

**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 September 30, 2025

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

(State or other jurisdiction of incorporation or organization)

45-4168768

(I.R.S. Employer Identification No.)

333 Summer Street

Boston, Massachusetts

(Address of principal executive offices)

02210

(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 515 million shares of Class A common stock and 73 million shares of Class B common stock as of October 30, 2025.

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;
- 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 restaurant industry;
- 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, 2024 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)

	September 30, 2025	December 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,357	\$ 903
Marketable securities	500	514
Accounts receivable, net	121	115
Inventories, net	104	118
Other current assets	413	325
Total current assets	2,495	1,975
Property and equipment, net	100	98
Operating lease right-of-use assets	23	25
Intangible assets, net	16	20
Goodwill	113	113
Restricted cash	76	59
Other non-current assets	148	118
Total non-current assets	476	433
Total assets	\$ 2,971	\$ 2,408
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable	\$ 50	\$ 37
Deferred revenue	63	59
Accrued expenses and other current liabilities	798	715
Total current liabilities	911	811
Warrants to purchase common stock	20	22
Operating lease liabilities, non-current	18	24
Other long-term liabilities	8	6
Total liabilities	957	863
Commitments and Contingencies (Note 12)		
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; 514 million and 491 million shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively		
Class B - 700 million shares authorized; 73 million and 81 million shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	—	—
Accumulated other comprehensive income (loss)	3	(1)
Additional paid-in capital	3,374	3,150
Accumulated deficit	(1,363)	(1,604)
Total stockholders' equity	2,014	1,545
Total liabilities and stockholders' equity	\$ 2,971	\$ 2,408

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue:				
Subscription services	\$ 244	\$ 189	\$ 680	\$ 506
Financial technology solutions	1,345	1,067	3,703	2,963
Hardware and professional services	44	49	137	153
Total revenue	1,633	1,305	4,520	3,622
Costs of revenue:				
Subscription services	67	56	197	159
Financial technology solutions	1,032	835	2,855	2,323
Hardware and professional services	101	91	295	279
Amortization of acquired intangible assets	1	1	3	4
Total costs of revenue	1,201	983	3,350	2,765
Gross profit	432	322	1,170	857
Operating expenses:				
Sales and marketing	144	119	418	340
Research and development	102	89	277	258
General and administrative	102	80	260	229
Restructuring expenses	—	—	8	46
Total operating expenses	348	288	963	873
Income (loss) from operations	84	34	207	(16)
Other income (expense):				
Interest income, net	13	9	36	30
Change in fair value of warrant liability	7	(1)	2	(37)
Other income (expense), net	—	15	—	13
Income (loss) before taxes	104	57	245	(10)
Income tax (expense) benefit	1	(1)	(4)	(3)
Net income (loss)	\$ 105	\$ 56	\$ 241	\$ (13)
Net income (loss) per share attributable to common stockholders:				
Basic	\$ 0.18	\$ 0.10	\$ 0.42	\$ (0.02)
Diluted	\$ 0.16	\$ 0.07	\$ 0.39	\$ (0.02)
Weighted-average shares used in computing net income (loss) per share:				
Basic	585	563	580	556
Diluted	609	590	606	556

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 105	\$ 56	\$ 241	\$ (13)
Other comprehensive income (loss):				
Unrealized gains (losses) on marketable securities, net of tax effect of \$0	1	3	1	2
Currency translation adjustments	0	1	3	1
Total other comprehensive income (loss)	1	4	4	3
Comprehensive income (loss)	<u>\$ 106</u>	<u>\$ 60</u>	<u>\$ 245</u>	<u>\$ (10)</u>

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 September 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 June 30, 2025	—	\$ —	581	\$ —	\$ 3,284	\$ (1,468)	\$ 2	\$ 1,818
Issuance of common stock under equity plans	—	—	7	—	38	—	—	38
Stock-based compensation	—	—	—	—	69	—	—	69
Share repurchases	—	—	(1)	—	(23)	—	—	(23)
Issuance of common stock in connection with charitable contribution	—	—	—	—	6	—	—	6
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	1	1
Net income	—	—	—	—	—	105	—	105
Balances at September 30, 2025	—	\$ —	587	\$ —	\$ 3,374	\$ (1,363)	\$ 3	\$ 2,014

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 September 30, 2024

	Preferred Stock		Class A and B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balances at June 30, 2024	—	\$ —	560	\$ —	\$ 2,976	\$ (1,692)	\$ (1)	\$ 1,283
Issuance of common stock under equity plans	—	—	6	—	29	—	—	29
Stock-based compensation	—	—	—	—	63	—	—	63
Share repurchases	—	—	(1)	—	(20)	—	—	(20)
Issuance of common stock in connection with charitable contribution	—	—	0	—	5	—	—	5
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	4	4
Net income	—	—	—	—	—	56	—	56
Balances at September 30, 2024	—	\$ —	565	\$ —	\$ 3,053	\$ (1,636)	\$ 3	\$ 1,420

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

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

Nine Months Ended September 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	—	—	17	—	78	—	—	78
Stock-based compensation	—	—	—	—	194	—	—	194
Share repurchases	—	—	(2)	—	(54)	—	—	(54)
Issuance of common stock in connection with charitable contribution	—	—	0	—	6	—	—	6
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	4	4
Net income	—	—	—	—	—	241	—	241
Balances at September 30, 2025	—	\$ —	587	\$ —	\$ 3,374	\$ (1,363)	\$ 3	\$ 2,014

