UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-40819

Toast, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**45-4168768**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
333 Summer Street **Boston, Massachusetts**	**02210**
(Address of principal executive offices)	(Zip code)

(617) 297-1005

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value of $0.000001 per share	TOST	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ◻

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ◻ No ☒

The registrant had outstanding 514 million shares of Class A common stock and 64 million shares of Class B common stock as of July 30, 2026.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations, financial condition, business strategy, plans and objectives of management for future operations, our market opportunity and the potential growth of that market, our liquidity and capital needs and other similar matters, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would,” or the negative of these words or other similar terms or expressions. These forward-looking statements are based on management’s current expectations and assumptions about future events, which are inherently subject to uncertainties, risks, and changes in circumstances that are difficult to predict. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements concerning the following:

- our future financial performance, including our profitability, revenue, costs of revenue or expenses, or other operating results;
- our ability to successfully execute our business and growth strategy;
- anticipated trends and growth rates in our business and in the markets in which we operate;
- our ability to effectively manage our growth and future expenses;
- our anticipated investments in sales and marketing and research and development;
- our ability to maintain the security and availability of our platform;
- our ability to increase the number of customers using our platform;
- our ability to retain, and to sell additional products and services to, our existing customers;
- our ability to successfully expand in our existing markets and into new markets;
- our expectations concerning relationships with third parties;
- our estimated total addressable market;
- our ability to compete effectively with existing competitors and new market entrants;
- the attraction and retention of qualified employees and key personnel and the impacts of any restructuring activities;
- the impact of our share repurchase program;
- our ability to maintain, protect and enhance our intellectual property;
- our ability to comply with modified or new laws and regulations applying to our business;
- our ability to successfully defend litigation brought against us and resolve regulatory investigations or inquiries;
- our ability to prevent and successfully remediate material weaknesses, if any, in internal controls over financial reporting;
- the impact of global financial, economic, political, and health events, such as U.S. presidential administration-related changes, fluctuations in inflation and interest rates, capital market disruptions, tariffs, sanctions, or economic slowdowns or recessions, on our business and the industries we serve;
- our ability to source, finance, and integrate companies and assets that we have or may acquire; and
- the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors listed or described from time to time in our filings with the Securities and Exchange Commission, or the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe such information provides a reasonable basis for such statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TOAST, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in millions, except for number of shares and par value)

	June 30, 2026	December 31, 2025
Assets:		
Current assets:		
Cash and cash equivalents	$ 1,015	$ 1,353
Marketable securities	698	638
Accounts receivable, net	142	127
Inventories, net	217	114
Other current assets	578	437
Total current assets	2,650	2,669
Property, equipment and right-of-use assets, net	149	132
Intangible assets, net	11	14
Goodwill	113	113
Restricted cash	73	71
Other non-current assets	185	146
Total non-current assets	531	476
Total assets	$ 3,181	$ 3,145
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable	$ 40	$ 47
Deferred revenue	77	68
Accrued expenses and other current liabilities	987	854
Total current liabilities	1,104	969
Other long-term liabilities	32	52
Total liabilities	1,136	1,021
Commitments and Contingencies (Note 11)		
Stockholders' Equity:		
Preferred stock, par value $0.000001 per share; 100 million shares authorized; no shares issued or outstanding	—	—
Common stock, par value $0.000001 per share: Class A - 7,000 million shares authorized; 512 million and 523 million shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively Class B - 700 million shares authorized; 65 million and 66 million shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	—	—
Accumulated other comprehensive income (loss)	(2)	2
Additional paid-in capital	3,029	3,384
Accumulated deficit	(982)	(1,262)
Total stockholders' equity	2,045	2,124
Total liabilities and stockholders' equity	$ 3,181	$ 3,145

The accompanying notes are an integral part of these condensed consolidated financial statements.

TOAST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue:				
Subscription services	$ 290	$ 227	$ 558	$ 436
Financial technology solutions	1,570	1,276	2,893	2,358
Hardware and professional services	48	47	87	93
Total revenue	1,908	1,550	3,538	2,887
Costs of revenue:				
Subscription services	64	64	124	130
Financial technology solutions	1,211	992	2,222	1,823
Hardware and professional services	116	101	227	194
Amortization of acquired intangible assets	1	1	2	2
Total costs of revenue	1,392	1,158	2,575	2,149
Gross profit	516	392	963	738
Operating expenses:				
Sales and marketing	166	141	322	274
Research and development	109	91	206	175
General and administrative	89	79	173	158
Restructuring expenses	—	1	—	8
Total operating expenses	364	312	701	615
Operating income	152	80	262	123
Other income:				
Interest income, net	11	11	24	23
Change in fair value of warrant liability	(1)	(8)	7	(5)
Income before taxes	162	83	293	141
Income tax expense	(8)	(3)	(13)	(5)
Net income	$ 154	$ 80	$ 280	$ 136
Earnings per share:				
Basic	$ 0.27	$ 0.14	$ 0.48	$ 0.24
Diluted	$ 0.26	$ 0.13	$ 0.46	$ 0.23
Weighted-average shares used in computing earnings per share:				
Basic	578	580	583	577
Diluted	590	605	596	604

The accompanying notes are an integral part of these condensed consolidated financial statements.

TOAST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited)
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 154	$ 80	$ 280	$ 136
Other comprehensive income (loss):				
Unrealized gains (losses) on marketable securities, net of tax effect of $0	(1)	—	(3)	—
Currency translation adjustments	—	2	(1)	3
Total other comprehensive income (loss)	(1)	2	(4)	3
Comprehensive income	$ 153	$ 82	$ 276	$ 139

The accompanying notes are an integral part of these condensed consolidated financial statements.

TOAST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS’ EQUITY
(unaudited)
(in millions)

Three Months Ended June 30, 2026

	Preferred Stock		Class A and B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances at March 31, 2026	—	$ —	580	$ —	$ 3,127	$ (1,136)	$ (1)	$ 1,990
Issuance of common stock under equity plans	—	—	4		3	—	—	3
Stock-based compensation	—	—	—		58	—	—	58
Share repurchases	—	—	(7)		(159)	—	—	(159)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(1)	(1)
Net income	—	—	—	—	—	154	—	154
Balances at June 30, 2026	—	$ —	577	$ —	$ 3,029	$ (982)	$ (2)	$ 2,045

TOAST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS’ EQUITY
(unaudited)
(in millions)

Three Months Ended June 30, 2025

	Preferred Stock		Class A and B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances at March 31, 2025	—	$ —	577	$ —	$ 3,221	$ (1,548)	$ —	$ 1,673
Issuance of common stock under equity plans	—	—	5	—	14	—	—	14
Stock-based compensation	—	—	—	—	63	—	—	63
Share repurchases	—	—	(1)	—	(14)	—	—	(14)
Other comprehensive income, net of tax	—	—	—	—	—	—	2	2
Net income	—	—	—	—	—	80	—	80
Balances at June 30, 2025	—	$ —	581	$ —	$ 3,284	$ (1,468)	$ 2	$ 1,818

The accompanying notes are an integral part of these condensed consolidated financial statements.

TOAST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in millions)

Six Months Ended June 30, 2026

	Preferred Stock		Class A and B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances at December 31, 2025	—	$ —	589	$ —	$ 3,384	$ (1,262)	$ 2	$ 2,124
Issuance of common stock under equity plans	—	—	7	—	17	—	—	17
Stock-based compensation	—	—	—	—	114	—	—	114
Share repurchases	—	—	(19)	—	(486)	—	—	(486)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(4)	(4)
Net income	—	—	—	—	—	280	—	280
Balances at June 30, 2026	—	$ —	577	$ —	$ 3,029	$ (982)	$ (2)	$ 2,045

TOAST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in millions)

Six Months Ended June 30, 2025

	Preferred Stock		Class A and B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances at December 31, 2024	—	$ —	572	$ —	$ 3,150	$ (1,604)	$ (1)	$ 1,545
Issuance of common stock under equity plans	—	—	10	—	40	—	—	40
Stock-based compensation	—	—	—	—	125	—	—	125
Share repurchases	—	—	(1)	—	(31)	—	—	(31)
Other comprehensive income, net of tax	—	—	—	—	—	—	3	3
Net income	—	—	—	—	—	136	—	136
Balances at June 30, 2025	—	$ —	581	$ —	$ 3,284	$ (1,468)	$ 2	$ 1,818

The accompanying notes are an integral part of these condensed consolidated financial statements.

