. Harshita Rawat, Bernstein. So, two questions, first on Cash App monthly actives. As we look out into the coming years. Amrita you kind of guided to low single digit growth. But my question is given all the paybacks you're seeing, we talked about that today, the product velocity, all the network-enabled initiatives, why not aim for a higher number than the low single digit growth? Fully recognizing that that number has grown in the last couple of quarters, so this is an improvement and you may be kind of working off of the recent trend line.

And then a follow-up Amrita just on the guidance, the 17% gross profit growth guidance for next year, the 15%, 2027-2028. How should we think about that number including the variable cost all of them including risk losses? Thank you.

Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

Do you want to talk to...

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Owen Britton Jennings

Business Lead, Block, Inc.

Sure, I'll take the actives question. I appreciate the question. I guess, one thing I just want to draw a distinction between is there is guidance and then there's setting a goal. So, you can bet that our personal goal and what the team has aimed at delivering, we're trying to meaningfully outperform anything that we put out there from a guidance perspective.

And I am really, really happy with the progress that we've made. Basically this spring, we kind of said publicly that we're making network expansion, the number one priority for Cash App. We've shipped a ton of improvements over the past several months and we're now starting to see that flow through. So, I talked about this a bit at earnings where we're seeing that year-over-year growth rate accelerate, obviously off of the low base and not a place that we're happy with.

We're seeing really positive trends and I am looking at numbers on a daily basis, on an hourly basis and really happy with what I am seeing. There's also other levers that are going to drive the business or we hope to drive the business that aren't necessarily factored in. I talked about – in my speech, I talked about network enhancements. I talked about teams and families. I talked about multiplayer money.

Obviously, Neighborhoods is a huge potential tailwind where you're talking about tens of thousands of points of sale and essentially making each of them and up sale into Cash App. There's entire new product lines that Brian Boates talked about, the credit scores for instances. There's areas we didn't touch on today related to stablecoins, related to cash for business. So, I wouldn't read that as much as like a goal. I would read that more as guidance, and I think we're working every single day to outperform.

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Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

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And I'd also say on the actives front that as, I'm sure, you see in your own model, Cash App gross profit is levered pretty strongly to actives growth. So, if we can outperform that actives growth, we obviously have shown a track record of dramatically growing ARPU within Cash App, the amount of utility the customers are finding on a daily basis across the ecosystem, how money moves through all of those products and the monetization rate on them has underpinned really dramatic growth from an ARPU perspective.

And so to the extent that we can inflect the actives growth number that materially shows up in gross profit. So, I think what we've shown today is based on our most recent track record, the compounding results that we've seen over the past six months. But obviously there's a lot more to do there. And the second piece, which is variable profit, I mean, look, I think what you saw in the presentation is obviously margin expansion, not only in 2026, but in the next three years.

We also shared incremental profit margin expansion from 2025 and into the next three years. As I said earlier, we'll tolerate risk loss growth on a dollar basis. And you'll see that show up in our P&L as we expand these lending products. But we're going to be incredibly watchful to ensure that the returns on that growth, the margin on originations, continues to be within our target levels. And so our ability to respond to any changes there, and to profitably grow the unit economics on the individual lending products themselves continues to deliver over time. So, I'd expect to see variable margins as well expanding in line with those broader rates.

Matthew Ross

Head of Investor Relations, Block, Inc.

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And so we're going to go to Adam, right here in the middle if you want to raise your hand, then we'll go to Darrin here next to him, and I'll come upfront for Himesh.

Adam B. Frisch

Analyst, Evercore ISI

Q

Thanks. Really nice job today presenting all this. I think you kind of created a bit of a clearing event in increasing the aperture of the visibility into the income statement, getting a little bit more away from just gross profit growth and expanding into the adjusted operating income line. Is it the right way to look at this given the headwinds, Nick, that you described a little bit on the Square side, more sales force driven, higher merchants, which is a little bit lower margin, but you're driving a lot more operating income growth.