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

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

Nine Months Ended September 30, 2024

	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, 2023	—	\$ —	543	\$ —	\$ 2,817	\$ (1,623)	\$ —	\$ 1,194
Issuance of common stock under equity plans	—	—	24	—	84	—	—	84
Stock-based compensation	—	—	—	—	203	—	—	203
Share repurchases	—	—	(2)	—	(56)	—	—	(56)
Issuance of common stock in connection with charitable contribution	—	—	0	—	5	—	—	5
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	3	3
Net loss	—	—	—	—	—	(13)	—	(13)
Balances at September 30, 2024	—	\$ —	565	\$ —	\$ 3,053	\$ (1,636)	\$ 3	\$ 1,420

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

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

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 241	\$ (13)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	48	35
Stock-based compensation expense	186	193
Amortization of deferred contract acquisition costs	73	59
Change in fair value of warrant liability	(2)	37
Credit loss expense	66	50
Stock-based charitable contribution expense	6	5
Asset impairments	2	2
Gain on warrant extinguishment	—	(14)
Other non-cash items	5	(5)
Changes in operating assets and liabilities:		
Accounts receivable, net	(20)	(54)
Other current assets	(22)	(11)
Deferred contract acquisition costs	(109)	(95)
Inventories, net	14	12
Accounts payable	11	(1)
Accrued expenses and other current liabilities	(23)	(7)
Deferred revenue	6	23
Operating lease right-of-use assets and operating lease liabilities, net	(6)	(1)
Other assets and liabilities	(9)	(2)
Net cash provided by operating activities	467	213
Cash flows from investing activities:		
Capital expenditures	(37)	(41)
Purchases of marketable securities	(371)	(353)
Proceeds from the sale of marketable securities	135	80
Maturities of marketable securities	253	290
Net cash used in investing activities	(20)	(24)
Cash flows from financing activities:		
Payments of issuance costs of the revolving credit facility	(3)	—
Change in customer funds obligations, net	49	40
Proceeds from issuance of common stock	78	84
Warrant repurchase	—	(61)
Repurchases of Class A common stock	(54)	(56)
Net cash provided by financing activities	70	7
Effect of exchange rate changes on cash and cash equivalents and restricted cash	3	1
Net increase in cash, cash equivalents, cash held on behalf of customers and restricted cash	520	197
Cash, cash equivalents, cash held on behalf of customers and restricted cash at beginning of period	1,085	747
Cash, cash equivalents, cash held on behalf of customers and restricted cash at end of period	\$ 1,605	\$ 944
Reconciliation of cash, cash equivalents, cash held on behalf of customers and restricted cash		
Cash and cash equivalents	1,357	761
Cash held on behalf of customers	172	127
Restricted cash	76	56
Total cash, cash equivalents, cash held on behalf of customers and restricted cash	\$ 1,605	\$ 944
Supplemental disclosure of cash flow information:		
Stock-based compensation included in capitalized software	\$ 8	\$ 10
Cash paid for amounts included in the measurement of lease liabilities	12	11
Right-of-use assets obtained in exchange for new operating lease liabilities / (reduction) of lease liabilities from lease terminations and modifications	4	12

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 cloud-based all-in-one digital technology platform purpose-built for the entire restaurant community. We provide a comprehensive platform of software-as-a-service, or SaaS, products and financial technology solutions, including integrated payment processing, restaurant-grade hardware, and a broad ecosystem of third-party partners. We serve as the restaurant operating system, connecting front of house and back of house operations across service models including dine-in, takeout, delivery, catering, and retail.

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. Accordingly, they do not include all of the financial information and footnotes required by U.S. GAAP for complete financial statements.

The unaudited condensed consolidated financial statements include the accounts of the Company and 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, 2025 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, 2024, or the 2024 Annual Report. As of September 30, 2025, there have been no material changes in the Company's significant accounting policies from those that were disclosed in the Annual Report on Form 10-K, unless otherwise discussed below.

Risks and Uncertainties

We are subject to a number of risks and uncertainties, including geopolitical events, changes in trade policy, including trade wars, tariffs, sanctions, or the threat of such actions, natural disasters, public health concerns or epidemics, and macroeconomic conditions, such as changes in inflation and interest rates, which may also impact consumer behavior, the restaurant industry, and our business.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates, judgments, and assumptions in these condensed consolidated financial statements include, but are not limited to, those related to revenue recognition, fair values and useful lives of assets acquired and liabilities assumed through business combinations, stock-based compensation expense, fair value measurements of warrants, the allowance for credit losses, liabilities associated with financial guarantees related to loan purchase activities, incremental borrowing rates applied in valuation of lease liabilities, accounting for income taxes, as well as the amortization period for deferred contract acquisition costs.

Recent Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires enhancement and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements and related disclosures, but we do not expect its adoption to have a material impact.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, which requires disclosure of disaggregated information about specific categories underlying certain income statement expense line items in the footnotes to the financial statements for both annual and interim periods. This ASU is effective for fiscal year beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. We are currently evaluating the impact of the adoption of this standard.