TOAST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited) (in millions)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income	$ 280	$ 136
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22	35
Stock-based compensation expense	109	120
Amortization of deferred contract acquisition costs	46	48
Credit loss expense	54	40
Other non-cash items	(6)	5
Changes in operating assets and liabilities:		
Accounts receivable, net	(25)	(16)
Other current assets	(30)	(10)
Deferred contract acquisition costs	(93)	(73)
Inventories, net	(103)	15
Accounts payable	(8)	13
Accrued expenses and other current liabilities	25	(3)
Deferred revenue	9	2
Other assets and liabilities	(4)	(10)
Net cash provided by operating activities	276	302
Cash flows from investing activities:		
Capital expenditures	(31)	(25)
Purchases of marketable securities	(304)	(281)
Proceeds from the sale of marketable securities	82	97
Maturities of marketable securities	161	193
Purchases of loans classified as held for investment	(80)	—
Proceeds from repayments of loans classified as held for investment	30	—
Net cash (used in) investing activities	(142)	(16)
Cash flows from financing activities:		
Payment of issuance costs of the revolving credit facility	—	(3)
Change in customer funds obligations, net	57	45
Proceeds from issuance of common stock	17	40
Cash paid to repurchase Class A common stock	(486)	(31)
Net cash provided by (used in) financing activities	(412)	51
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	3
Net increase (decrease) in cash, cash equivalents, cash held on behalf of customers and restricted cash	(279)	340
Cash, cash equivalents, cash held on behalf of customers and restricted cash at beginning of period	1,583	1,085
Cash, cash equivalents, cash held on behalf of customers and restricted cash at end of period	$ 1,304	$ 1,425
Reconciliation of cash, cash equivalents, cash held on behalf of customers and restricted cash		
Cash and cash equivalents	1,015	1,194
Cash held on behalf of customers	216	168
Restricted cash	73	63
Total cash, cash equivalents, cash held on behalf of customers and restricted cash	$ 1,304	$ 1,425

The accompanying notes are an integral part of these condensed consolidated financial statements.

TOAST, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Description of Business, Basis of Presentation, and Summary of Significant Accounting Policies

Toast, Inc. (“we,” or “the Company”), is a global technology platform built for restaurant and retail businesses. From the busiest local restaurants and shops to large hospitality brands, Toast helps owners and operators manage their businesses more efficiently, drive guest demand, and build lasting success. Toast integrates software, agentic AI, payments, financial technology solutions, and hardware with a broad partner ecosystem. Powering billions of purchases throughout local commerce, Toast delivers the precision and innovation required for modern restaurant and retail environments.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP, and the rules and regulations of the Securities and Exchange Commission, or the SEC, regarding interim financial reporting.

The unaudited condensed consolidated financial statements include the Company’s accounts and the accounts of its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly our financial position, results of operations, comprehensive income (loss), stockholders’ equity, and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be expected for the full year ending December 31, 2026 or any other future interim periods.

The accompanying unaudited condensed consolidated financial statements reflect the application of certain significant accounting policies as described below and elsewhere in these notes to the unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2025, or the 2025 Annual Report. As of June 30, 2026, there have been no material changes in our significant accounting policies from those that were disclosed in the Annual Report on Form 10-K, unless otherwise discussed below.

Certain reclassifications of prior period amounts were made in the current year to conform to the current period presentation.These reclassifications had no impact on the previously reported results of operations or cash flows for the periods presented.

2. Financial Instruments

The following table presents information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis and indicates the level of the fair value hierarchy used to determine such fair values (in millions):

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 636	$ —	$ —	$ 636
Commercial paper	—	58	—	58
Certificates of deposit	—	35	—	35
Corporate bonds	—	291	—	291
Treasury bonds	—	188	—	188
Asset-backed securities	—	126	—	126
	$ 636	$ 698	$ —	$ 1,334
Liabilities:				
Warrants to purchase common stock	$ —	$ —	$ 12	$ 12
	$ —	$ —	$ 12	$ 12

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 951	$ —	$ —	$ 951
Commercial paper	—	96	—	96
Certificates of deposit	—	23	—	23
Corporate bonds	—	261	—	261
U.S. government agency securities	—	7	—	7
Treasury bonds	—	134	—	134
Asset-backed securities	—	142	—	142
	$ 951	$ 663	$ —	$ 1,614
Liabilities:				
Warrants to purchase common stock	$ —	$ —	$ 19	$ 19
	$ —	$ —	$ 19	$ 19

During the six months ended June 30, 2026 and 2025, there were no transfers into or out of Level 3 measurements within the fair value hierarchy.

The Company did not recognize any credit losses or non-credit-related impairments related to available-for-sale marketable debt securities for the six months ended June 30, 2026 and 2025. Unrealized losses were immaterial and recognized in other comprehensive income (loss).

Marketable Securities

The fair values of the marketable securities by contractual maturities at June 30, 2026 were as follows (in millions):

	June 30, 2026
Due within 1 year	$ 402
Due after 1 year through 5 years	294
Due after 5 years and thereafter	2
Total marketable securities	$ 698

Fair Value of Liabilities

The aggregate fair value of the common stock warrant liability, which is measured using Level 3 inputs, decreased from $19 million as of December 31, 2025 to $12 million as of June 30, 2026, resulting in a $7 million gain during the period.

As of June 30, 2026, the maximum number of shares of the Company's common stock that could be required to be issued upon the exercise of outstanding warrants was 1 million.

3. Loan Servicing Activities

Changes in the contingent liability for expected credit losses for the three and six months ended June 30, 2026 and 2025 were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Beginning balance	$ 48	$ 33	$ 46	$ 29
Credit loss expense	18	11	35	27
Reductions due to loan purchases	(13)	(11)	(28)	(23)
Ending balance	$ 53	$ 33	$ 53	$ 33

As of June 30, 2026 and December 31, 2025, the non-contingent stand-ready liability was $21 million and $18 million, respectively.

As of June 30, 2026 and December 31, 2025, $73 million and $71 million, respectively, were classified as restricted cash on the Condensed Consolidated Balance Sheets, representing cash held with commercial lending institutions. The restrictions are related to cash held as collateral pursuant to an agreement with the originating third-party bank for the working capital loans serviced by Toast Capital.

4. Loans Held for Investment

The Company purchases loans from its bank partner that are not delinquent at acquisition and for which the Company has the intent and ability to hold for the foreseeable future, until maturity or payoff. These loans are classified as held for investment and are included in other current assets on the Condensed Consolidated Balance Sheets. They are carried at amortized cost, net of an allowance for expected credit losses, which reflects estimated lifetime losses based on historical experience, current conditions, and reasonable and supportable forecasts. The Company recognizes income, including the effect of any premium or discount, over the life of these loans using the effective interest method.

As of June 30, 2026, loans held for investment, net, were $46 million, with an immaterial allowance for expected credit losses and interest income, compared to $0 million of loans held for investment as of December 31, 2025.

The Company analyzes loans held for investment based on the aging of unpaid principal and the historical performance of vintage cohorts. These are the primary credit quality indicators in evaluating the allowance for expected credit losses and the delinquency status of the loan portfolio. As of June 30, 2026, there were no material delinquent loans.