And it looks like on the Cash App side maybe a little bit of the reverse, gross profit is growing a little bit faster than the contribution to the adjusted income growth. Is that the right way to think about it that building blocks are there on both sides of the business to drive – I keep saying EBITDA – adjusted operating income growth. And then Nick if you could just talk about your sales force adds and where they're coming from and what you are looking for as you build this group? Thank you.

Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

A

So, in the first of the question, if I understand it right, some of the incremental areas of growth, so for Square, it's may be larger sellers, international markets and then for Cash App our lending products come at lower blended margins today than the core payments and software business I think that's right.

What we are seeing though is, as we orient increasing into variable profit dollars generated and we expect to grow that with discipline over time, we can see an overall blended profile across the mix of our products continue to deliver margin expansion. And that's accreting from leverage standpoint as we strictly manage the fixed cost base. I hope that answered your question.

Nicholas David Molnar

Head-Sales, Block, Inc.

A

Yeah. So, we think about this is dollar variable profit growth like that's the way, ultimately the more dollar variable profit growth we can drive or acceleration of that year-on-year growth curve, the more that flows through into operating income. So, when I'm looking at our opportunity, yes, we're like managing to a margin profile outcome because we don't just want to drive GPV for GPV sake.

But there are also some realities of how network effect is unlocked in a B2B led business. Where people do respect certain people in their neighborhood, certain sellers in their neighborhood. There are staples and icons of Neighborhoods that really shift the perception and then in partnership, you can actually like de-myth, some of the realities of what people might of with Square through someone that they already respect.

So, when we're running a campaign with Katz's Deli or the founder of Bluestone Lane is on the front page of the FMB Trade magazine, talking about our hardware that is a way better campaign for us than us running our own marketing campaign. We're definitely not at the efficiency – like we're not maxed out on our efficiency frontier of our marketing spend in my mind, we want to keep pushing it as long as it's going to drive inbound lead volumes and quality inbound leads that go down to the bottom of funnel and translate to a natural close win rate, but we have such a meaningful portion of our leads today come from our marketing spend, and as we keep pushing it we're seeing that marginal profile for that.

So, there's, how do we keep driving – how do we keep driving the channels that will drive leads, while we scale our team, because if you scale your team and you have no leads, they're going to be – the inefficiency will start to show up and start to prevail. Field reps don't need leads, they need territories, where you're underpenetrated, where you know that if they run the right routes, you're going to achieve the right ROI outcomes with win rates.

Telesales, some of our other teams, like enterprise, that's where we start to get more into kind of the lead routing piece. I do think international is a really interesting piece here and I spoke about the different variable profit margin profiles of international versus the US business, but we're driving NVA growth of 70% at the moment. These are really big numbers.

And I think we can keep pushing in that territory of growth, rate, if we play our cards right, so I'm really focused on field. I'm focused on starting to build the right upmarket motions. Some of our leader – our leadership from the early days of Afterpay is now leading those motions and starting to build that out on the Square side. And then there are some newer things like reseller, scaling field and being really focused on international.

Thomas Templeton

Hardware Lead, Block, Inc.

A

The other thing I would add, Adam, is we talk a lot about payments pricing on market, but there's also a software opportunity that's pretty meaningful. And as you move upmarket, you attach more software. The pricing and packaging work that we launched with Square releases a month ago is also an opportunity to sell more software to our customers and help them run their businesses more effectively, which has a monetization benefit of course. Darrin next...

Darrin Peller

Analyst, Wolfe Research LLC



All right. Thanks guys. It's Darrin Peller. This is probably more for Owen and for Jack. But for some years now, we've talked quite a bit about the connection of the ecosystems being a big aspiration of the company, Cash App and Square. And I'd love to hear more tangible examples of what you think is going well today and more importantly what you see as potentially showing milestones of success and in a year from today or two years from today that have said, you would look back and say you really did succeed in connecting the ecosystems. To me that's one of the biggest potential differentiators of Block going forward.

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.