2. Financial Instruments

The following table presents information about our 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):

September 30, 2025				
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	\$ 918	\$ —	\$ —	\$ 918
Commercial paper	—	79	—	79
Certificates of deposit	—	15	—	15
Corporate bonds	—	121	—	121
Treasury bonds	—	164	—	164
Asset-backed securities	—	155	—	155
	<u>\$ 918</u>	<u>\$ 534</u>	<u>\$ —</u>	<u>\$ 1,452</u>
Liabilities:				
Warrants to purchase common stock	\$ —	\$ —	\$ 20	\$ 20
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 20</u>	<u>\$ 20</u>
December 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	\$ 671	\$ —	\$ —	\$ 671
Commercial paper	—	24	—	24
Certificates of deposit	—	3	—	3
Corporate bonds	—	100	—	100
U.S. government agency securities	—	7	—	7
Treasury bonds	—	233	—	233
Asset-backed securities	—	147	—	147
	<u>\$ 671</u>	<u>\$ 514</u>	<u>\$ —</u>	<u>\$ 1,185</u>
Liabilities:				
Warrants to purchase common stock	\$ —	\$ —	\$ 22	\$ 22
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 22</u>	<u>\$ 22</u>

During the nine months ended September 30, 2025 and 2024, there were no transfers into or out of Level 3 measurements within the fair value hierarchy.

We did not recognize any credit losses or non-credit-related impairments related to our available-for-sale marketable debt securities for the nine months ended September 30, 2025 and 2024. All unrealized losses were immaterial and recognized in other comprehensive income (loss).

The following table is an analysis of our debt securities in unrealized loss positions (in millions):

	September 30, 2025		December 31, 2024	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Commercial paper	\$ 5	\$ —	\$ 13	\$ 0
Certificates of deposit	0	0	—	—
Corporate bonds	15	—	33	0
U.S. government agency securities	—	—	7	0
Treasury bonds	33	—	102	0
Asset-backed securities	5	—	13	0
Total	\$ 58	\$ —	\$ 168	\$ 0

Marketable Securities

The fair values of the marketable securities by contractual maturities at September 30, 2025 were as follows (in millions):

	September 30, 2025
Due within 1 year	\$ 261
Due after 1 year through 5 years	224
Due after 5 years and thereafter	15
Total marketable securities	\$ 500

Valuation of Warrants to Purchase Common Stock

The fair value of the warrants was determined using the Black-Scholes option-pricing model. The following table indicates the weighted-average assumptions made in estimating the fair value as of:

	September 30, 2025	December 31, 2024
Risk-free interest rate	3.6 %	4.3 %
Contractual term (in years)	2	2
Expected volatility	47.9 %	57.5 %
Expected dividend yield	— %	— %
Exercise price per share	\$ 17.50	\$ 17.50

Fair Value of Liabilities

The following table provides a roll-forward of the aggregate fair value of our common stock warrant liability for which fair value is determined using Level 3 inputs (in millions):

	Common Stock Warrant Liability
Balance as of December 31, 2024	\$ 22
Change in fair value	(2)
Balance as of September 30, 2025	\$ 20

As of September 30, 2025, the maximum number of shares of our common stock that could be required to be issued upon the exercise of outstanding warrants was 1 million.

3. Loan Servicing Activities and Acquired Loans Receivable, Net

Changes in the contingent liability for expected credit losses for the three and nine months ended September 30, 2025 and 2024 were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Beginning balance	\$ 33	\$ 26	\$ 29	\$ 29
Credit loss expense	19	14	46	34
Reductions due to loan purchases	(12)	(11)	(35)	(34)
Ending balance	\$ 40	\$ 29	\$ 40	\$ 29

As of September 30, 2025 and December 31, 2024, the non-contingent stand-ready liability was \$16 million and \$10 million, respectively.

As of September 30, 2025 and December 31, 2024, \$76 million and \$59 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. Lessee Arrangements

The components of lease expense were as follows for the three and nine months ended September 30, 2025 and 2024 (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease expense	\$ 2	\$ 3	\$ 7	\$ 9
Variable lease expense	—	—	2	2
Total	\$ 2	\$ 3	\$ 9	\$ 11

Operating lease expense reflects the non-cash amortization of right-of-use assets.

5. Other Balance Sheet Information

Accounts Receivable, Net (in millions)

	September 30, 2025	December 31, 2024
Accounts receivable	\$ 97	\$ 99
Unbilled receivables	31	24
Less: Allowance for credit losses	(7)	(8)
Accounts receivable, net	<u>\$ 121</u>	<u>\$ 115</u>

A summary of changes in our allowance for credit losses with respect to our accounts receivable is as follows (in millions):

	Nine Months Ended September 30,	
	2025	2024
Beginning Balance	\$ (8)	\$ (11)
Additions	(15)	(14)
Write offs	16	19
Ending Balance	<u>\$ (7)</u>	<u>\$ (6)</u>

Other Current Assets (in millions)

	September 30, 2025	December 31, 2024
Cash held on behalf of customers	\$ 172	\$ 123
Deferred contract acquisition costs, current (Note 6)	89	74
Prepaid expenses	35	29
Other	117	99
Total other current assets	<u>\$ 413</u>	<u>\$ 325</u>

Accrued Expenses and Current Liabilities (in millions)

	September 30, 2025	December 31, 2024
Accrued transaction-based costs	\$ 333	\$ 312
Customer funds obligation	172	123
Accrued expenses	77	69
Accrued payroll and bonus	108	126
Contingent liability for expected credit losses	40	29
Other liabilities	68	56
Total accrued expenses and other current liabilities	<u>\$ 798</u>	<u>\$ 715</u>

