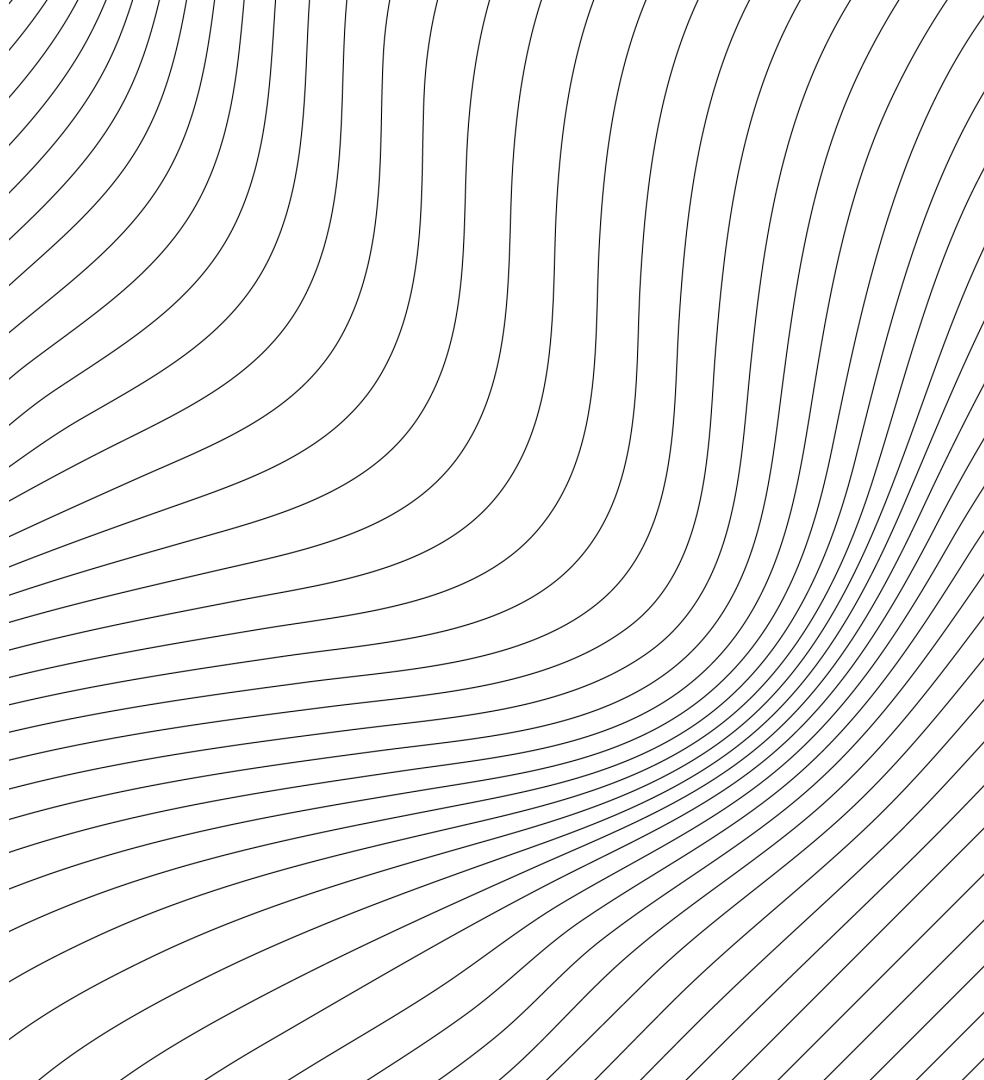


Q4 2022

# Investor Presentation

[investors.block.xyz](https://investors.block.xyz)



## Forward-looking statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by words such as “anticipate,” “believe,” “estimate,” “expect,” “goal,” “intend,” “likely,” “may,” “plan,” “project,” “seek,” “should,” “strategy,” “will”, and similar expressions. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, statements regarding our future performance and our market opportunity. These forward-looking statements are based on our management’s current beliefs, expectations, and assumptions regarding future events and are therefore subject to a number of known and unknown risks, uncertainties, assumptions, and other factors that may cause actual results, performance, or achievements to differ materially from results expressed or implied in this presentation. Investors are cautioned not to place undue reliance on these statements. Among the factors that could cause actual results to differ materially from those indicated in the forward-looking statements are risks and uncertainties described from time to time in the Company’s filings with the Securities and Exchange Commission. All forward-looking statements are based on information and estimates available to the Company at the time of this presentation and are not guarantees of future performance. Except as required by law, we assume no obligation to update any of these forward-looking statements.

## Industry Information

Information, including forecasts and estimates regarding market and industry statistics contained in this presentation, is based on information available to us that we believe is reliable; however, there can be no assurance that this information will prove accurate in whole or in part. Such information is generally based on publications that are not produced for purposes of economic analysis.

For definitions of any industry terms not otherwise defined on a slide, please refer to the Appendix at the end of this presentation.

## Non-GAAP Financial Measures

To supplement our financial information presented in accordance with generally accepted accounting principles in the United States (“GAAP”), we consider and present certain non-GAAP financial measures. These non-GAAP measures are presented in addition to, and not as a substitute for or superior to, measures of financial performance presented in accordance with GAAP. The non-GAAP measures used by the Company may differ from the non-GAAP measures used by other companies. Information regarding our non-GAAP financial measures, including between these non-GAAP measures and the related GAAP measures, are included in the Appendix to this presentation.