Yeah. I can start. I think the biggest proof point ultimately is going to be neighborhood because it's a real product that both are our sellers and our Cash App customers will value. I do believe it'll drive significant usage for both of those ecosystems. We were not able to do that over the past few years for a number of reasons, technical, personality, like organizational and whatnot.

So, being able to see actual sellers and actual individuals use it on an increasingly regular basis and what it can potentially unlock for them is massive. But that's just one part. Like everything that we talked about last week with Bitcoin also is referencing how we pull our ecosystems together and how they can actually play off one another to the positive.

So, I think over the next six months to a year, we'll have a lot of proof points, we're excited to show you all on why these two ecosystems can really scale together. And we're one of the few companies in the world that have both the [indiscernible] (04:33:39) counter and we intend to fully take advantage of that in every single way in order to get more customers on in both of those ecosystems.

Owen Britton Jennings

Business Lead, Block, Inc.



I can just add a few thoughts. I really wanted to lay out kind of how we think about our capabilities and then our brands really just being interfaces on top of them at the start of my talk because I think it gets to your question. So, I think there's already a number of ways in which we are and we have been connecting our ecosystems, that's not necessarily incredibly visible to customers.

And this was part of the goal around functionalization, so right now we have like a singular AI stack built on top of goose and that agent substrate and that's powering Moneybot and that's powering Managerbot. It might not visibly feel to a customer like we're connecting the ecosystems but it's letting us move faster. It's letting us build incredible things in a matter of weeks or matter of months.

Similarly we now have a singular financial platform across the entirety of Block versus having one for Square, having one for Cash App, so on and so forth. So, I think that we've made a lot of progress just in terms of our ability to move more quickly, our ability to get rid of duplication at the company. In terms of things that are going to really affect the customer experience and where you kind of get that combinatorial benefit that we've been talking about.

I agree Neighborhoods is probably like the biggest thing to watch in the immediate term. But really on the development side, what we're doing now as like one product development team is we're looking at every piece of Square, we're looking at every piece of Cash App, every piece of Afterpay, and we're saying, how can we provide

differentiated value here? So, there's a few other touch points that I would think about. One of them is obviously the integration of Cash App and Afterpay in the US. I think that's absolutely massive.

So, going back to the previous question, we're working toward having that tailwind of Cash App actives in terms of US Afterpay actives coming into Cash App. I think similarly, we continue to focus on our payments stack with Cash App Card and Cash App Pay, so the more payments that we can get at Square sellers with Cash App Card and Cash App Pay, the better that we can make that experience both for consumers and for merchants, if you think about things like rewards or if you think about things like processing cost or what have you. That's why I think dollars on Lightning or bitcoin transactions on USD with such a massive announcement to talk about today.

And then, I touched on it a bit in my talk, but I think the employee network and the staff network is a pretty meaningful opportunity here. Increasingly, you're seeing us build more and more features and products into Cash App that are broadening the aperture of Cash App into like basically whatever is related to your financial life, you should be able to manage it within Cash App. And so we have millions of staff members who work at small businesses on the Square side, we also see a very large number of new staff members on an annual basis.

And to the extent that we can make Cash App, just the default banking platform to get paid instantly for work that you do in a given hour or a given day, that's going to be pretty massive. But I guess more broadly, I would say basically we're looking at every single capability, and then, how can we expose that to a given customer through a given interface? And how can we add more value by leveraging capabilities across our brands.

Matthew Ross

Head of Investor Relations, Block, Inc.

A

Okay. So, we go to [ph] Hamish (04:37:11) next, who's very front row, and then Tien-Tsin after that.

Q

Jack, maybe a question for you. One of the things you've hammered home is the importance of product velocity, and it feels like there's been a massive change there organizationally over the last couple of years. Where are you on that journey? [indiscernible] (04:37:29) characterize that. And what more do you have to do to where you want to be?