6. Revenue from Contracts with Customers

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

	Nine Months Ended September 30, 2025
Deferred revenue, beginning of period	\$ 63
Deferred revenue, end of period	69
Revenue recognized in the period from amounts included in deferred revenue at the beginning of period	\$ 56

As of September 30, 2025, approximately \$941 million of revenue is expected to be recognized from remaining performance obligations for customer contracts. We expect to recognize revenue of approximately \$883 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):

	Nine Months Ended September 30, 2025
Beginning balance	\$ 172
Capitalization	106
Amortization	(73)
Ending balance	<u>\$ 205</u>

As of September 30, 2025, \$89 million of our 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. Amortization expense attributable to deferred contract acquisition costs was \$59 million for the nine months ended September 30, 2024.

7. Stockholders' Equity

Stock-Based Compensation

Stock-based compensation expenses recognized for the three and nine months ended September 30, 2025 and 2024, were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 9	\$ 10	\$ 27	\$ 31
Sales and marketing	15	13	43	40
Research and development	26	22	67	62
General and administrative	16	15	46	48
Restructuring expenses	—	—	3	12
Total stock-based compensation	<u>\$ 66</u>	<u>\$ 60</u>	<u>\$ 186</u>	<u>\$ 193</u>

Stock Options

The following is a summary of stock option activity under our stock option plans for the nine months ended September 30, 2025:

	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, 2024	28	\$ 9.42		
Granted	2	34.00		
Exercised	(8)	8.02		
Forfeited	(1)	18.92		
Outstanding as of September 30, 2025	<u>21</u>	<u>\$ 11.66</u>		
Options vested and expected to vest as of September 30, 2025	<u>21</u>	\$ 11.25	5.4	\$ 520

⁽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 September 2025, 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 \$124 million and \$260 million, respectively, during the three and nine months ended September 30, 2025.

As of September 30, 2025, total unrecognized stock-based compensation expense related to the options was \$49 million and is expected to be recognized over the remaining weighted-average service period of 2.8 years.

Restricted Stock Units

The following table summarizes restricted stock units, or RSUs, activity during the nine months ended September 30, 2025:

	RSU (in millions)	Weighted-Average Grant Date Fair Value (per share)
Outstanding balance as of December 31, 2024	22	\$ 21.41
Granted	5	36.14
Vested	(8)	22.16
Forfeited	(2)	21.83
Outstanding balance as of September 30, 2025	17	\$ 25.76
Expected to vest as of September 30, 2025	15	\$ 25.21

The fair value of RSUs vested during the three and nine months ended September 30, 2025 was \$114 million and \$319 million, respectively.

As of September 30, 2025, total unrecognized stock-based compensation expense related to the RSUs was \$321 million and is expected to be recognized over the remaining weighted-average service period of 2.7 years.

Share Repurchase Program

In February 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. 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 nine months ended September 30, 2025, we repurchased \$23 million and \$54 million, respectively, in Class A common stock. As of September 30, 2025, approximately \$140 million remained authorized for repurchase under our share repurchase program.

Shares Reserved for Charitable Donations

In recognition of our values and commitment to local communities, we joined the Pledge 1% movement to fund our social impact initiatives through Toast.org, our social impact arm. During the year ended December 31, 2021, our Board approved reserving 5 million shares of Class A common stock that we may, but are not obligated to, issue over a certain period to fund the Company's social impact initiatives through Toast.org. During the three and nine months ended September 30, 2025, we recognized stock-based charitable contribution expenses of \$6 million for the fair value of the donated shares. During the three and nine months ended September 30, 2024, we recognized stock-based charitable contribution expenses of \$5 million for the fair value of the donated shares. Such expenses were recorded within general and administrative expenses in the Condensed Consolidated Statement of Operations.

8. Restructuring Activities

In February 2024, we announced a restructuring plan, or the Restructuring Plan, designed to promote overall operating expense efficiency, including a reduction in force and certain other actions to reorganize our facilities and operations. In connection with this Restructuring Plan, we incurred restructuring and restructuring-related charges of \$0 million and \$46 million during the three and nine months ended September 30, 2024, respectively, primarily consisting of cash severance costs and the acceleration of stock-based compensation for certain terminated employees. As of September 30, 2025, we have completed the Restructuring Plan.

During the three and nine months ended September 30, 2025, we incurred \$0 million and \$8 million, respectively, of one-time restructuring costs to continue focusing on operational efficiency, primarily consisting of cash severance costs and the acceleration of stock-based compensation for certain terminated employees. These charges were recorded within restructuring expenses on our Condensed Consolidated Statements of Operations. As of September 30, 2025, we substantially completed this restructuring activity with immaterial remaining liabilities.

9. Income Taxes

We compute our provision for income taxes by applying the estimated annual effective tax rate to year-to-date income from recurring operations, and record the impact of discrete items in the period in which they occur.

Our effective income tax rate was (0.9)% and 1.6% for the three months ended September 30, 2025 and 2024, respectively, and was 1.8% and (23.3)% for the nine months ended September 30, 2025 and 2024, respectively. The effective tax rate for each period differs from the statutory rate primarily as a result of having a full valuation allowance maintained against our net deferred tax assets.