# We've grown our ecosystems and expanded the audiences we serve

Square

Cash App

BNPL



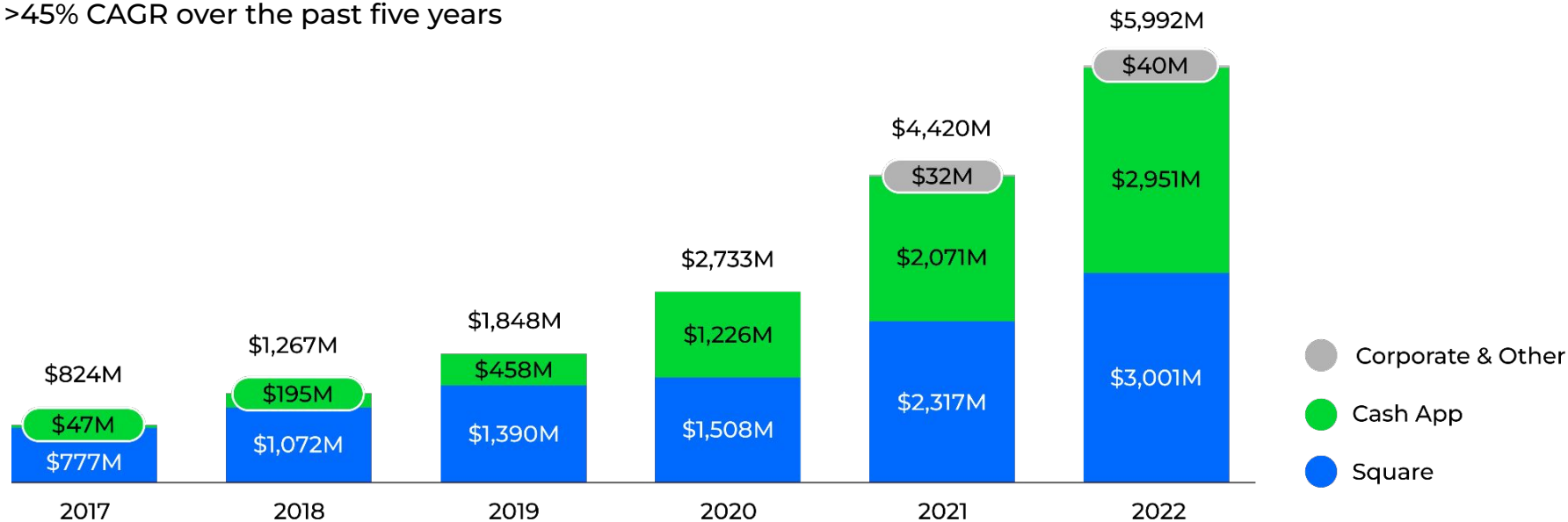
Products shown are illustrative and may not correspond to the exact period launched.



## Strong growth at scale

### Gross Profit

>45% CAGR over the past five years



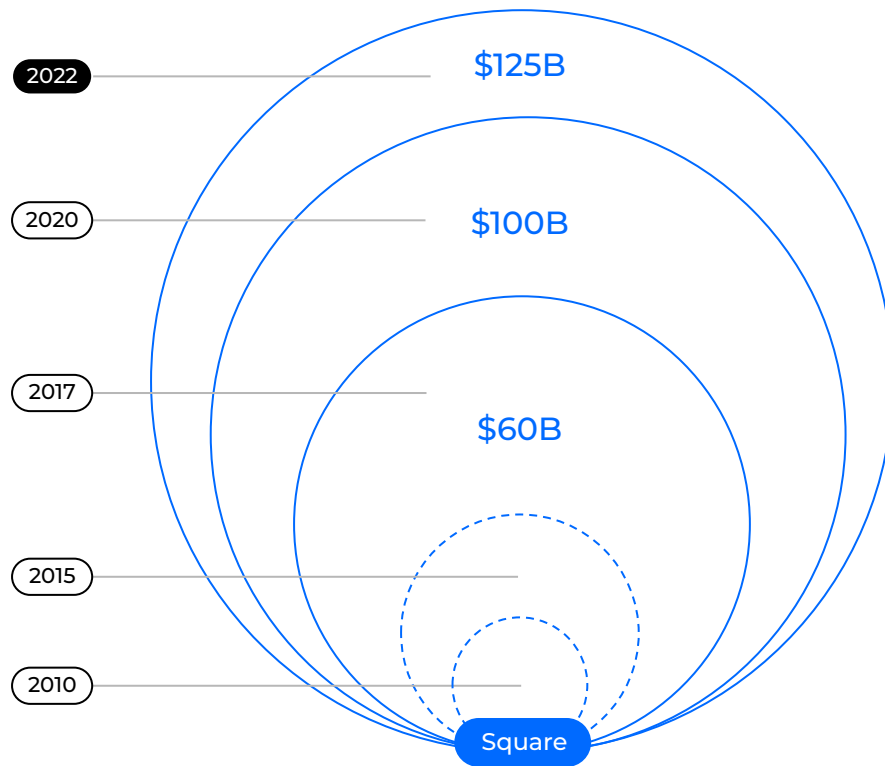
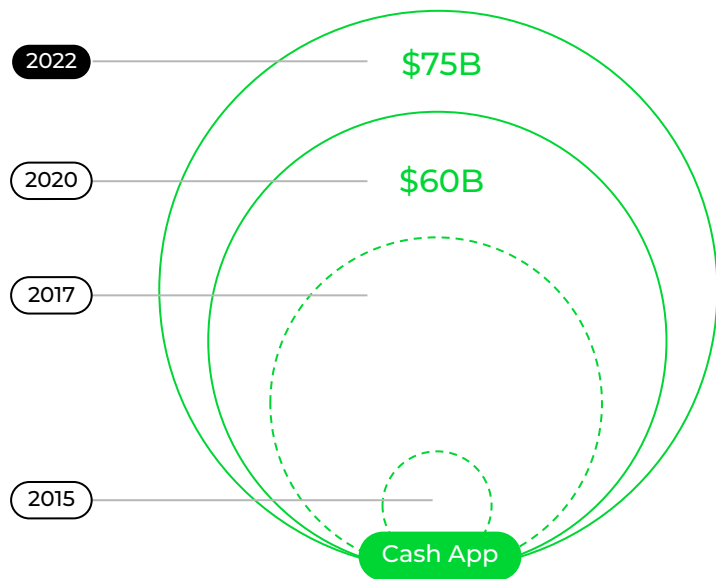
The amounts above exclude gross profit from Caviar, which was sold in 2019. Compound annual growth rate (CAGR) represents the compound annual gross profit growth rate from 2017 to 2022. Please see Appendix for non-GAAP and other reconciliations. Corporate & Other includes emerging initiatives and intersegment eliminations.



# Market Opportunity



**We have expanded our addressable market over time and are less than 5% penetrated today**



Please see Appendix and slides 7 to 14 for a description of how we calculate our market opportunity. Previous Addressable Market estimates were provided in prior Block Investor Day materials. 2022 Addressable Market was sized on a gross profit basis, while 2020 and 2017 were sized based on the "revenue opportunity." Penetration is calculated based on 2022 company gross profit as a percentage of the overall estimated market opportunity for Square and Cash App, which can be referenced on slides 7 to 14.