5. Other Balance Sheet Information

Accounts Receivable, Net (in millions)

	June 30, 2026	December 31, 2025
Accounts receivable	$ 111	$ 103
Unbilled receivables	41	33
Less: Allowance for credit losses	(10)	(9)
Accounts receivable, net	$ 142	$ 127

Inventories, Net (in millions)

	June 30, 2026	December 31, 2025
Raw materials	$ 58	$ —
Finished goods	159	114
Total inventories, net	$ 217	$ 114

Other Current Assets (in millions)

	June 30, 2026	December 31, 2025
Cash held on behalf of customers	$ 216	$ 159
Deferred contract acquisition costs, current (Note 6)	106	98
Prepaid expenses	49	39
Other	207	141
Total other current assets	$ 578	$ 437

Accrued Expenses and Current Liabilities (in millions)

	June 30, 2026	December 31, 2025
Accrued transaction-based costs	$ 422	$ 368
Customer funds obligation	216	159
Accrued expenses	98	74
Accrued payroll and bonus	111	133
Contingent liability for expected credit losses	53	46
Other liabilities	87	74
Total accrued expenses and other current liabilities	$ 987	$ 854

6. Revenue from Contracts with Customers

The following table summarizes the activity in deferred revenue (in millions):

	Six Months Ended June 30, 2026
Deferred revenue, beginning of period	$ 69
Deferred revenue, end of period	$ 77
Revenue recognized in the period from amounts included in deferred revenue at the beginning of period	$ 58

As of June 30, 2026, approximately $1,110 million of revenue is expected to be recognized from remaining performance obligations for customer contracts. The Company expects to recognize revenue of approximately $1,036 million from these remaining performance obligations over the next 24 months, with the balance recognized thereafter.

The following table summarizes the activity in deferred contract acquisition costs (in millions):

	Six Months Ended June 30,	
	2026	2025
Beginning balance	$ 220	$ 172
Capitalization	93	70
Amortization	(46)	(48)
Ending balance	$ 267	$ 194

As of June 30, 2026, $106 million of deferred contract acquisition costs were recorded within other current assets with the remaining balance recorded within other non-current assets on the Condensed Consolidated Balance Sheet.

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7. Stockholders' Equity

Stock-Based Compensation

Stock-based compensation expenses recognized for the three and six months ended June 30, 2026 and 2025, were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenue	$ 6	$ 9	$ 13	$ 18
Sales and marketing	13	14	26	28
Research and development	22	21	43	41
General and administrative	14	16	27	30
Restructuring expenses	—	—	—	3
Stock-based compensation expense	$ 55	$ 60	$ 109	$ 120

Stock Options

The following is a summary of stock option activity under the Company's stock option plans for the six months ended June 30, 2026:

	Number of Shares (in millions)	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)[1]
Outstanding as of December 31, 2025	21	$ 11.84		
Granted	1	28.67		
Exercised	(2)	4.18		
Forfeited	—	21.68		
Outstanding as of June 30, 2026	20	$ 14.25		
Options vested and expected to vest as of June 30, 2026	20	$ 13.78	5.2	$ 288

[1] The aggregate intrinsic value was determined as the difference between the closing price of the Class A common stock on the last trading day of June 2026, or the date of exercise, as appropriate, and the exercise price, multiplied by the number of in-the-money options that would have been received by the option holders had all option holders exercised their in-the-money options at period end.

The aggregate intrinsic value of options exercised was $16 million and $51 million, respectively, during the three and six months ended June 30, 2026.

As of June 30, 2026, total unrecognized stock-based compensation expense related to the options was $57 million and is expected to be recognized over the remaining weighted-average service period of 3.1 years.

Restricted Stock Units

The following table summarizes restricted stock units, or RSUs, activity during the six months ended June 30, 2026:

	Number of Shares (in millions)	Weighted-Average Grant Date Fair Value (per share)
Outstanding balance as of December 31, 2025	15	$ 26.80
Granted	8	28.27
Vested	(4)	22.64
Forfeited	(1)	27.33
Outstanding balance as of June 30, 2026	18	$ 28.36
Expected to vest as of June 30, 2026	15	$ 28.03

The fair value of RSUs vested during the three and six months ended June 30, 2026 was $52 million and $121 million, respectively.

As of June 30, 2026, total unrecognized stock-based compensation expense related to the RSUs was $360 million and is expected to be recognized over the remaining weighted-average service period of 3.0 years.

Share Repurchase Program

In February 2024, the Company announced the authorization of a share repurchase program for the repurchase of shares of Class A common stock, par value $0.000001 per share, in an aggregate amount of up to $250 million. On February 10, 2026, the Company's board of directors approved an increase of $500 million to the previously authorized share repurchase program for the repurchase of shares of Class A common stock. The repurchase program has no expiration date, does not obligate the Company to acquire any particular amount of Class A common stock, and may be suspended at any time at the Company's discretion. The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities.

During the three and six months ended June 30, 2026, the Company repurchased $159 million and $486 million, respectively, of Class A common stock. As of June 30, 2026, approximately $100 million remained authorized for repurchase under the share repurchase program.

8. Income Taxes

The Company computes the provision for income taxes by applying the estimated annual effective tax rate to year-to-date income before income taxes, and adjusts for discrete items in the period in which they occur.

The income tax expense was $8 million and $3 million for the three months ended June 30, 2026 and 2025, respectively, and $13 million and $5 million for the six months ended June 30, 2026 and 2025, respectively. The effective tax rate for each period differs from the statutory rate primarily due to a full valuation allowance against the Company's U.S. net deferred tax assets, U.S. state income taxes, and foreign rate differential on profitable foreign jurisdictions.

As of June 30, 2026, the Company maintained a full valuation allowance against the U.S. net deferred tax assets as the amounts were not more-likely-than-not realizable. This determination is based on management's evaluation of all available positive and negative evidence, such as sustainability of recent profits and forecasts of future taxable income; a portion or all of the valuation allowance could be released in the next 12 months. The timing and amount of any such release remain uncertain.

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9. Earnings Per Share

Basic earnings per share is determined by dividing net income by the weighted-average shares outstanding for the period. The Company analyzes the potential dilutive effect of stock options, RSUs, the employee stock purchase plan, and warrants to purchase common stock, during periods the Company generates net income, or when income is recognized related to changes in fair value of warrant liabilities.

Class A common stock and Class B common stock share proportionately, on a per share basis, in the Company's net income and participate equally in the dividends on common stock, if declared. The Company allocates net income attributable to common stock between the common stock classes on a one-to-one basis when computing earnings per share. As a result, basic and diluted earnings per share of Class A common stock and Class B common stock are equivalent.

The following table sets forth the calculation of earnings per share (in millions, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net income, basic	$ 154	$ 80	$ 280	$ 136
Less: Gain on change in fair value of warrant liabilities[1]	—	—	7	—
Net income, diluted	$ 154	$ 80	$ 273	$ 136
Denominator:				
Weighted-average shares of common stock outstanding - basic	578	580	583	577
Effect of dilutive securities:				
Warrants to purchase common stock[1]	—	—	—	—
Dilutive common share equivalents included in dilutive shares	12	25	13	27
Weighted-average shares of common stock outstanding - diluted	590	605	596	604
Earnings per share, basic	$ 0.27	$ 0.14	$ 0.48	$ 0.24
Earnings per share, diluted	$ 0.26	$ 0.13	$ 0.46	$ 0.23

[1] During the six months ended June 30, 2026, the Company recorded a remeasurement gain of $7 million of the Company's warrant liability, which was excluded from the net income to adjust for the dilutive impact of the warrants. The Company adjusted the weighted-average shares outstanding for the incremental dilutive shares using the treasury stock method.

The following potential shares of common stock were excluded from the calculation of diluted earnings per share because their effect would have been anti-dilutive for the periods presented (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Options to purchase common stock	5	2	5	1
Unvested restricted stock units	10	—	7	1
Warrants to purchase common stock	1	1	—	1
Total	16	3	12	3

10. Segment Information

The Company has one reportable segment, Toast, Inc. The following table sets out the Company's measure of profit and significant segment expenses (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ 1,908	$ 1,550	$ 3,538	$ 2,887
Costs of revenue[1]	(1,385)	(1,148)	(2,561)	(2,128)
Sales and marketing[1]	(152)	(126)	(294)	(243)
Research and development[1]	(86)	(69)	(160)	(131)
General and administrative[1]	(75)	(62)	(145)	(126)
Stock-based compensation and related payroll taxes	(58)	(64)	(116)	(128)
Other items[2]	2	(1)	18	5
Net income	$ 154	$ 80	$ 280	$ 136

[1] These expenses exclude stock-based compensation and related payroll taxes. Stock-based compensation and related payroll taxes are presented separately as an additional significant segment expense, which consist of both stock-based compensation (refer to Note 7, "Stockholders' Equity" for tabular disclosure of amounts included within other significant segment expenses) and the corresponding payroll taxes.
[2] Other items include restructuring expenses, interest income, net, change in fair value of warrant liability, and income tax (expense) benefit.