The income tax (benefit) expense was (\$1) million and \$1 million for the three months ended September 30, 2025 and 2024, respectively, and \$4 million and \$3 million for the nine months ended September 30, 2025 and 2024, respectively. The change in the provision is primarily driven by the mix of earnings in countries with differing statutory tax rates, partially offset by excess tax benefits of stock-based compensation.

On July 4, 2025, the “One Big Beautiful Bill Act”, or “OBBBA”, was signed into law, which represents the enactment date under U.S. GAAP. Key corporate tax provisions include the restoration of 100% bonus depreciation, immediate expensing for domestic research and experimental expenditures, changes to Section 163(j) interest limitations, updates to Global Intangible Low-Taxed Income (“GILTI”), and Foreign-Derived Intangible Income (“FDII”) rules, amendments to energy credits, and expanded Section 162(m) aggregation requirements.

In accordance with ASC 740, the effects of the new tax legislation are recognized in the period of enactment. Management has evaluated the provisions of the OBBBA, recalculated temporary differences, reassessed valuation allowances, and considered any necessary adjustments. Based on this evaluation, management concluded that the effects of the OBBBA are not material to the Company’s consolidated financial statements for the three and nine months ended September 30, 2025. Management will continue to monitor forthcoming guidance, interpretations, and technical clarifications to assess whether any future adjustments or additional disclosures may be required.

10. Net Income (Loss) Per Share Attributable to Common Stockholders

Basic net income (loss) per share is determined by dividing net income or loss by the weighted-average shares outstanding for the period. We analyze the potential dilutive effect of stock options, unvested restricted stock, RSUs, our employee stock purchase plan, and warrants to purchase common stock, during periods we generate 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 our net income (losses) and participate equally in the dividends on common stock, if declared. We allocate net income (losses) attributable to common stock between the common stock classes on a one-to-one basis when

computing net income (loss) per share. As a result, basic and diluted net income (loss) per share of Class A common stock and Class B common stock are equivalent.

The following table sets forth the calculation of net income (loss) per share attributable to common stockholders (in millions, except per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income (loss), basic	\$ 105	\$ 56	\$ 241	\$ (13)
Less: Gain on change in fair value of warrant liabilities and extinguishment ⁽¹⁾	7	16	2	—
Net income (loss), diluted	\$ 98	\$ 40	\$ 239	\$ (13)
Denominator:				
Weighted-average shares of common stock outstanding - basic	585	563	580	556
Effect of dilutive securities:				
Warrants to purchase common stock ⁽¹⁾	1	—	1	—
Dilutive common share equivalents included in dilutive shares	23	27	25	—
Weighted-average shares of common stock outstanding - diluted	609	590	606	556
Net income (loss) per share, basic	\$ 0.18	\$ 0.10	\$ 0.42	\$ (0.02)
Net income (loss) per share, diluted	\$ 0.16	\$ 0.07	\$ 0.39	\$ (0.02)

⁽¹⁾ During the three and nine months ended September 30, 2025, we recorded a remeasurement gain of \$7 million and \$2 million, respectively, of our warrant liability. During the three months ended September 30, 2024, we recorded a remeasurement gain of \$2 million on the warrant liability immediately prior to the repurchase of a warrant to purchase 5 million shares of our common stock for an aggregate purchase price of \$61 million (the "Warrant Repurchase") on July 3, 2024 and a gain on the extinguishment of the warrant liabilities upon the Warrant Repurchase of \$14 million. For purposes of computing diluted income (loss) per share, these gains were excluded from our net income (loss) and the corresponding weighted-average shares were also adjusted accordingly.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Options to purchase common stock	2	3	1	32
Unvested restricted stock units	—	1	—	25
Warrants to purchase common stock ⁽²⁾	—	2	—	2
	2	6	1	59

⁽²⁾ During the three months ended September 30, 2024, we recorded a loss on fair value remeasurement of our remaining warrants outstanding after the Warrant Repurchase. These warrants were excluded from the computation of diluted net earnings (loss) per share due to their anti-dilutive impact. During the nine months ended September 30, 2024, we recorded a loss on fair value remeasurement of our warrant liability and the warrants were excluded from the calculation of diluted earnings (loss) per share due to their anti-dilutive effect.

11. Segment Information

We have one reportable segment, Toast, Inc., consisting of a comprehensive platform of software-as-a-service, or SaaS, products, financial technology solutions, including integrated payment processing, restaurant-grade hardware, and a broad ecosystem of third-party partners. We manage the business activities on a consolidated basis. The types of software and services from which we generate revenue are described under our "Revenue Recognition" policy within our "Summary of Significant Accounting Policies" as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Our chief operating decision maker, or CODM, is our Chief Executive Officer. The CODM assesses performance for the segment and decides how to allocate resources based on net income (loss) that is also reported on the Condensed Consolidated Statements of Operations as consolidated net income (loss). The

CODM does not use any segment asset measures to assess performance and decide how to allocate resources.