## SQUARE

Square represents a ~\$125B  
gross profit opportunity

\$86<sup>+</sup><sub>B</sub>

U.S. Commerce

Integrated Payments  
Software

\$16<sup>+</sup><sub>B</sub>

U.S. Banking

Square Loans  
Financial Services

\$25<sup>+</sup><sub>B</sub>

International

Integrated Payments  
Software  
Financial Services

\$125<sup>+</sup><sub>B</sub>  
Opportunity

Sources: Square internal company data, 2017 U.S. Census, The Nilson Report #1232.

For further information on how we calculate "U.S. Commerce," "U.S. Banking," and "International" opportunity, please see Appendix.



## SQUARE

## With SMB and mid-market sellers representing an attractive target opportunity

	Seller Size (Gross Receipts)	U.S. Sellers	U.S. Gross Receipts
Enterprise	\$100M+	25K	\$9.1T
Mid-Market	\$20M – \$100M	51K	\$1.9T
	\$1M – \$20M	1.0M	\$4.0T
	\$250K – \$1M	2.9M	\$1.4T
SMB			
Micro	<\$250K	17.2M	\$552B

Sources: 2017 U.S. Census, U.S. Bureau of Labor Statistics. "Seller Size" is based on 2017 U.S. Census data classified by annual gross receipts for a given business. Highlighted seller sizes represents Square's target opportunity with larger sellers. "U.S. Sellers" opportunity is based on employer and non-employer firms in the U.S. in select industry verticals based on 2017 data. Seller sizes from the U.S. Census gross receipts are mapped to Square seller size classifications by assuming a given business' sales are 50% cash and 50% card payments.

"U.S. Gross Receipts" opportunity is based on U.S. Census data as of 2017, adjusted for inflation through 2022 based on CPI from the U.S. Bureau of Labor Statistics.

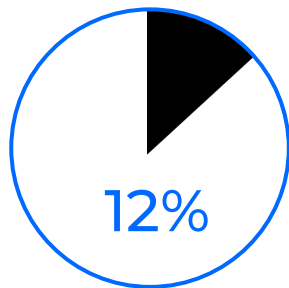




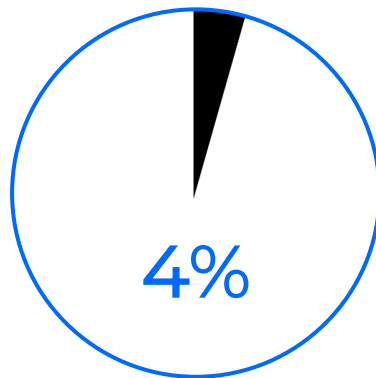
SQUARE

## Less than 1% penetrated in the mid-market segment today

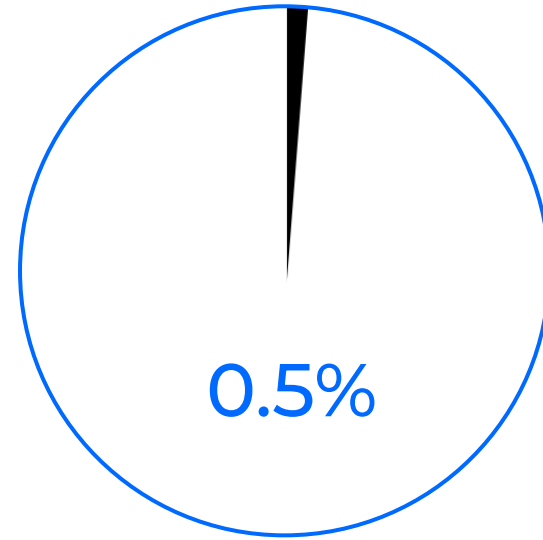
2022 gross receipts as %  
of addressable opportunity



Micro



SMB



Mid-Market

Sources: Square internal company data, 2017 U.S. Census, U.S. Bureau of Labor Statistics.

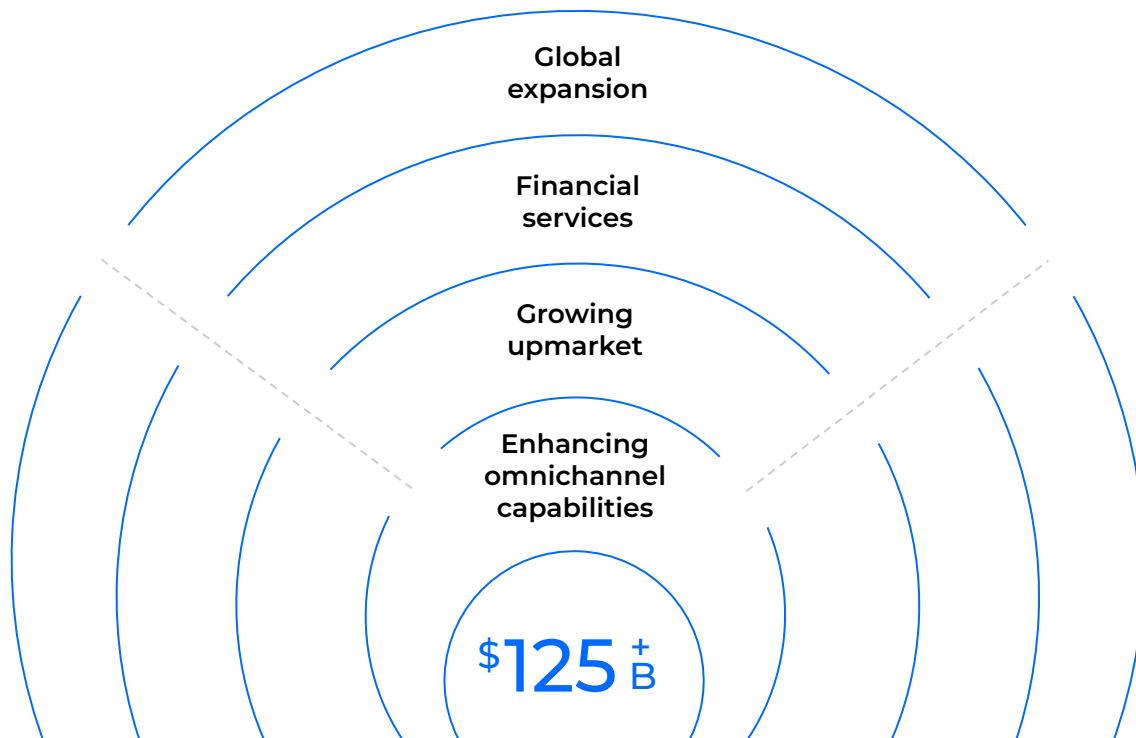
Seller sizes from the U.S. Census gross receipts are mapped to Square seller size classifications by assuming a given business' sales are 50% cash and 50% card payments.