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

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Yeah. I think we've certainly done what we need to do from a structural standpoint. I think the rest of it comes down to mindset, and some more accountability, and putting into practice. The tools we're using are very advanced. And we are ahead of the game in most of these things. [indiscernible] (04:38:01) has not only been successful at our company but other companies such as Stripe and Databricks. So like it's a model that actually works. And part of it's power is that we're completely model independent. So, it can be a front end to any model whether it be open source or one of the bigger corporate frontier models. So, it allows us a lot of flexibility in applying it to the work. So I would say that we have had significant velocity shifts over just the past six months, but every single month is going to get better and better and better as we get more of the team to use the tools as we understand, like where we can fill the gaps, and like really apply this technology even more. But most of it's making sure that we get this mindset, my last slide, fully integrated into the culture, and that's going to be a big part of my entire focus, our leadership team's focus, and making sure that we have an organization that really lives up to those three things. That changes our velocity completely. So, we made major strides. All the structural stuff is more or less done. Now it's just like putting into practice again and again and seeing it compound.

Matthew Ross

Head of Investor Relations, Block, Inc.

Okay. Tien-Tsin, up here, and then, we'll go to Dan over here.

A

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Thank you. Thanks, Matt. I guess, just want to share a couple reactions, maybe to your session, Jack, if that's okay, and get your feedback on it. So, from a mission standpoint, the mission has always been pretty consistent, economic empowerment. I think you shifted that to include autonomous economic empowerment, if I heard that correctly. So, that's one observation, big push towards autonomy. And then, the second one, when you talked about inflections, my reaction was that in the past, most of these inflections were from established products, and then, you bring those to the mass markets or to the underserved, but I think the one that you call out was data and then AI. I would say those are less established, right. So, I'm curious how this inflection might be different as you're moving the mission more towards autonomy. Is the market ready for autonomous tools. Is it ready for bitcoin. How are you thinking about that within the framework of past inflections that have worked very well for the company, if you follow my question. And I know in the past, Jack, you talked about Horizon 1, 2, 3. I don't know if that thinking applies here or not. Sorry, for the long-winded question.

Q

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

My sense is that any company that doesn't build a platform for autonomy is going to become irrelevant. Because the frontier labs will take more and more of those use cases. And our intention is to [indiscernible] (04:40:49) and not to react to it. And I think you're right in term – well, I would say that all those other three inflection points, those were not established products at all. Like, especially for the people that we served. All of them were, certainly looking at like these use cases, and broadening the access. But they weren't established in our customer set, and establishing them in our customer set, and then, building on top of them, so that we could go more upmarket is where we really won. We believe there's a massive opportunity which is differentiated and unique in the sense of having real time living data fed into models that we create and we control, that other companies are trying to take from companies like ours, and ingest them so they can build similar services, but we we have all that today. So, we think it's really important to focus on this concept of proactive intelligence noting that most of the AI models today are trained on old, dead data from the Internet. They don't have access to the fundamental data that we have every single second of every single day as people just use our product, and all these models are becoming more and more commodity especially given all the open source models coming out of China. So, it gives us a very unique vantage point, and gives us an ability to actually level the playing field for our customers, and for ourselves, and move faster than we were able to in the past.

A

So, I do see it as an inflection point. I do see it as something that transforms our company, and we intend to lead on it. [indiscernible] (04:42:37). In terms of bitcoin, again like this represents a shift, and an opportunity for us to reduce a singular dependency on the current financial system and networks, and provide other options, and provide our sellers the ability to really push their customers where they go so they don't have to pay fees. There's economic incentive to this, it's not just being about crypto, it's not just using cool technology. There's economic incentive and economic freedoms that this technology gives our seller customers, and our individual customers. And this is just the beginning. It's not just about payments and transactions. There's a whole category of services that we can build on top of this open stack. But payments is obviously the most fundamental and the most important.

Owen Britton Jennings

Business Lead, Block, Inc.