The following table sets out our measure of profit or loss and significant segment expenses (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 1,633	\$ 1,305	\$ 4,520	\$ 3,622
Costs of revenue ⁽¹⁾	(1,192)	(972)	(3,320)	(2,732)
Sales and marketing ⁽¹⁾	(129)	(106)	(372)	(297)
Research and development ⁽¹⁾	(73)	(67)	(204)	(192)
General and administrative ⁽¹⁾	(85)	(65)	(211)	(178)
Stock-based compensation and related payroll taxes	(70)	(61)	(198)	(193)
Other items ⁽²⁾	21	22	26	(43)
Net income (loss)	\$ 105	\$ 56	\$ 241	\$ (13)

⁽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 segment items include restructuring and restructuring-related expenses, interest income, net, change in fair value of warrant liability, and income tax (expense) benefit.

12. Commitments and Contingencies

Purchase Commitments

As of September 30, 2025, our non-cancellable purchase obligations to hardware suppliers totaled \$90 million, all of which is due within the next 12 months.

As of September 30, 2025, our non-cancellable contractual commitments with our cloud service providers and other vendors totaled \$136 million of which \$64 million is due within the next 12 months and \$72 million thereafter.

Legal Proceedings

From time to time, we 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. We establish accruals for losses that management deems to be probable and subject to reasonable estimates. We do not expect any claims with a reasonably possible adverse outcome to have a material impact on us, and, accordingly, have 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, 2024. 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, 2024 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 cloud-based, all-in-one digital technology platform purpose-built for the entire restaurant community. We provide a comprehensive platform of software-as-a-service, or SaaS, products and financial technology solutions, including integrated payment processing, restaurant-grade hardware, and a broad ecosystem of third-party partners. We serve as the restaurant operating system, connecting front of house and back of house operations across service models including dine-in, takeout, delivery, catering, and retail.

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 September 30, 2025, approximately 156,000 Locations, an increase of 23% year over year, processing approximately \$186 billion of gross payment volume in the trailing 12 months, partnered with Toast to optimize operations, increase sales, engage guests, and maintain happy employees.

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, 2024.

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:

(dollars in billions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Growth	2025	2024	% Growth
Gross Payment Volume (GPV)	\$ 51.5	\$ 41.7	24 %	\$ 143.6	\$ 116.9	23 %

(dollars in millions)	As of September 30,		
	2025	2024	% Growth
Annualized Recurring Run-Rate (ARR)	\$ 2,016	\$ 1,554	30 %

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 September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Subscription services	\$ 244	\$ 189	\$ 55	29 %	\$ 680	\$ 506	\$ 174	34 %
Financial technology solutions	1,345	1,067	278	26 %	3,703	2,963	740	25 %
Hardware and professional services	44	49	(5)	(10)%	137	153	(16)	(10)%
Total revenue	<u>\$ 1,633</u>	<u>\$ 1,305</u>	<u>\$ 328</u>	25 %	<u>\$ 4,520</u>	<u>\$ 3,622</u>	<u>\$ 898</u>	25 %

The increase in subscription services revenue during the three and nine months ended September 30, 2025 was attributable to growth in Locations on the Toast platform and the continued increase in product adoption.

The increase in financial technology solutions revenue for the three and nine months ended September 30, 2025 compared to the same periods in 2024 was attributable to the increase in Locations on the Toast platform.

Costs of Revenue

(dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Subscription services	\$ 67	\$ 56	\$ 11	20 %	\$ 197	\$ 159	\$ 38	24 %
Financial technology solutions	1,032	835	197	24 %	2,855	2,323	532	23 %
Hardware and professional services	101	91	10	11 %	295	279	16	6 %
Amortization of acquired intangible assets	1	1	—	— %	3	4	(1)	(25)%
Total costs of revenue	<u>\$ 1,201</u>	<u>\$ 983</u>	<u>\$ 218</u>	22 %	<u>\$ 3,350</u>	<u>\$ 2,765</u>	<u>\$ 585</u>	21 %

The increase in subscription services costs during the three and nine months ended September 30, 2025 compared to the same periods in 2024 was primarily driven by a \$4 million and \$19 million increase, respectively, in amortization of capitalized software and a \$5 million and \$14 million increase, respectively, in employee-related costs.

The increase in financial technology solutions costs during the three and nine months ended September 30, 2025 compared to the same periods in 2024 was due to an increase in GPV.

Operating Expenses

(dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Sales and marketing	\$ 144	\$ 119	\$ 25	21 %	\$ 418	\$ 340	\$ 78	23 %
Research and development	102	89	13	15 %	277	258	19	7 %
General and administrative	102	80	22	28 %	260	229	31	14 %
Restructuring expenses	—	—	—	N/M	8	46	(38)	(83)%
Total operating expenses	<u>\$ 348</u>	<u>\$ 288</u>	<u>\$ 60</u>	<u>21 %</u>	<u>\$ 963</u>	<u>\$ 873</u>	<u>\$ 90</u>	<u>10 %</u>

N/M - Not meaningful

The increase in sales and marketing expenses during the three months ended September 30, 2025 compared to the same periods in 2024 was primarily driven by a \$20 million increase in employee-related costs. The increase in sales and marketing expenses during the nine months ended September 30, 2025 was primarily driven by a \$48 million increase in employee-related costs and a \$22 million increase in marketing expenses.

The increase in research and development expenses during the three and nine months ended September 30, 2025 compared to the same periods in 2024 was primarily driven by an increase in employee-related costs.

The increase in general and administrative expenses during the three and nine months ended September 30, 2025 compared to the same periods in 2024 was primarily driven by an increase in bad debt expense.