"U.S. Gross Receipts" opportunity is based on U.S. Census data as of 2017, adjusted for inflation through 2022 based on CPI from the U.S. Bureau of Labor Statistics.



## SQUARE

## Multiple strategies to expand addressable market

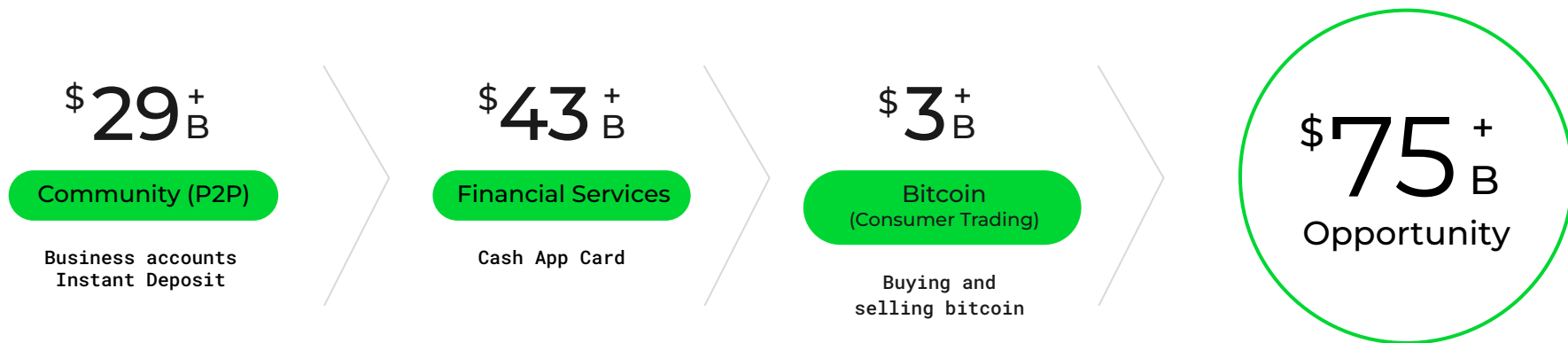


Circles are illustrative of opportunities to expand addressable market, but are not proportional or to scale.



## CASH APP

Cash App represents  
a ~\$75B gross profit  
opportunity in the U.S.



Sources: Cash App internal company data, Zelle and Venmo public released information, U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2019, The Nilson Report #1210, CoinGecko, Bitcoin Trade Volume, Bitnodes.  
For further information on how we calculate "Community (P2P)," "Financial Services," and "Bitcoin (Consumer Trading)" opportunity, please see Appendix.



## CASH APP

Opportunity to expand  
on strong growth with  
digital natives

~260M

Potential Customers

	U.S. Population	Age	Mean Income	Cash App % of Monthly Actives	Cash App % of Inflows
Generation Z	~56M	13 – 25	\$39K	37%	28%
Millennials	~72M	26 – 41	\$85K	35%	42%
Generation X	~67M	42 – 57	\$113K	20%	22%
Baby Boomers	~66M	58 – 76	\$79K	8%	8%

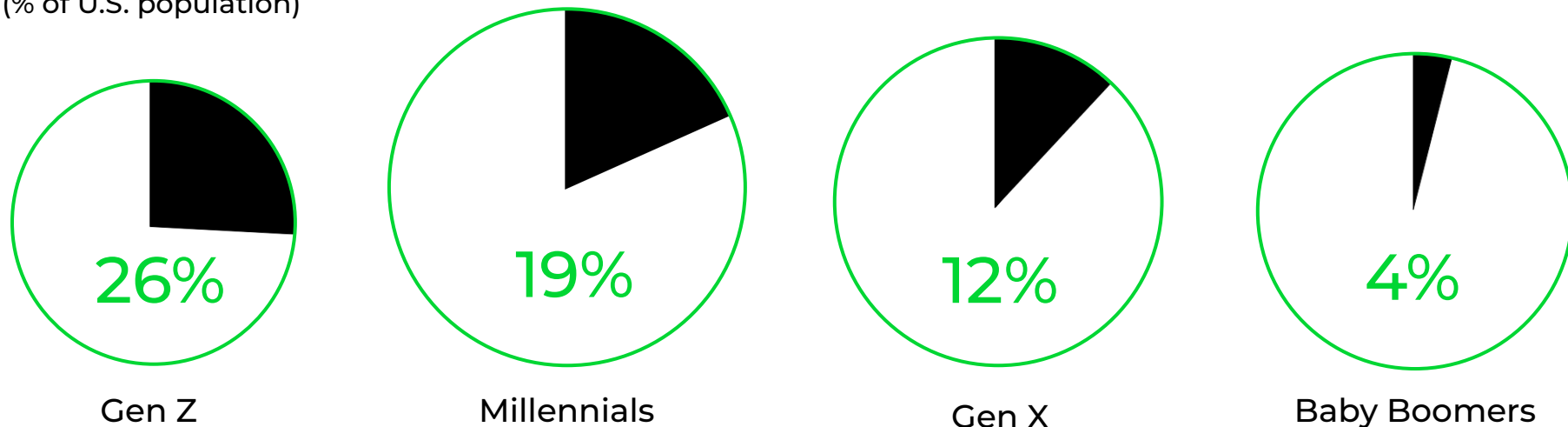
Sources: 2017 U.S. Census, U.S. Bureau of Labor Statistics. For definition of Cash App “active” please see Appendix. Cash App inflows for the 12 months ending December 31, 2022, and Cash App monthly actives as of December 2022. Does not include actives or inflows from actives who have not gone through the identity verification process with Cash App. Income data from U.S. Bureau of Labor Statistics 2020 Consumer Expenditure Survey.