11. Commitments and Contingencies

Purchase Commitments

As of June 30, 2026, the Company's non-cancellable purchase obligations to hardware suppliers totaled $194 million, all of which is due within the next 12 months.

As of June 30, 2026, the Company's non-cancellable contractual commitments with cloud service providers and other vendors totaled $110 million of which $83 million is due within the next 12 months and $27 million thereafter.

Legal Proceedings

The Company has been cooperating with the Federal Trade Commission (the "FTC") staff in response to a Civil Investigative Demand received in June 2025, seeking information regarding the marketing, sale, and operation of its restaurant operating systems and related customer-service offerings relative to the Federal Trade Commission Act, the Gramm-Leach-Bliley Act, and the Restore Online Shoppers' Confidence Act. In June 2026, the FTC staff sent the Company a draft complaint and proposed settlement order. The Company strongly disagrees with the FTC's legal challenges to its practices, policies and procedures, including whether certain referenced laws apply to its type of business. The Company has been engaged in ongoing discussions with the FTC. The Company will vigorously defend its interests and is prepared to litigate, if necessary. There can be no assurance that the Company will be successful in negotiating a favorable settlement or prevailing in litigation. The defense or resolution of this matter, including any significant costs, penalties, remedies, and/or compliance requirements, could have a materially adverse impact on the Company's financial results and/or operations. At this stage, the Company is unable to estimate a reasonably possible financial loss or range of any potential financial loss, if any, as a result of this investigation.

In addition, from time to time, the Company may be involved in legal actions arising in the ordinary course of business. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably. The Company establishes accruals for losses that management deems to be probable and subject to reasonable estimates. The Company does not expect any of these claims with a reasonably possible adverse outcome to have a material impact, and, accordingly, has not accrued for any material claims.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with the unaudited condensed consolidated financial statements, and the related notes that are included elsewhere in this Quarterly Report on Form 10-Q, and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section titled "Special Note Regarding Forward-Looking Statements" and Item 1A. Risk Factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and in this Quarterly Report on Form 10-Q, if applicable. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

Toast is a global technology platform built for restaurant and retail businesses. From the busiest local restaurants and shops to large hospitality brands, Toast helps owners and operators manage their businesses more efficiently, drive guest demand, and build lasting success. Toast integrates software, agentic AI, payments, financial technology solutions, and hardware with a broad partner ecosystem. Powering billions of purchases throughout local commerce, Toast delivers the precision and innovation required for modern restaurant and retail environments.

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

As of June 30, 2026, Toast served approximately 180,000 Locations, up 22% compared to one year ago, and processed $215 billion in gross payment volume over the trailing 12 months.

Seasonality and Other Factors

We experience seasonality in our financial technology solutions revenue, which is largely driven by the level of Gross Payment Volume, or GPV, processed through our platform. Moreover, our performance may be impacted by global financial, economic, and political events. For example, customers typically have greater sales during the warmer months, though this effect varies regionally, and customer sales can be impacted by seasonal needs of our customers (which may also impact the total number of Toast Processing Locations in such a period that contributes to our GPV). As a result, our financial technology solutions revenue per Toast Processing Location has historically been stronger in the second and third quarters. We believe that financial technology solutions revenue from both existing and potential future products will continue to represent a significant proportion of our overall revenue mix, and seasonality will continue to impact our results of operations. Our performance may also be impacted by geopolitical events, such as tariffs, which may influence consumer spending or restaurant operations. There is uncertainty as to when specific tariffs may go into effect and the impact higher tariffs may have on consumer demand or on our business. For further discussion of such potential impacts, see Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Key Business Metrics

We use the following key business metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions:

	Three Months Ended June 30,			Six Months Ended June 30,		
(dollars in billions)	2026	2025	% Growth	2026	2025	% Growth
Gross Payment Volume (GPV)	$ 60.7	$ 49.9	22 %	$ 112.0	$ 92.1	22 %

	As of June 30,		
(dollars in millions)	2026	2025	% Growth
Annualized Recurring Run-Rate (ARR)	$ 2,409	$ 1,928	25 %

Gross Payment Volume (GPV)

Gross Payment Volume represents the sum of total dollars processed through the Toast payments platform across Toast Processing Locations in a given period. GPV is a key measure of the scale of our platform, which in turn drives our financial performance. As our customers generate more sales and therefore more GPV, we generally see higher financial technology solutions revenue.

Annualized Recurring Run-Rate (ARR)

We monitor Annualized Recurring Run-Rate as a key operational measure of the scale of our subscription and payment processing services for both new and existing customers. To calculate this metric, we first calculate recurring run-rate on a monthly basis. Monthly Recurring Run-Rate, or MRR, is measured on the final day of each month as the sum of (i) our monthly billings of subscription services fees, which we refer to as the subscription component of MRR, and (ii) our in-month adjusted payments services fees, exclusive of estimated transaction-based costs, which we refer to as the payments component of MRR. MRR does not include fees derived from Toast Capital or related costs. MRR is also not burdened by the impact of SaaS credits offered. The MRR calculation includes all locations on the Toast platform and locations on legacy solutions, which have a negligible impact on ARR.

ARR is determined by taking the sum of (i) twelve times the subscription component of MRR and (ii) four times the trailing-three-month cumulative payments component of MRR. We believe this approach provides an indication of our scale, while also controlling for short-term fluctuations in payments volume. Our ARR may decline or fluctuate as a result of a number of factors, including customers' satisfaction with our platform, pricing, competitive offerings, economic conditions, or overall changes in our customers' and their guests' spending levels. ARR is an operational measure, does not reflect our revenue or gross profit determined in accordance with U.S. Generally Accepted Accounting Principles, or GAAP, and should be viewed independently of, and not combined with or substituted for, our revenue, gross profit, and other financial information determined in accordance with GAAP. Further, ARR is not a forecast of future revenue and investors should not place undue reliance on ARR as an indicator of our future or expected results.

Results of Operations

Revenue

(dollars in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change Amount	Change %	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change Amount	Change %
Subscription services	$ 290	$ 227	$ 63	28 %	$ 558	$ 436	$ 122	28 %
Financial technology solutions	1,570	1,276	294	23 %	2,893	2,358	535	23 %
Hardware and professional services	48	47	1	2 %	87	93	(6)	(6)%
Total revenue	$ 1,908	$ 1,550	$ 358	23 %	$ 3,538	$ 2,887	$ 651	23 %

Total revenue increased by 23% for the three and six months ended June 30, 2026, compared to the same periods in 2025. This growth was primarily driven by increases in financial technology solutions and subscription services revenue, attributable to a higher number of Locations on the Toast platform and continued product adoption.

Costs of Revenue

(dollars in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change Amount	Change %	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change Amount	Change %
Subscription services	$ 64	$ 64	$ —	— %	$ 124	$ 130	$ (6)	(5)%
Financial technology solutions	1,211	992	219	22 %	2,222	1,823	399	22 %
Hardware and professional services	116	101	15	15 %	227	194	33	17 %
Amortization of acquired intangible assets	1	1	—	— %	2	2	—	— %
Total costs of revenue	$ 1,392	$ 1,158	$ 234	20 %	$ 2,575	$ 2,149	$ 426	20 %

Total costs of revenue increased by 20% for the three and six months ended June 30, 2026, compared to the same periods in 2025. The increase was primarily driven by higher financial technology solutions costs associated with increased gross payment volume, offset by a one-time benefit of approximately $10 million related to tariff refunds.