The decrease in restructuring expenses during nine months ended September 30, 2025 was driven by significant restructuring and restructuring-related expenses incurred during the nine months ended September 30, 2024 as part of the February 2024 Restructuring Plan. See Note 8 included in this Quarterly Report on Form 10-Q in "Notes to Condensed Consolidated Financial Statements" for additional information regarding the Restructuring Plan.

Change in Fair Value of Warrant Liability

(dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Change in fair value of warrant liability	\$ 7	\$ (1)	\$ 8	(800)%	\$ 2	\$ (37)	\$ 39	(105)%

The change in fair value of warrant liability for the three and nine months ended September 30, 2025 as compared to the three and nine months ended September 30, 2024 was attributable to a combination of the change in our common stock price and a reduction of outstanding warrants from repurchase and exercises.

Other income (expense), net

(dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Other income (expense), net	\$ —	\$ 15	\$ (15)	N/M	\$ —	\$ 13	\$ (13)	N/M

N/M - Not meaningful

The gain recognized in other income (expense), net for the three and nine months ended September 30, 2024 was primarily attributable to the one-time extinguishment of the warrant liabilities in connection with the Warrant Repurchase in the three months ended September 30, 2024.

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 and restructuring-related 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. For example, although depreciation expense is a non-cash charge, the assets being depreciated may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new asset acquisitions. In addition, Adjusted EBITDA excludes stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy. Adjusted EBITDA also does not reflect changes in, or cash requirements for, our working capital needs; interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces the cash available to us; or tax payments that may represent a reduction in cash available to us. 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 (loss) to Adjusted EBITDA for each of the periods presented:

Adjusted EBITDA (in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 105	\$ 56	\$ 241	\$ (13)
Stock-based compensation expense and related payroll tax	70	61	198	193
Depreciation and amortization	15	12	50	32
Interest income, net	(13)	(9)	(36)	(30)
Gain on warrant extinguishment	—	(14)	—	(14)
Change in fair value of warrant liability	(7)	1	(2)	37
Termination of leases	1	—	1	2
Stock-based charitable contribution expense	6	5	6	5
Restructuring and restructuring-related expenses ⁽¹⁾	0	0	8	46
Income tax expense (benefit)	(1)	1	4	3
Adjusted EBITDA	\$ 176	\$ 113	\$ 470	\$ 261

⁽¹⁾ Restructuring and restructuring-related expenses for the nine months ended September 30, 2025 include \$5 million of severance benefits and \$3 million of stock-based compensation expense. Restructuring and restructuring-related expenses for the nine months ended September 30, 2024 include \$32 million of severance benefits, \$12 million of stock-based compensation expense, and \$2 million of accelerated depreciation related to facilities.

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

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.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue:				
Subscription services	\$ 244	\$ 189	\$ 680	\$ 506
Financial technology solutions	1,345	1,067	3,703	2,963
Costs of Revenue:				
Subscription services	67	56	197	159
Financial technology solutions	1,032	835	2,855	2,323
Subscription services and financial technology solutions gross profit (GAAP)	\$ 490	\$ 365	\$ 1,331	\$ 987

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Subscription services and financial technology solutions gross profit (GAAP)	\$ 490	\$ 365	\$ 1,331	\$ 987
Stock-based compensation expense and related payroll tax	4	5	13	16
Depreciation and amortization	12	8	41	22
Non-GAAP subscription services and financial technology solutions gross profit (Non-GAAP)	\$ 506	\$ 378	\$ 1,385	\$ 1,025

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)	Nine Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 467	\$ 213
Capital expenditures	(37)	(41)
Free cash flow	<u>\$ 430</u>	<u>\$ 172</u>

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)	September 30, 2025 ⁽¹⁾	December 31, 2024 ⁽²⁾
Cash and cash equivalents	\$ 1,357	\$ 903
Marketable securities	500	514
Cash and cash equivalents and marketable securities	<u>\$ 1,857</u>	<u>\$ 1,417</u>
Available credit facility	<u>\$ 346</u>	<u>\$ 325</u>
Total	<u>\$ 2,203</u>	<u>\$ 1,742</u>

⁽¹⁾ Excludes \$172 million of cash held on behalf of customers and \$76 million of restricted cash.

⁽²⁾ Excludes \$123 million of cash held on behalf of customers and \$59 million of restricted cash.

(in millions)	Nine Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 467	\$ 213
Net cash (used in) investing activities	(20)	(24)
Net cash provided by financing activities	70	7
Effect of exchange rate changes on cash and cash equivalents and restricted cash	3	1
Net increase in cash, cash equivalents, cash held on behalf of customers and restricted cash	<u>\$ 520</u>	<u>\$ 197</u>

Cash, cash equivalents and marketable securities

The net increase in cash, cash equivalents and marketable securities in the nine months ended September 30, 2025 was primarily due to cash provided by operating activities of \$450 million (which excludes changes in the balance of restricted cash) and cash provided by financing activities of \$70 million, offset by cash used in investing activities of \$20 million.

The increase in net cash provided by operating activities during the nine months ended September 30, 2025, as compared to the same period last year, was primarily driven by net income of \$241 million during the nine months ended September 30, 2025 as compared to a net loss of \$13 million during the same period last year. This was partially offset by a decrease in non-cash adjustments primarily attributable to the movement of the change in fair value of our warrant liability.

The decrease in net cash used in investing activities during the nine months ended September 30, 2025, as compared to the same period last year, was primarily driven by a decrease in cash outflows related to capital expenditures.