## CASH APP

## Reaching less than 20% of the U.S. population today

Cash App monthly actives with demographic data  
(% of U.S. population)

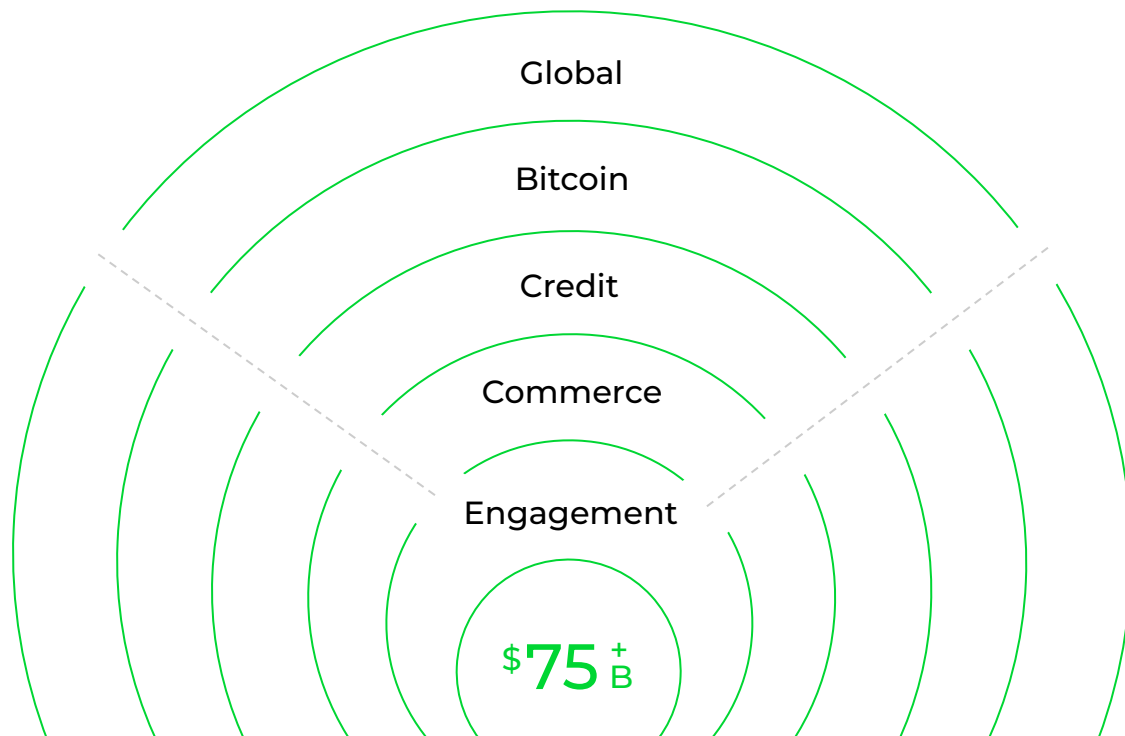


Represents Cash App monthly actives as of December 31, 2022 as a percentage of the U.S. population. We defined the U.S. population as of U.S. Census data as of 2019, adjusted for assumed population growth. Does not include actives who have not gone through the identity verification process with Cash App. Circle sizes are representative of relative population size, and not drawn to scale.



CASH APP

## Multiple strategies to expand our addressable market

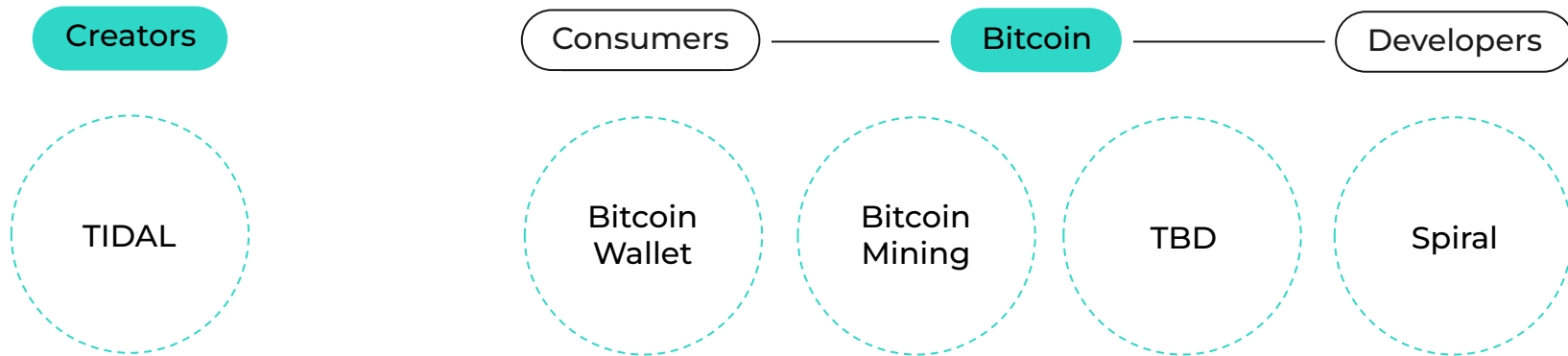


Circles are illustrative of opportunities to expand addressable market, but are not proportional or to scale.