Operating Expenses

(dollars in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change Amount	Change %	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change Amount	Change %
Sales and marketing	$ 166	$ 141	$ 25	18 %	$ 322	$ 274	$ 48	18 %
Research and development	109	91	18	20 %	206	175	31	18 %
General and administrative	89	79	10	13 %	173	158	15	9 %
Restructuring expenses	—	1	(1)	(100)%	—	8	(8)	(100)%
Total operating expenses	$ 364	$ 312	$ 52	17 %	$ 701	$ 615	$ 86	14 %

Total operating expenses increased by 17% and 14%, for the three and six months ended June 30, 2026, respectively, compared to the same periods in 2025. This increase was primarily driven by higher employee-related costs.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures described below to supplement our condensed consolidated financial statements, which are prepared and presented in accordance with GAAP and to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered substitutes for, or superior to, the financial information prepared and presented in accordance with GAAP.

We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects, and allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making. We are presenting these non-GAAP metrics to provide investors insight into the information used by our management to evaluate our business and financial performance. We believe that these measures provide investors increased comparability of our core financial performance over multiple periods with other companies in our industry.

Net Income (Loss) (GAAP) and Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA is defined as net income (loss), adjusted to exclude stock-based compensation expense and related payroll tax expense, depreciation and amortization expense, interest income, net, income taxes and certain other items that are not considered to reflect our operating activities and performance within the ordinary course of business, such as restructuring expenses, acquisition expenses, fair value adjustments on warrant liabilities, gain on warrant extinguishments, expenses related to early termination of leases (which includes associated asset impairments), and stock-based charitable contribution expense, as applicable. We have provided below a reconciliation of net income (loss), the most directly comparable GAAP financial measure, to Adjusted EBITDA.

We believe Adjusted EBITDA is useful for investors in comparing our financial performance to other companies and from period to period. Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items such as depreciation and amortization, interest expense, and interest income, which can vary substantially from company to company depending on their financing and capital structures and the method by which their assets were acquired. In addition, Adjusted EBITDA eliminates the impact of certain items that may obscure trends in the underlying performance of our business. Adjusted EBITDA also has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. The expenses and other items that are excluded from the calculation of Adjusted EBITDA may differ from the expenses and other items that other companies may exclude from Adjusted EBITDA when they report their financial results.

The following table reflects the reconciliation of net income to Adjusted EBITDA for each of the periods presented:

Adjusted EBITDA	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(in millions)	**2026**	**2025**	**2026**	**2025**
Net income	$ 154	$ 80	$ 280	$ 136
Stock-based compensation expense and related payroll tax	58	64	116	128
Depreciation and amortization	11	16	22	35
Interest income, net	(11)	(11)	(24)	(23)
Change in fair value of warrant liability	1	8	(7)	5
Restructuring expenses[(1)]	—	1	—	8
Income tax expense	8	3	13	5
Adjusted EBITDA	$ 221	$ 161	$ 400	$ 294

[(1)] Restructuring expenses for the three and six months ended June 30, 2025 include $1 million and $5 million, respectively, of severance benefits and $— million and $3 million, respectively of stock-based compensation expense.

Subscription Services and Financial Technology Solutions Gross Profit (GAAP) and Non-GAAP Subscription Services and Financial Technology Solutions Gross Profit

Non-GAAP Subscription Services and Financial Technology Solutions Gross Profit is defined as subscription services gross profit and financial technology solutions gross profit, adjusted to exclude stock-based compensation expense and related payroll tax expense, and depreciation and amortization expense. We believe this non-GAAP measure is useful to view the resulting figures excluding the aforementioned non-cash charges because the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and such amounts vary substantially from company to company depending on their financing and capital structures and the method by which their assets were acquired. We have provided below a reconciliation of Subscription Services and Financial Technology Solutions Gross Profit, the most directly comparable GAAP financial measure, to Non-GAAP Subscription Services and Financial Technology Solutions Gross Profit.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2026**	**2025**	**2026**	**2025**
Revenue:				
Subscription services	$ 290	$ 227	$ 558	$ 436
Financial technology solutions	1,570	1,276	2,893	2,358
Costs of Revenue:				
Subscription services	64	64	124	130
Financial technology solutions	1,211	992	2,222	1,823
Subscription services and financial technology solutions gross profit (GAAP)	$ 585	$ 447	$ 1,105	$ 841

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2026**	**2025**	**2026**	**2025**
Subscription services and financial technology solutions gross profit (GAAP)	$ 585	$ 447	$ 1,105	$ 841
Stock-based compensation expense and related payroll tax	3	4	6	9
Depreciation and amortization	7	13	13	29
Non-GAAP subscription services and financial technology solutions gross profit	$ 595	$ 464	$ 1,124	$ 879

Net Cash Provided by Operating Activities (GAAP) and Free Cash Flow (Non-GAAP)

Free cash flow is defined as net cash provided by operating activities reduced by purchases of property and equipment and capitalization of internal-use software costs (collectively referred to as capital expenditures). We believe that free cash flow is a meaningful indicator of our sources of liquidity and capital requirements that provides information to management and investors in evaluating the cash flow trends of our business. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth.

Free cash flow has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Other companies may calculate free cash flow or similarly titled non-GAAP measures differently, which could reduce the usefulness of free cash flow as a tool for comparison. In addition, free cash flow does not reflect mandatory debt service and other non-discretionary expenditures that are required to be made under contractual commitments and does not represent the total increase or decrease in our cash balance for any given period.

The following table presents a reconciliation of net cash provided by operating activities to free cash flow for each of the periods presented:

(in millions)	Six Months Ended June 30, 2026	2025
Net cash provided by operating activities	$ 276	$ 302
Capital expenditures	(31)	(25)
Free cash flow	$ 245	$ 277

Liquidity and Capital Resources

Our principal sources of liquidity are cash and cash equivalents and marketable securities. We also have access to external sources of liquidity through a credit facility as further described below. The following tables present selected financial information related to our liquidity:

(in millions)	June 30, 2026 [1]	December 31, 2025 [2]
Cash and cash equivalents	$ 1,015	$ 1,353
Marketable securities	698	638
Cash and cash equivalents and marketable securities	$ 1,713	$ 1,991
Available credit facility	$ 347	$ 347
Total	$ 2,060	$ 2,338

[1] Excludes $216 million of cash held on behalf of customers and $73 million of restricted cash.
[2] Excludes $159 million of cash held on behalf of customers and $71 million of restricted cash.

(in millions)	Six Months Ended June 30, 2026	2025
Net cash provided by operating activities	$ 276	$ 302
Net cash (used in) investing activities	(142)	(16)
Net cash provided (used in) by financing activities	(412)	51
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	3
Net increase (decrease) in cash, cash equivalents, cash held on behalf of customers and restricted cash	$ (279)	$ 340

Cash, cash equivalents and marketable securities

The net decrease in cash, cash equivalents and marketable securities in the six months ended June 30, 2026 was primarily driven by cash used in financing activities of $412 million and cash used in investing activities of $142 million, partially offset by cash provided by operating activities of $274 million (which excludes changes in the balance of restricted cash).

The decrease in net cash provided by operating activities during the six months ended June 30, 2026, compared to the same period in 2025, was driven by changes in net working capital, primarily attributable to higher inventory purchases. This increase in cash outflows was partially offset by higher net income, which increased from $136 million during the six months ended June 30, 2025, to $280 million for the same period in 2026.

The increase in net cash used in investing activities during the six months ended June 30, 2026, compared to the same period in 2025, was primarily driven by higher net purchases of marketable securities and loans held for investment, partially offset by proceeds from repayment of loans held for investment.

The increase in net cash used in financing activities during the six months ended June 30, 2026, compared to the same period in 2025, was primarily driven by an increase in cash paid to repurchase our shares.

We do not anticipate any material changes, or material changes in trends, related to our net working capital requirements, liquidity or cash flows in the near term, other than for items disclosed within this Quarterly Report on Form 10-Q and our 2025 Annual Report on Form 10-K.

Debt

During 2021 we entered into a senior secured credit facility, or the 2021 Facility, which we subsequently amended on March 2, 2023, to replace the London Interbank Offered Rate, or LIBOR with the Secured Overnight Financing Rate, or SOFR. On May 6, 2025, we amended and restated our 2021 Facility to increase the available revolving commitments from $330 million to $350 million and to extend the term of the 2021 Facility to May 6, 2030. We were in compliance with all financial covenants as of June 30, 2026. As of June 30, 2026, there were no borrowings outstanding on the 2021 Facility and outstanding letters of credit totaled $3 million. As of June 30, 2026, our total available borrowing capacity under the 2021 Facility was $347 million.