A

Just one quick add on from a product perspective. I think we've done a good job on the Square side and Cash side. Just obfuscating away from the complexity. And so you had a question about readiness. I think the question is like, I believe there's some customers who perhaps don't care that let's say Moneybot is running on let's say GPT 5.1, versus Claude Sonnet 4.5, versus an open source model. What they care about is that, they are able to save [ph] operating day fund (04:44:01) or they're able to get good financial advice from Moneybot. I think similarly, you don't necessarily have to believe that tens of millions of customers are going to like actively choose to pay in bitcoin tomorrow or next month. We can obfuscate a lot of this complexity. What they care about is that their transaction goes through for their coffee. And what sellers care about is the transaction goes through and also maybe on paying less. So, it's our job as like a design and engineering-led company to obfuscate away a lot of the stuff that we're talking about here and just build incredibly simple experiences that customers love. And I think that's more so what we're getting at.

Matthew Ross

Head of Investor Relations, Block, Inc.

A

So, we'll go to Dan, over here, and then question at the back bench, back there.

Dan Dolev

Analyst, Mizuho Securities USA LLC

Q

Hey, guys. Really, really interesting Analyst Day. Thanks again. Maybe just a question on the – on all the lending stuff. I mean the one thing that [indiscernible] (04:44:56), by the way, Dan Dolev from Mizuho, sorry about that, is how good the lending is, right like the loss rates are very low. And I think a lot of people don't understand it. I think that's a big overhang on the stock. And so, my question is basically like, do you – would you consider maybe consistently providing more data, maybe even making it a separate segment that shows, okay, here's everything we do in lending, and here's everything else because the data speaks for itself, and it looks really good, there's no reason to not put it out there. That's just maybe a question on me. Thanks.

Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

A

Yeah. I mean no, you should speak to this too, but I think a big part of what you are hearing from us today is a commitment to increase regular disclosure and transparency on these quickly ramping parts of our business. Whether it's – and important parts of our business whether it's on Square go-to-market, or it's Cash App lending, or what have you. I think a big part of the reorientation of the revenue categories is to highlight the pieces that come from financial services. Now, there's more in there than just lending but certainly lending is a key piece of that.

And it – everything from margins on our originations, our ROICs, like these are incredibly strong metrics that we are tracking on a daily, weekly basis, and so, we do commit to sharing more of that on a regular basis.

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

A

Yeah. I'd just add. So there's a chart or slide in Amrita's presentation that showed originations by Borrow and BNPL, showed variable profit, and it showed a return on invested capital, our plan is to share that information going forward. As Amrita said, we seek people's feedback on what we had shared today. And so let us know what you all think. It's worth just pausing for a second. That's one of my favorite slides in the entire day. 50% origination growth. 28% return on invested capital, 2% variable profit margins that have been stable throughout the last

several years. It's just, I think the team that managed our underwriting risk both shows up here and everyone else with them has done an absolutely exceptional job. And it's worth reflecting on the fact that that scale, that growth, those returns just, I do not think exist anywhere else.

Owen Britton Jennings

Business Lead, Block, Inc.

A

Can I – can I make a couple points? I think lending is a super powerful block. I think when you actually look at gross profit profiles across like fintechs, others internationally that we believe are great businesses. It always comes back to lending. And access to liquidity is one of the most valuable things that you can give a human, and we're seeing that. And the reason why we are so uniquely placed that it is a super power is because we didn't start out life lending someone \$2,000 over a 24-month period, and making a decision today that we have to live with for the next 24 months. We have such fast velocity of our book, short duration loans, small average order value, small ticket sizes, highly diversified, we're dealing with millions of consumers very single month, and that's like a very unique thing that we have designed that is fundamentally the opposite of broader financial services ecosystem.

So when you see there's like a pressure in the market on loss rates, and you see that we have been able to hold our loss profile while significantly scaling. The fact that risk loss is up on a year-on-year metric isn't a relevant point of view when growing Borrow at 134% year-on-year, and the velocity is prevailing, and assessing each loan or each order every single time. So, I think we have a job to do to keep re-enforcing that our lending is different from everyone else's lending. And our lending is the most real time lending that happens in the market because we are looking at it on such a short order basis with such high velocity and that's why you're at over 100% return on equity as a result of the annualized returns that our margin profiles prevail. So I think this is the thing we have to keep leaning into. And like hold it, and be proud of it. Because it's a super power for Block.