TIDAL BITCOIN

## Investing in emerging ecosystems with meaningful long-term potential



# Square Ecosystem





## SQUARE

## The Square solution

A cohesive ecosystem of integrated software, hardware, and financial services

## Banking

Loans

Savings

Checking

## Staff

Next Insurance

WhenIWork

Schedulicity

TipJar

Guideline

Simply Insured

7Shifts

Homebase

Crew

Timecards

Payroll

Team Mgmt

## Customers

On-Demand Delivery

Seller-Powered Delivery

Marketing

Loyalty

Afterpay

Photo Studio

Gift Cards

Messages

TikTok

Uber Eats

Doordash

Google for Business

Groupon

Mailchimp

## Commerce

Online Checkout

eCommerce API's

Invoices

Order Manager

Square for Restaurants

In-Person API's

SkulQ

Wix

Virtual Terminal

Square Online

Kitchen Display System

Square for Retail

Point of Sale

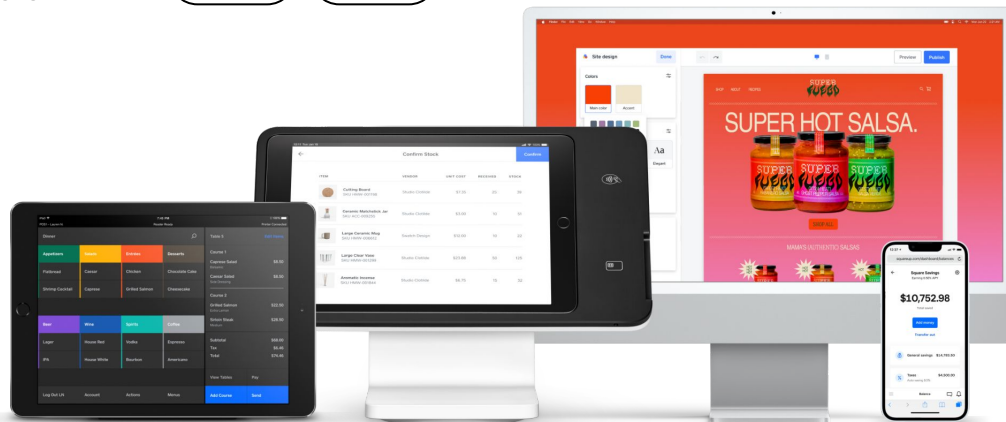
Payments

Terminal

Appointments

Marketman

Spocket



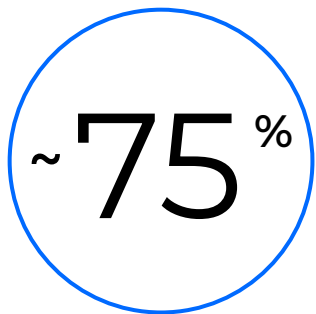
- Square Capability
- First-Party Offering
- Third-Party Partner



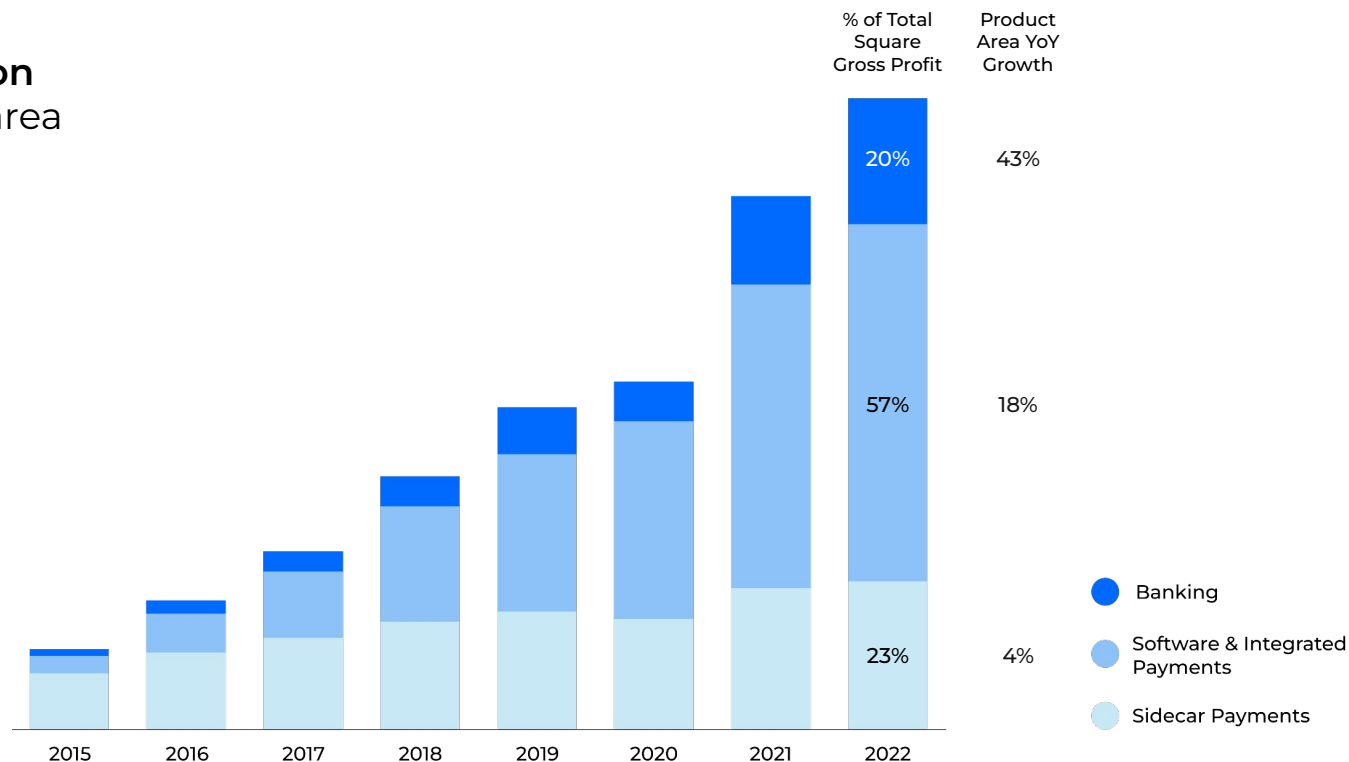
SQUARE

## Multi year transformation

### Gross profit by product area



of gross profit in 2022  
generated from  
software & integrated  
payments and banking



Excludes contributions from our BNPL platform and hardware gross profit losses. We view hardware as an acquisition tool and not a profit center for our business. 2015 and 2016 excludes contribution from Starbucks. Sidecar payments are transactions where sellers enter an amount on the keypad and hit charge.



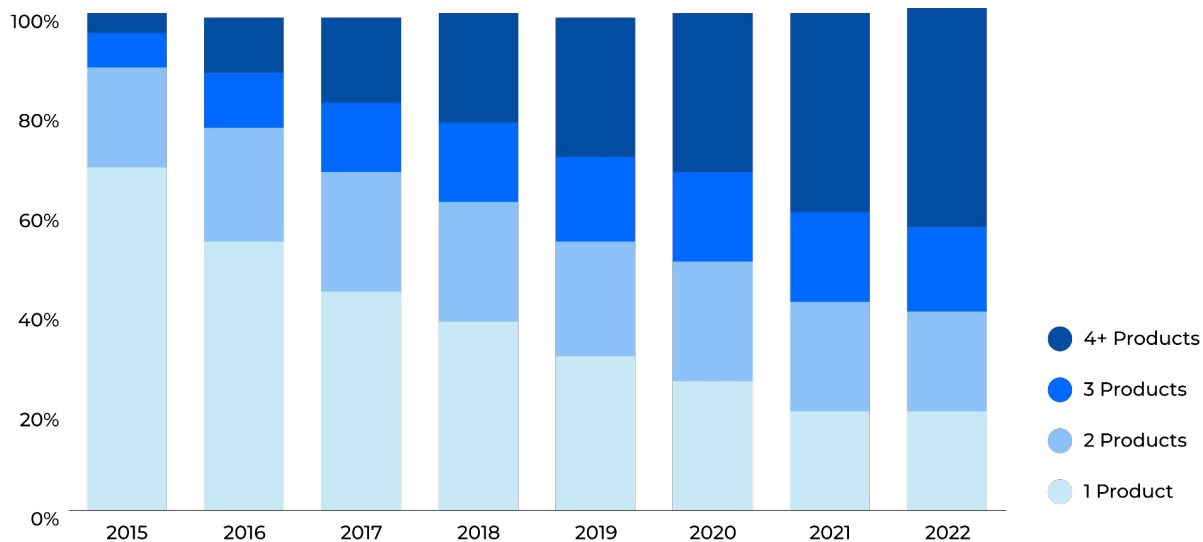
## SQUARE

## Multi year transformation

Gross profit mix by ecosystem  
adoption (# of monetized  
products that a seller uses)