Share Repurchase Program

In February 2024, we announced the authorization of a share repurchase program for the repurchase of shares of our Class A common stock, par value $0.000001 per share, in an aggregate amount of up to $250 million. On February 10, 2026, our board of directors approved an increase of $500 million to our previously authorized share repurchase program for the repurchase of shares of our Class A common stock. The repurchase program has no expiration date, does not obligate us to acquire any particular amount of our Class A common stock, and may be suspended at any time at our discretion. The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities.

During the three and six months ended June 30, 2026, we repurchased $159 million and $486 million in Class A common stock, respectively. As of June 30, 2026, approximately $100 million remained authorized for repurchase under our share repurchase program.

Other Capital Requirements

Expected working and other capital requirements are described in our 2025 Annual Report on Form 10-K in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” At June 30, 2026, other than for the changes disclosed in the “Notes to Condensed Consolidated Financial Statements” and “Liquidity and Capital Resources” in this Quarterly Report, there have been no other material changes to our expected working and other capital requirements described in our 2025 Annual Report on Form 10-K, and we believe that our existing cash and cash equivalents, along with our available borrowing capacity under our credit facility, will be sufficient to meet our working capital needs for at least the next 12 months, including planned capital expenditures, strategic transactions, and investment commitments that we may enter into from time to time.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to financial market risks, including changes in interest rates and foreign currency exchange rates, as well as credit risk on accounts receivable and our loan servicing activities. Our exposure to market and credit risk has not changed materially since the presentation set forth in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 18, 2026.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, including our principal executive officer and principal financial officer, have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of June 30, 2026, the end of the period covered by this Quarterly Report on Form 10-Q, to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Control

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two, or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The material set forth in the section titled "Legal Proceedings" in Note 11 to the financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes from the risk factors set forth in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025. Our business, operations, and financial results are subject to various risks and uncertainties that could materially adversely affect our business, results of operations, financial condition, and the trading price of our Class A common stock. You should carefully read and consider the risks and uncertainties included in the Annual Report, together with all of the other information in the Annual Report and this Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our condensed consolidated financial statements and related notes, and other documents that we file with the SEC. The risks and uncertainties described in these reports may not be the only ones we face. The factors discussed in these reports, among others, could cause our actual results to differ materially from historical results and those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors, and oral statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Unregistered Sales of Equity Securities

None.

(c) Issuer Purchases of Equity Securities

Our purchases of our common stock in the second quarter of fiscal year 2026 were:

Period	Total Number of Shares Purchased (in thousands)	Average Price Paid Per Share [1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)[2]
April 1, 2026 to April 30, 2026	2,015	$ 25.57	2,015	$ 208
May 1, 2026 to May 31, 2026	4,600	$ 23.42	4,600	$ 100
June 1, 2026 to June 30, 2026	—	$ —	—	$ 100
Total	6,615		6,615	

[1] Average Price Paid Per Share excludes cash paid for commissions.
[2] On February 15, 2024, we announced the authorization of a share repurchase program for the repurchase of shares in our Class A common stock, in an aggregate amount of up to $250 million. On February 10, 2026, our board of directors approved an increase of $500 million to our previously authorized share repurchase program for the repurchase of shares of our Class A common stock. The repurchase program has no expiration date, does not obligate us to acquire any particular amount of our Class A common stock, and may be suspended at any time at our discretion.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(*c)* During the fiscal quarter ended June 30, 2026, none of our directors or officers (as defined in Rule 16*a*-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or any “non-Rule 10b5-1 trading agreement” (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

The exhibits listed below are filed or incorporated by reference in this Quarterly Report on Form 10-Q.

Exhibit Number	Description
10.1#*	2021 Employee Stock Purchase Plan, as amended
31.1*	Certification of the Principal Executive Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

# Indicates management contract or compensatory plan, contract or agreement.

* Filed herewith.

** Furnished herewith. The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TOAST, INC.
(Registrant)

August 4, 2026	By:	/s/ Aman Narang Aman Narang Chief Executive Officer (Principal Executive Officer)
August 4, 2026	By:	/s/ Elena Gomez Elena Gomez President, Chief Financial Officer (Principal Financial Officer)
August 4, 2026	By:	/s/ Rossana Niola Rossana Niola Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.1

TOAST, INC.

2021 EMPLOYEE STOCK PURCHASE PLAN

The purpose of the Toast, Inc. 2021 Employee Stock Purchase Plan (the "Plan") is to provide eligible employees of Toast, Inc. (the "Company") and each Designated Company (as defined in Section 11) with opportunities to purchase shares of the Company's Class A common stock, par value $0.000001 per share (the "Common Stock"). 11,638,189 shares of Common Stock in the aggregate have been approved and reserved for this purpose, plus on January 1, 2022 and each January 1 thereafter until the Plan terminates pursuant to Section 20, the number of shares of Common Stock reserved and available for issuance under the Plan shall be cumulatively increased by the least of (i) 11,638,189 shares of Common Stock, (ii) 1% of the number of shares of Common Stock and Class B common stock of the Company issued and outstanding on the immediately preceding December 31, and (iii) such lesser number of shares of Common Stock as determined by the Administrator (as defined in Section 1).

The Plan includes two components: a Code Section 423 Component (the "423 Component") and a non-Code Section 423 Component (the "Non-423 Component"). It is intended for the 423 Component to constitute an "employee stock purchase plan" within the meaning of Section 423(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the 423 Component shall be interpreted in accordance with that intent. Under the Non-423 Component, which does not qualify as an "employee stock purchase plan" within the meaning of Section 423(b) of the Code, options will be granted pursuant to rules, procedures or sub-plans adopted by the Administrator designed to achieve tax, securities laws or other objectives for eligible employees. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

Unless otherwise defined herein, capitalized terms in this Plan shall have the meaning ascribed to them in Section 11.

1. Administration. The Plan will be administered by the person or persons (the "Administrator") appointed by the Company's Board of Directors (the "Board") for such purpose. The Administrator has authority at any time to: (i) adopt, alter and repeal such rules, guidelines and practices for the administration of the Plan and for its own acts and proceedings as it shall deem advisable; (ii) interpret the terms and provisions of the Plan; (iii) make all determinations it deems advisable for the administration of the Plan, including to accommodate the specific requirements of local laws, regulations and procedures for jurisdictions outside the United States; (iv) decide all disputes arising in connection with the Plan; and (v) otherwise supervise the administration of the Plan. All interpretations and decisions of the Administrator shall be binding on all persons, including the Company and the Participants. No member of the Board or individual exercising administrative authority with respect to the Plan shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

2. Offerings. The Company will make one or more offerings to eligible employees to purchase Common Stock under the Plan ("Offerings") consisting of one or more Purchase Periods. The Administrator may, in its discretion, determine when each Offering shall occur, including the duration of any Offering, provided that no Offering shall exceed 27 months in duration. Unless as otherwise determined by the Administrator, Participants will only be permitted to participate in one Offering at a time.

3. Eligibility. All individuals classified as employees on the payroll records of the Company and each Designated Company are eligible to participate in any one or more of the Offerings under the Plan, provided that, unless otherwise determined by the Administrator, as of the first day of the applicable Offering (the "Offering Date") they are customarily employed by the Company or a Designated Company for more than 20 hours a week and have been employed for such period as determined by the Administrator in advance of an Offering, with such period not to exceed two years; provided, however, that employees who are employed for 20 hours or less a week may be eligible to participate in the Plan if required by applicable law or regulations. Notwithstanding any other provision herein, individuals who are not contemporaneously classified as employees of the Company or a Designated Company for purposes of the Company's or applicable Designated Company's payroll system are not considered to be eligible employees of the Company or any Designated Company and shall not be eligible to participate in the Plan. In the event any such individuals are reclassified as employees of the Company or a Designated Company for any purpose, including, without limitation, common law or statutory employees, by any action of any third party, including, without limitation, any government agency, or as a result of any private lawsuit, action or administrative proceeding, such individuals shall, notwithstanding such reclassification, remain ineligible for participation. Notwithstanding the foregoing, the exclusive means for individuals who are not contemporaneously classified as employees of the Company or a Designated Company on the Company's or Designated Company's payroll system to become eligible to participate in this Plan is through an amendment or

subplan to this Plan, duly executed by the Company, which specifically renders such individuals eligible to participate herein.