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

A

Yeah. [indiscernible] (04:49:13) started all the way back with Square Capital, which is now called Square Loans. I think one of the most undervalued aspects of our business is the data understanding we have of our customers. And now that we have these tools such as AI, we can do something even more magical that is cohesive with funding, but really allows us to tie so many use cases together with our understanding.

Matthew Ross

Head of Investor Relations, Block, Inc.

A

So, there was a question on the back, [ph] back row here (04:49:38).

Q

Hello. My name is [ph] Cameron McKenzie (04:49:47). I came actually down from Vancouver, Canada because I'm so impressed with what Jack and Jim created many years ago, and all the incredible things you guys are doing and showing us today. You mentioned [indiscernible] (04:49:56), but Purdys Chocolates is a chocolate company that I grew up with in the local family in my town, Vancouver. Building for durability was something you mentioned earlier and this focus on teens and capturing teens financial literacy, I'm an investment advisor with RBC Dominion Securities and we talk about financial literacy all the time. But the sticking of that is not what you are providing with teens and the bigger picture of why I came down here was to learn about the blockchain and the bitcoin and it's a yes or no question probably to Jack. But is bitcoin awareness an obligation for Block?

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

No.

A

Q

Thank you. Keep your head down and keep doing what you're doing then.

Matthew Ross

Head of Investor Relations, Block, Inc.

We'll have Purdys chocolates too. Actually a question right next to you if you want to just pass the mic, one person over.

A

Q

Yeah. [ph] Sean Emery, Avery and Company (04:50:55). On the bot side, how do you think of if usage across the board ramps up and how that affects maybe margins, but then even more importantly I think monetization of it? And then second, on the Cash App investing side, how breadth, depth do you want to go there? Some of the competitors are pretty deep at this point couldn't drive engagement over time. So, that's kind of the second question.

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

Yeah. The – on the bot side first, we want to – for Moneybot, we want to provide someone with something that is equivalent to having a personal CFO, and we think that's extremely valuable and we think giving time back is extremely valuable and we want to price that ultimately according to that. But we have a lot to prove before we get there and we want to earn the trust that it's actually doing the right things for people and they find real value in it and that is exactly what we're testing right now. On Managerbot, it's the same thing, which is we believe that, this should be equivalent to hiring a COO or manager for your business and then if it is truly automating your business and the same way that we intent to automate our business that's extremely valuable and should be priced accordingly.

A

We think there is an opportunity with Builderbot as well, for companies like ours, but also for smaller businesses we historically served over 16 years. And certainly up market, we don't have immediate plans on how to package and productize that. But we do think there's a lot of opportunity to do so and we will be looking at it.

Owen Britton Jennings

Business Lead, Block, Inc.

Just a couple things to add. Just from a cost perspective, as we think about Moneybot and Managerbot ramping, feel pretty good about it, not too concerned. As Jack said, eventually you can kind of figure out the pricing just for those things. But then in terms of Moneybot and how it actually flows through, I think it's actually a pretty – it's a pretty incredible system from a product perspective because we've spent the past decade on all of these like lifecycle models and personalization models and next best action models, et cetera. You've kind of had to hide that behind other things. It either seems – it feels like a crummy push notification or you are kind of like building that on a different UI. This, it truly is giving customer suggestions and so then the way that I expect that to flow through or how you could imagine it flow through is just cross-sell, upsell and engagement, new product adaption.

A

We're already seeing instances and folks who are starting to use savings, starting to use investing or what have you from their conversations with Moneybot.