>40%

of gross profit from sellers  
that use 4 or more  
monetized products



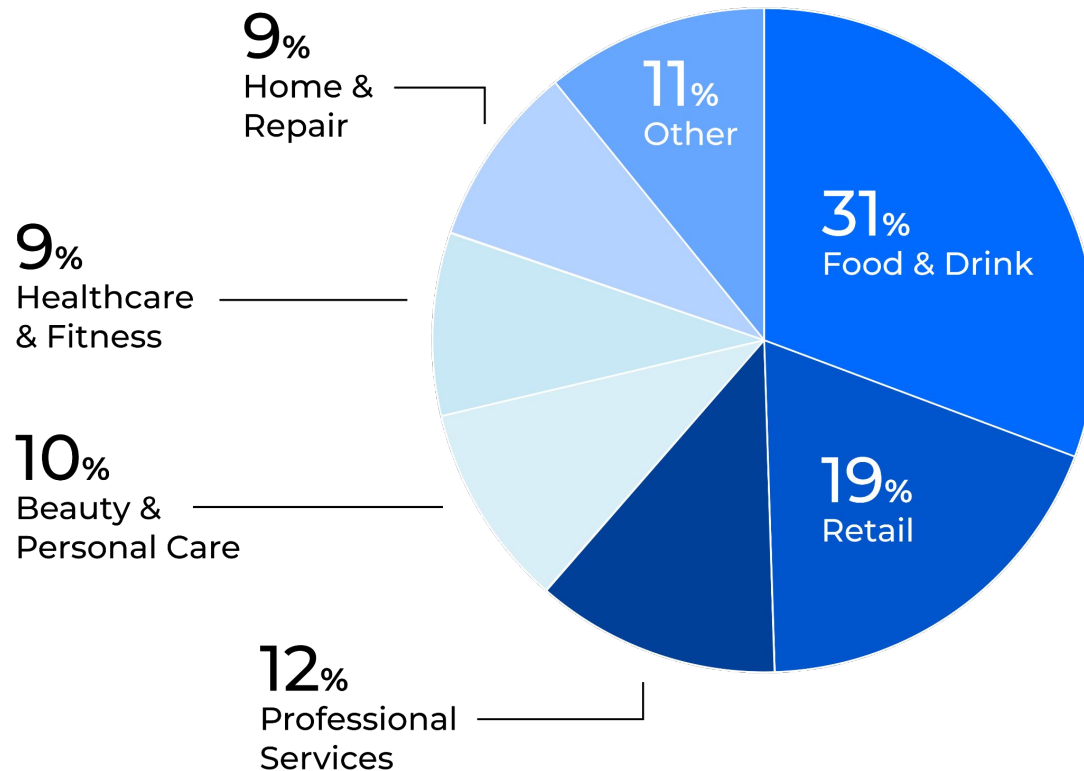
Includes only monetized products and excludes hardware devices. Bundle products treated as one product even if they include other monetized products (e.g., paid tier of Square for Retail includes Team Management). 2015 and 2016 excludes contribution from Starbucks.



## SQUARE

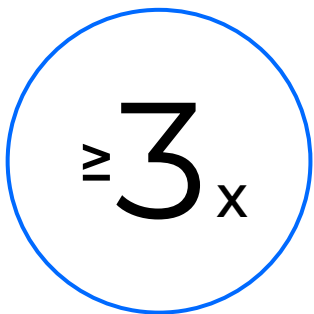
Square sellers  
represent a diverse  
range of industries

% of Square Gross  
Payment Volume (GPV)  
by industry in 2022

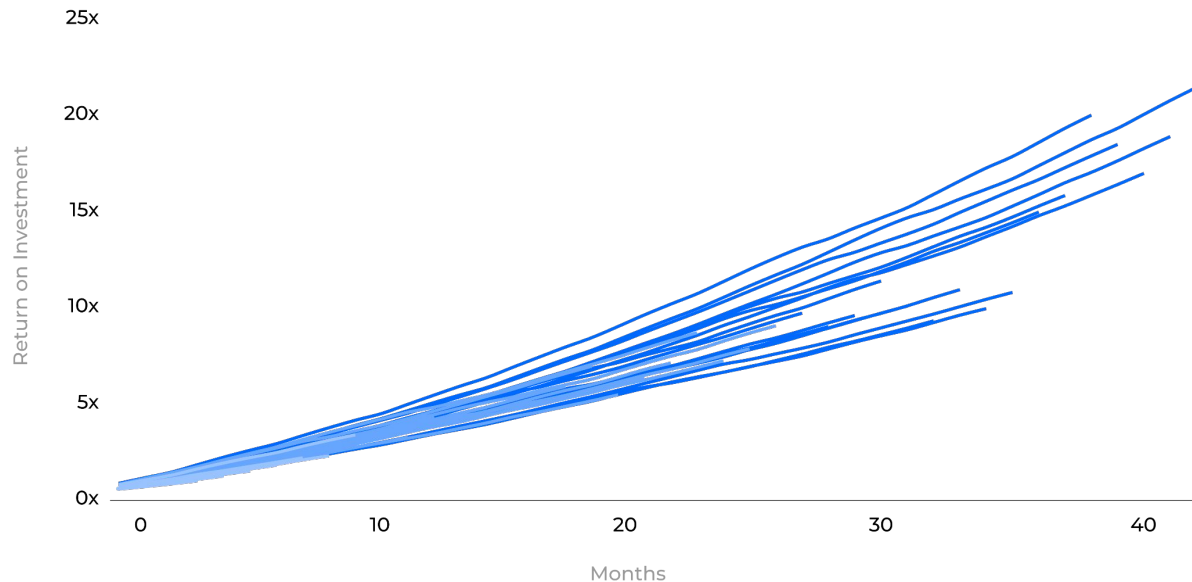


## SQUARE

Efficient paybacks and positive retention have driven strong customer lifetime value and return on investment



Square cohorts onboarded prior to 2021 have achieved or are pacing towards an estimated return on investment of 3x or greater over four years



For definition of Square “return on investment (ROI)” please see Appendix. Each line represents quarterly cohorts from Q2 2012 to Q3 2022, with data through Q4 2022. We exclude our Q4 2022 cohort because it does not yet have a full quarter of data.