4. Participation.

(a) Participants An eligible employee who is not a Participant in any prior Offering may participate in a subsequent Offering by submitting an enrollment form to the Company or an agent designated by the Company (in the manner described in Section 4(c)) at least 15 business days before the Offering Date (or by such other deadline as shall be established by the Administrator for the Offering).

(b) Enrollment. The enrollment form (which may be in an electronic format or such other method as determined by the Company in accordance with the Company's practices) will (a) state a whole percentage to be deducted from an eligible employee's Compensation (as defined in Section 11) per pay period, (b) authorize the purchase of Common Stock in each Offering in accordance with the terms of the Plan and (c) specify the exact name or names in which shares of Common Stock purchased for such individual are to be issued pursuant to Section 10. An employee who does not enroll in accordance with these procedures will be deemed to have waived the right to participate. Unless a Participant files a new enrollment form or withdraws from the Plan, such Participant's deductions and purchases will continue at the same percentage of Compensation for future Offerings, provided he or she remains eligible.

(c) Notwithstanding the foregoing, participation in the Plan will neither be permitted nor be denied contrary to the requirements of the Code.

5. Employee Contributions. Each eligible employee may authorize payroll deductions at a minimum of 1 percent up to a maximum of 15 percent of such employee's Compensation for each pay period. The Company will maintain book accounts showing the amount of payroll deductions made by each Participant for each Purchase Period. No interest will accrue or be paid on payroll deductions, except as may be required by applicable law. If payroll deductions for purposes of the Plan are prohibited or otherwise problematic under applicable law (as determined by the Administrator in its discretion), the Administrator may require Participants to contribute to the Plan by such other means as determined by the Administrator. Any reference to "payroll deductions" in this Section 5 (or in any other section of the Plan) will similarly cover contributions by other means made pursuant to this Section 5.

6. Deduction Changes. Except as may be determined by the Administrator in advance of an Offering, a Participant may not increase or decrease his or her payroll deduction during any Offering, but may increase or decrease his or her payroll deduction with respect to the next Offering (subject to the limitations of Section 5) by filing a new enrollment form at least 15 business days before the next Offering Date (or by such other deadline as shall be established by the Administrator for the Offering). The Administrator may, in advance of any Offering, establish rules permitting a Participant to increase, decrease or terminate his or her payroll deduction during an Offering.

7. Withdrawal. A Participant may withdraw from participation in the Plan by delivering a written notice of withdrawal to the Company or an agent designated by the Company (in accordance with such procedures as may be established by the Administrator). The Participant's withdrawal will be effective as of the next business day. Following a Participant's withdrawal, the Company will promptly refund such individual's entire account balance under the Plan to him or her (after payment for any Common Stock purchased before the effective date of withdrawal). Partial withdrawals are not permitted. Such an employee may not begin participation again during the remainder of the Offering, but may enroll in a subsequent Offering in accordance with Section 4.

8. Grant of Options. On each Offering Date, the Company will grant to each Participant in the Plan an option ("Option") to purchase, on the last day of a Purchase Period (the "Exercise Date") and at the Option Price hereinafter provided for, the lowest of (a) a number of shares of Common Stock determined by dividing such Participant's accumulated payroll deductions on such Exercise Date by the Option Price (as defined herein), (b) the number of shares of Common Stock determined by dividing $25,000 by the Fair Market Value of the Common Stock on the Offering Date for such Offering; or (c) such other lesser maximum number of shares as shall have been established by the Administrator in advance of the Offering; provided, however, that such Option shall be subject to the limitations set forth below. Each Participant's Option shall be exercisable only to the extent of such Participant's accumulated payroll deductions on the Exercise Date. The purchase price for each share purchased under each Option (the "Option Price") will be 85 percent of the Fair Market Value (as defined in Section 11) of the Common Stock on the Offering Date or the Exercise Date, whichever is less.

Notwithstanding the foregoing, no Participant may be granted an Option hereunder if such Participant, immediately after the Option was granted, would be treated as owning stock possessing 5 percent or more of the total combined voting power or value of all classes of stock of the Company or any Parent or Subsidiary (as defined in Section 11). For purposes of the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of a Participant, and all stock which the Participant has a contractual right to purchase shall be treated as stock owned by the Participant. In addition, no Participant may be granted an Option which permits his or her rights to purchase stock under the Plan, and any other employee stock purchase plan of the

Company and its Parents and Subsidiaries, to accrue at a rate which exceeds $25,000 of the Fair Market Value of such stock (determined on the option grant date or dates) for each calendar year in which the Option is outstanding at any time. The purpose of the limitation in the preceding sentence is to comply with Section 423(b)(8) of the Code and shall be applied taking Options into account in the order in which they were granted.

9. Exercise of Option and Purchase of Shares. Each employee who continues to be a Participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option on such date and shall acquire from the Company such number of whole shares of Common Stock reserved for the purpose of the Plan as his or her accumulated payroll deductions on such date will purchase at the Option Price, subject to any other limitations contained in the Plan. Unless otherwise determined by the Administrator in advance of an Offering, any amount remaining in a Participant's account after the purchase of shares on an Exercise Date of an Offering solely by reason of the inability to purchase a fractional share will be carried forward to the next Purchase Period and, if such Exercise Date is the final Exercise Date of an Offering, will be carried forward to the next Offering; any other balance remaining in a Participant's account at the end of an Offering will be refunded to the Participant promptly.

10. Issuance of Certificates. Certificates or book entries at the Company's transfer agent representing shares of Common Stock purchased under the Plan may be issued only in the name of the employee, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or in the name of a broker authorized by the employee to be his, her or their, nominee for such purpose.

11. Definitions.

The term "Affiliate" means any entity that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under the common control with, the Company.

The term "Compensation" means the amount of total cash compensation, prior to salary reduction pursuant to Sections 125, 132(f) or 401(k) of the Code, including base pay, overtime, commissions, and plan-based incentive or bonus awards, but excluding allowances and reimbursements for expenses such as relocation allowances or travel expenses, income or gains related to Company stock options or other share-based and long-term cash awards, and special purpose bonuses including sign-on and recognition awards, and similar items. The Administrator shall have the discretion to determine the application of this definition to Participants outside the United States.

The term "Designated Company" means any present or future Subsidiary or Affiliate that has been designated by the Administrator to participate in the Plan. The Administrator may so designate any Subsidiary or Affiliate, or revoke any such designation, at any time and from time to time, either before or after the Plan is approved by the stockholders, and may further designate such companies or Participants as participating in the 423 Component or the Non-423 Component. The Administrator may also determine which Affiliates or eligible employees may be excluded from participation in the Plan, to the extent consistent with Section 423 of the Code or as implemented under the Non-423 Component, and determine which Designated Company or Companies will participate in separate Offerings (to the extent that the Company makes separate Offerings). For purposes of the 423 Component, only the Company and its Subsidiaries may be Designated Companies; provided, however, that at any given time, a Subsidiary that is a Designated Company under the 423 Component will not be a Designated Company under the Non-423 Component. The current list of Designated Companies is attached hereto as Appendix A.

The term "Fair Market Value of the Common Stock" on any given date means the fair market value of the Common Stock determined in good faith by the Administrator; provided, however, that if the Common Stock is admitted to quotation on the New York Stock Exchange ("NYSE") or another national securities exchange, the determination shall be made by reference to the closing price on such date. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price.

The term "Initial Public Offering" means the first underwritten, firm commitment public offering pursuant to an effective registration statement under the U.S. Securities Act of 1933, as amended, covering the offer and sale by the Company of its Common Stock.

The term "Parent" means a "parent corporation" with respect to the Company, as defined in Section 424(e) of the Code.

The term "Participant" means an individual who is eligible as determined in Section 3 and who has complied with the provisions of Section 4.

The term "Purchase Period" means a period of time specified within an Offering beginning on the Offering Date or on the next day following an Exercise Date within an Offering and ending on an Exercise Date. An Offering may consist of one or more Purchase Periods.