The other thing is to the extent Moneybot can really differentiate, it's a huge value prop for a given customer who uses Cash App, maybe periodically to bring their entire financial life on the Cash App because now you have this conversational CFO that you can chat to about everything that you do on the Cash App side. So, I do think there is lot of upside as well, it's not just on the cost side. For investing, just where we're focused right now is investing products that serve the vast, vast majority of Americans. We don't have any immediate term plans to do short selling or margin loans or what have you, like the vast, vast majority of Americans do not need those tools. And so, we'll continue to invest. There are some interesting features we can build, but I wouldn't expect this to go 100% deep in the investing world in the immediate term.

Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

A

Yeah. I'll just add in tying your connection back to our guidance. We don't include meaningful gross profit opportunities related to our AI initiatives in the guidance that we laid out today. We do include some modest costs. I think as I mentioned in my presentation about \$130 million in 2026 related not only to AI, but neighborhoods and Afterpay Pre-Purchase. So, some newer initiatives that we'll be ramping next year, we've included investments against. But AI maybe tying to Tien-Tsin's question earlier is more nascent. And I think business models will evolve at the very least you can imagine things like retention and cross-sell through some of these AI conversational proactive intelligence means but potentially business models on top of that and that's not what's factored in the guidance today that's upside potential.

Matthew Ross

Head of Investor Relations, Block, Inc.

A

All right. So, the back of the rooms are nearly quiet. Or maybe we have just been missing hands all the time. But anyone in the back rows have any questions. Question over here.

Kenneth Suchoski

Analyst, Autonomous Research US LP

Q

Thank you. Ken Suchoski, Autonomous Research. I wanted to ask about modernization of Cash App. It feels like Cash App [ph] modernization (04:55:32) has had different drivers and contributors over the years, right, starting within some transfer initially. Then you moved on to Cash App card, active penetration has increased. You are driving growth with Cash App Borrow. When you think about the next leg of growth, are there one or two products outside of Borrow that you think can really help contribute to gross profit growth over the next few years. I think Amrita you said there are a number of product launches in the works. And I also saw the – I think it was a reference to Cash App Score and potentially leveraging that data and selling that data. Thank you.

Owen Britton Jennings

Business Lead, Block, Inc.

A

Yeah. I can talk about this from a product development perspective and then let Amrita tie it together in terms of the plan. I think on Cash App side, there is no shortage of new product lines that we can build. I think we are in a really, really unique place where we started with peer to peer. We've layered in a new financial service basically every year over the past decade, and we've had market fit and we have strong attach rates with all these products in a way that, frankly, some of the other competitors in the peer to peer space don't.

And a lot of that is because where we started was serving those who are traditionally underserved by the financial system. And so, the attach to cash card is really high and the attach to borrow is really high and the attach to bitcoin is really high and so on and so forth. So, the one way that you can think about it is just to redefine the world's relationship with money. You have to serve basically every transaction type. So, what are some markets that Cash App is not playing in right now where customers are transacting. Those are the sorts of things that you could imagine us building, whether it's one year, three years or five years. And there still are a number of categories where we [ph] are in (04:57:13) playing.

I think that, more specifically, I think credit score internally and also potentially externally is an incredible example of what could be a new product line. There's other products that are out there in the Fintech space that we could easily build ourselves or integrate with. And then I think more broadly, really the commerce side will continue to be a huge tailwind for us. I think Cash App Pay, we're really just getting started and we see tremendous demand and then there's so much that we can do with Cash App Pay with dollar on lightning with how we think about building these payment networks. And so, I think there is a number of potential multi-\$100 million gross profit lines that are kind of coming down the pike.

Matthew Ross

Head of Investor Relations, Block, Inc.

A

I think it's time for one more question. I can't say who it is back there, but. Yeah. Perfect.

Jeff Cantwell

Analyst, Seaport Global Securities LLC

Q

This is Jeff Cantwell from Seaport Research. Thanks a lot. Nick, I thought your presentation was really good, I think, and Owen yours as well. Owen, you highlighted using bitcoin for payments and you call that the paradigm shift. Question I have is how does Block plan to help do its part in facilitating the adoption, both on the merchant side, open up that aperture, but also with consumers. It just strikes me that you guys have a lot of experience with bitcoin over the years and you have ideas on driving consumer adoption because as we all know here in the US, at times, there could be a solution in search of a problem mentality with payments. I guess I am just curious what the plan is around driving adoption or how do you see that playing out over time. And then Jack, this probably is the most important question [ph] you'll ever (04:58:53) get asked from the sell side, are you Satoshi Nakamoto? Thanks.