The increase in net cash provided by financing activities during the nine months ended September 30, 2025 as compared to the same period last year was primarily due to the nonrecurrence of the \$61 million warrant repurchase in 2024.

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 2024 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 September 30, 2025. As of September 30, 2025, there were no borrowings outstanding on the 2021 Facility and outstanding letters of credit totaled \$4 million. As of September 30, 2025, our total available borrowing capacity under the 2021 Facility was \$346 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 in an aggregate amount of up to \$250 million. 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 nine months ended September 30, 2025, we repurchased approximately 2 million shares of our Class A common stock for an aggregate amount of \$54 million.

Dilution

We calculate our fully diluted share count on an unweighted basis taking our total outstanding share count in addition to unexercised stock options, unvested restricted stock units, shares reserved for charitable donations and other securities that can be converted to common stock, such as our warrants to purchase common stock. As of September 30, 2025, our fully diluted share count was as follows:

(shares, in millions)	September 30, 2025
Class A and B common stock issued and outstanding	587
Options to purchase Class A common stock and Class B common stock	21
Unvested restricted stock units	17
Warrants to purchase common stock	1
Shares reserved for charitable donations	3
Total fully diluted share count	629

⁽¹⁾ Share amounts presented above do not give effect to potential repurchases of common stock under the treasury stock method.

For further information see Note 7, "Stockholders' Equity" and Note 10, "Net Income (Loss) Per Share Attributable to Common Stockholders" included in this Quarterly Report on Form 10-Q in "Notes to Condensed Consolidated Financial Statements".

Other Capital Requirements

Expected working and other capital requirements are described in our 2024 Annual Report on Form 10-K in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." At September 30, 2025, 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 2024 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, 2024, filed with the SEC on February 26, 2025.

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 September 30, 2025, 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 September 30, 2025, 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

We are not currently a party to any litigation or claims that, if determined adversely to us, would have a material adverse effect on our business operating results, financial condition, or cash flows. We are, from time to time, party to litigation and subject to claims in the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on us because of the defense and settlement costs, diversion of management resources, and other factors.

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, 2024. 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

In September 2025, we issued and donated 0.2 million shares of Class A common stock in connection with our Pledge 1% commitment to an independent donor advised fund to further our philanthropic goals through our Toast.org initiative, for consideration consisting of the benefit to the Company related to the purpose of the independent donor advised fund. The offer, sale, and issuance of the securities were deemed to be exempt from registration under Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering.

(c) Issuer Purchases of Equity Securities

Our purchases of our common stock in the third quarter of fiscal year 2025 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⁾
July 1, 2025 to July 31, 2025	—	\$ —	—	\$ —
August 1, 2025 to August 31, 2025	53	\$ 44.21	53	\$ 161
September 1, 2025 to September 30, 2025	522	\$ 39.74	522	\$ 140
Total	575		575	

⁽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. The repurchase program has no expiration date, does not obligate us to acquire any particular amount of our Class A common stock, and it 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) On August 19, 2025, Brian Elworthy, our General Counsel and Corporate Secretary entered into a trading plan pursuant to Rule 10b5-1 of the Exchange Act. This trading plan provides for the sale from time to time of a maximum of 61,500 shares of our Class A common stock pursuant to the terms of the plan. This trading plan expires on May 15, 2026, or earlier if all transactions under the trading arrangement are completed. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c).

On September 11, 2025, Jonathan Vassil, our Chief Revenue Officer entered into a trading plan pursuant to Rule 10b5-1 of the Exchange Act. This trading plan provides for the sale from time to time of a maximum of 675,000 shares of our Class A common stock pursuant to the terms of the plan. This trading plan expires on June 30, 2026, or earlier if all transactions under the trading arrangement are completed. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c).

As previously disclosed in the Form 4 filed with the SEC on August 19, 2025, on August 18, 2025, Aman Narang, our Chief Executive Officer and a member of our Board of Directors, entered into a prepaid variable share forward contract with an unaffiliated dealer, which may constitute a non-Rule 10b5-1 trading arrangement (the "PVF Contract"). The PVF Contract obligates Mr. Narang to deliver to such unaffiliated dealer up to an aggregate of 500,000 shares of our Class A common stock (or cash if cash settlement is elected). The PVF Contract is expected to be settled in August 2027.

During the fiscal quarter ended September 30, 2025, other than described in the statements above, none of our directors or officers (as defined in Rule 16a-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
<u>31.1*</u>	<u>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.</u>
<u>31.2*</u>	<u>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.</u>
<u>32.1**</u>	<u>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.</u>
<u>32.2**</u>	<u>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.</u>
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).

* 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)

November 4, 2025

By: /s/ Aman Narang
Aman Narang
Chief Executive Officer
(Principal Executive Officer)

November 4, 2025

By: /s/ Elena Gomez
Elena Gomez
President, Chief Financial Officer and Chief
Accounting Officer
(Principal Financial Officer and Principal Accounting
Officer)

**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: November 4, 2025

/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: November 4, 2025

/s/ Elena Gomez

Elena Gomez

President, Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)

**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 September 30, 2025, 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: November 4, 2025

By: /s/ Aman Narang
Name: Aman Narang
Title: Chief Executive Officer
(Principal Executive Officer)

**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 September 30, 2025, 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: November 4, 2025

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