The term "Registration Date" means the date on which the registration statement on Form S-1 that is filed by the Company with respect to its Initial Public Offering is declared effective by the U.S. Securities and Exchange Commission (the "SEC").

The term “Subsidiary” means a “subsidiary corporation” with respect to the Company, as defined in Section 424(f) of the Code.

12. Rights on Termination or Transfer of Employment. If a Participant’s employment terminates for any reason before the Exercise Date for any Offering, no payroll deduction will be taken from any pay due and owing to the Participant and the balance in the Participant’s account will be paid to such Participant or, in the case of such Participant’s death, to the legal representative of his or her estate as if such Participant had withdrawn from the Plan under Section 7. An employee will be deemed to have terminated employment, for this purpose, if the corporation that employs him or her, having been a Designated Company, ceases to be a Subsidiary or Affiliate, or if the employee is transferred to any corporation other than the Company or a Designated Company. Unless otherwise determined by the Administrator, a Participant whose employment transfers between, or whose employment terminates with an immediate rehire (with no break in service) by, Designated Companies or a Designated Company and the Company will not be treated as having terminated employment for purposes of participating in the Plan or an Offering; provided, however, that if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant’s Option will be qualified under the 423 Component only to the extent that such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Participant’s Option will remain non-qualified under the Non-423 Component. Further, an employee will not be deemed to have terminated employment for purposes of this Section 12, if the employee is on an approved leave of absence where the employee’s right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise provides in writing.

13. Special Rules and Sub-Plans. Notwithstanding anything herein to the contrary, the Administrator may adopt special rules or sub-plans applicable to the employees of a particular Designated Company, whenever the Administrator determines that such rules are necessary or appropriate for the implementation of the Plan in a jurisdiction where such Designated Company has employees, regarding, without limitation, eligibility to participate in the Plan, handling and making of payroll deductions or contributions by other means, establishment of bank or trust accounts to hold payroll deductions, payment of interest, conversion of local currency, obligations to pay payroll tax, withholding procedures and handling of share issuances, any of which may vary according to applicable requirements; provided that if such special rules or sub-plans are inconsistent with the requirements of Section 423(b) of the Code, the employees subject to such special rules or sub-plans will participate in the Non-423 Component.

14. Optionees Not Stockholders. Neither the granting of an Option to a Participant nor the deductions from his or her pay shall result in such Participant becoming a holder of the shares of Common Stock covered by an Option under the Plan until such shares have been purchased by and issued to him or her.

15. Rights Not Transferable. Rights under the Plan are not transferable by a Participant other than by will or the laws of descent and distribution, and are exercisable during the Participant’s lifetime only by the Participant.

16. Application of Funds. All funds received or held by the Company under the Plan may be combined with other corporate funds and may be used for any corporate purpose, unless otherwise required under applicable law.

17. Adjustment in Case of Changes Affecting Common Stock. In the event of a subdivision of outstanding shares of Common Stock, the payment of a dividend in Common Stock or any other change affecting the Common Stock, the number of shares approved for the Plan and the share limitation set forth in Section 8 shall be equitably or proportionately adjusted to give proper effect to such event.

18. Amendment of the Plan. The Board may at any time and from time to time amend the Plan in any respect, except that without the approval within 12 months of such Board action by the stockholders, no amendment shall be made increasing the number of shares approved for the Plan or making any other change that would require stockholder approval in order for the 423 Component of the Plan, as amended, to qualify as an “employee stock purchase plan” under Section 423(b) of the Code.

19. Insufficient Shares. If the total number of shares of Common Stock that would otherwise be purchased on any Exercise Date plus the number of shares purchased under previous Offerings under the Plan exceeds the maximum number of shares issuable under the Plan, the shares then available shall be apportioned among Participants in proportion to the amount of payroll deductions accumulated on behalf of each Participant that would otherwise be used to purchase Common Stock on such Exercise Date.

20. Termination of the Plan. The Plan may be terminated at any time by the Board. Upon termination of the Plan, all amounts in the accounts of Participants shall be promptly refunded. Unless terminated earlier, the Plan shall automatically terminate on the ten year anniversary of the Registration Date.

21. Governmental Regulations. The Company’s obligation to sell and deliver Common Stock under the Plan is subject to the completion of any registration or qualification of the Common Stock under any U.S. or non-U.S. local, state or federal securities or exchange control law, or under rulings or regulations of the SEC or of any other governmental regulatory body, and to obtaining any approval or other clearance from any U.S. and non-U.S. local,

state or federal governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Company is under no obligation to register or qualify the Common Stock with the SEC or any other U.S. or non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of such stock.

22. Governing Law. This Plan and all Options and actions taken thereunder shall be governed by, and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of Delaware applied without regard to conflict of law principles.

23. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Common Stock, from shares held in the treasury of the Company, or from any other proper source.

24. Tax Withholding. Participation in the Plan is subject to any applicable U.S. and non-U.S. federal, state or local tax withholding requirements on income the Participant realizes in connection with the Plan. Each Participant agrees, by entering the Plan, that the Company or any Subsidiary or Affiliate may, but will not be obligated to, withhold from Participant's wages, salary or other compensation at any time the amount necessary for the Company or any Subsidiary or Affiliate to meet applicable withholding obligations, including any withholding required to make available to the Company or any Subsidiary or Affiliate any tax deductions or benefits attributable to the sale or disposition of Common Stock by such Participant. In addition, the Company or any Subsidiary or Affiliate may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or use any other method of withholding that the Company or any Subsidiary or Affiliate deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f) with respect to the 423 Component. The Company will not be required to issue any Common Stock under the Plan until such obligations are satisfied.

25. Notification Upon Sale of Shares Under the 423 Component. Each Participant agrees, by entering the 423 Component of the Plan, to give the Company prompt notice of any disposition of shares purchased under the Plan where such disposition occurs within two years after the date of grant of the Option pursuant to which such shares were purchased or within one year after the date such shares were purchased.

26. Effective Date and Approval of Stockholders. The Plan shall take effect on the date immediately preceding the Registration Date, subject to prior approval by the holders of a majority of the votes cast at a meeting of stockholders at which a quorum is present or by written consent of the stockholders.

Appendix A

Designated Companies

Toasttab Ireland Limited
Toasttab UK Limited
Toast Canada, Inc.
Toast Tab Private Limited
Taiwan Branch of Toast International, Inc. (effective as of May 1, 2026)
Toast Australia Pty. Ltd. (effective as of May 1, 2026)

TOAST, INC.

AMENDMENT NO. 1 TO

2021 EMPLOYEE STOCK PURCHASE PLAN

In accordance with the provisions of the Toast, Inc. 2021 Employee Stock Purchase Plan (the "Plan"), the Plan is hereby amended as follows:

1. The definition of "Compensation" in Section 11 is hereby amended and restated as follows:

"The term "Compensation" means the amount of total cash compensation, prior to salary reduction pursuant to Sections 125, 132(f) or 401(k) of the Code, including base pay and overtime, but excluding commissions, plan-based incentive or bonus awards, allowances and reimbursements for expenses such as relocation allowances or travel expenses, income or gains related to Company stock options or other share-based and long-term cash awards, and special purpose bonuses including sign-on and recognition awards, and similar items. The Administrator shall have the discretion to determine the application of this definition to Participants outside the United States."

2. Except as modified herein, the Plan is not modified in any respect and remains in full force and effect.

Approved by the Board of Directors: May 4, 2022

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Aman Narang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Toast, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026	/s/ Aman Narang
	Aman Narang
	Chief Executive Officer
	(Principal Executive Officer)

CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Elena Gomez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Toast, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ Elena Gomez

Elena Gomez
President, Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Aman Narang, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Toast, Inc. for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Toast, Inc.

Date: August 4, 2026	By:	/s/ Aman Narang
	Name:	Aman Narang
	Title:	Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Elena Gomez, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Toast, Inc. for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Toast, Inc.

Date: August 4, 2026

By:	/s/ Elena Gomez
Name:	Elena Gomez
Title:	President, Chief Financial Officer (Principal Financial Officer)