Owen Britton Jennings

Business Lead, Block, Inc.

A

I'll kick it off. Nice two-parter there. So, I think we're really good at driving customer behavior shares. One fun thing I like to do is thing about when I started at Block, 12 years ago, our readers were all swipe. Everyone was – were kind of in a tizzy about this whole EMV thing and like building the dip reader and so on so forth, and then all of a sudden you get tap. And we did a really good job of kind of like moving customer behavior forward both on the seller side and also on buyer side and now it's probably just like an after-thought that we were ever swiping cards for many of you. But that was really core to our business and so there's a lot of learnings in there I think one is keep it simple so that we can obfuscate away a whole bunch of complexity. I don't think the average American is going to necessarily deeply understand or care that much about the lightening network and what the L2 means versus L1 and it will have to. We don't have to put – is just the that's why, I am so excited about what Brian was talking about with neighborhoods, I am so excited about Cash App Green. We have a ton of leverage in the business and so we can build incentive programs both on the acceptance side as well as on the buyer side in order to drive adoption of any given product or any given form of payment. And so, that's what I would say I think if we keep it simple and we get the right incentive structure then then that will just compound positively over time

and will be a similar sort of thing where in X number of years you'll look back and it's like, wow, can you believe that we were doing it this way when like this is clearly so much better for everyone involved, that's like by and large how I think about it.

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

A

I think the incentive structure is there and I think the cost savings is obvious and our merchants will lead the way. And it's just a matter of trying it a few times where you see that value and I'm sure you all have had experiences where you're starting to see more and more cash only signs and I think that only increases over time, so another alternative. On the Satoshi question, the most beautiful thing about bitcoin is that question does not matter at all anymore. It's an open protocol taken over by a community that wants to see an alternative turn option. And if it was important to Satoshi, there is a simple way they can prove who they are, so we'll wait for that day. But just as a way to close this out, I really mean what I said in the beginning about giving us critical feedback. We had a lot of questions today, but our emails are always open. If you email me, you can discover my email address. I can't say right now, but you can discover it. I read everything. I may not get back in a reasonable timeframe or at all, but I take all the input and it's really important that we get this critical feedback. If there is anything you don't understand about our business. If there is anything confusing. If there is something that you think is off strategy or just does not make sense and never has, then please send it our way and we will consider it and we will take it to heart and we'll make sure that we improve it in anyway that we can.

The most important thing for us is that we're building something valuable for our customers and we believe that we have something that is truly unique. We believe we have these capabilities that are very hard to build up and to maintain. And we believe that we are, again in a leadership position from a technology and design standpoint. And that's what I want you to hold us accountable to. And if you see us straying from it, then speak up, be frank, be critical and be brutal because we're only going to get better because of because of that. So, it goes for all of you in the room, but also all of you in retail watching from a far, please share the feedback and we'll only improve from this. Thank you. We have so much gratitude for you all for your time, for your belief, and your patience and we're going to make it on all of it. Thank you.

Matthew Ross

Head of Investor Relations, Block, Inc.

Thank you.

Amrita Ahuja

Chief Operating Officer & Chief Financial Officer, Block, Inc.

Maybe one last, last thing. Jack probably doesn't want me to say this. He may or may not be Satoshi, but it is his birthday today. So, what's better way to celebrate with – then with 200 of your closest friends. Hopefully, you see him down in the demo hall, please go down and checkout all of our products that are down there, meet other employees and sing Jack happy birthday.

Jack Patrick Dorsey

Block Head, Chairman & Co-Founder, Block, Inc.

Thank you.

Owen Britton Jennings

Business Lead, Block, Inc.

Thank you, all.

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