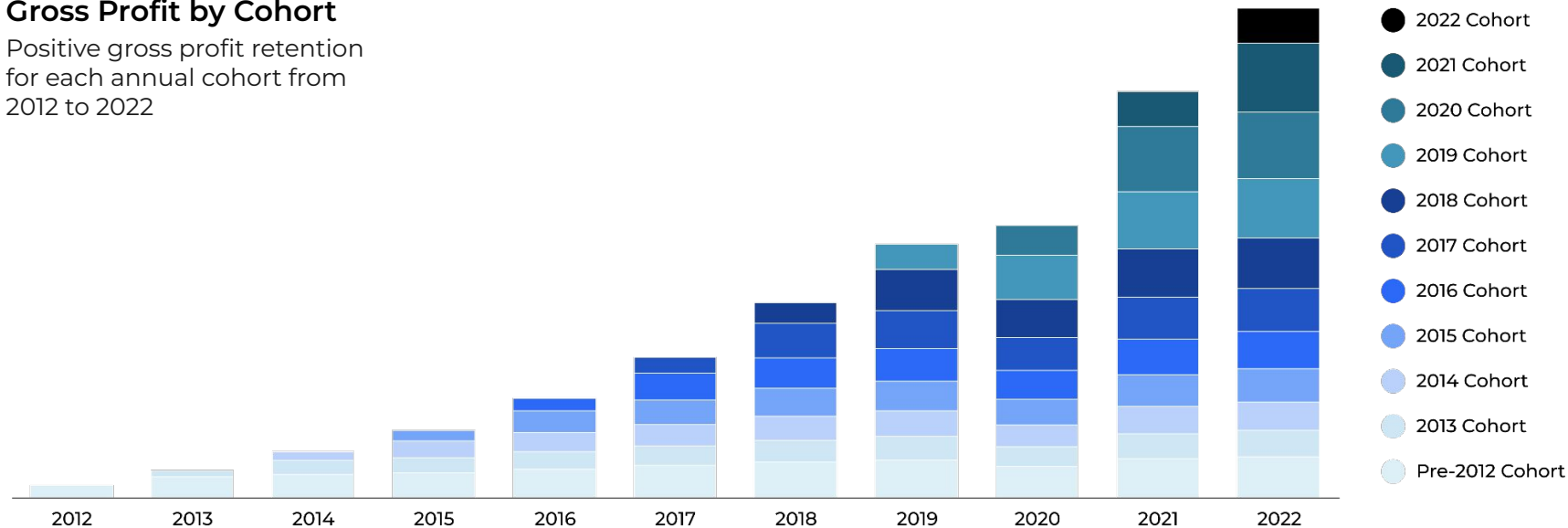


SQUARE

## Positive dollar-based retention has led to recurring revenue streams

### Gross Profit by Cohort

Positive gross profit retention for each annual cohort from 2012 to 2022



For definition of Square “gross profit retention” please see Appendix. As of December 31, 2022, each of our annual cohorts exhibited positive gross profit retention in aggregate from their date of onboarding.



## SQUARE

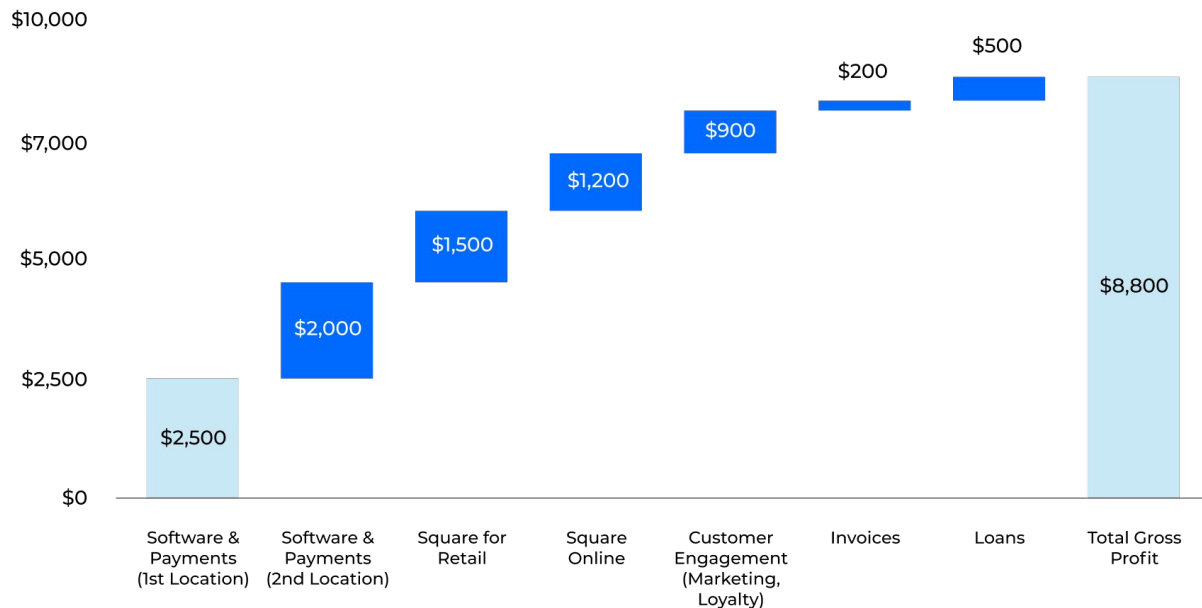
## Product adoption can enhance cohort economics

Gross profit could increase by an estimated **3.5x** as a seller adopts more products and expands into new channels

### Seller example:

Gross profit opportunity for an individual seller. Retail seller with \$500,000 in annual GPV across two locations and in-person and online channels.

Estimated annual gross profit based on an actual Square seller



Seller example is illustrative and based on an actual Square seller's use of all products except Loans, which was based on Square Loans monetization for similar sellers. Numbers were rounded for simplicity of the example.



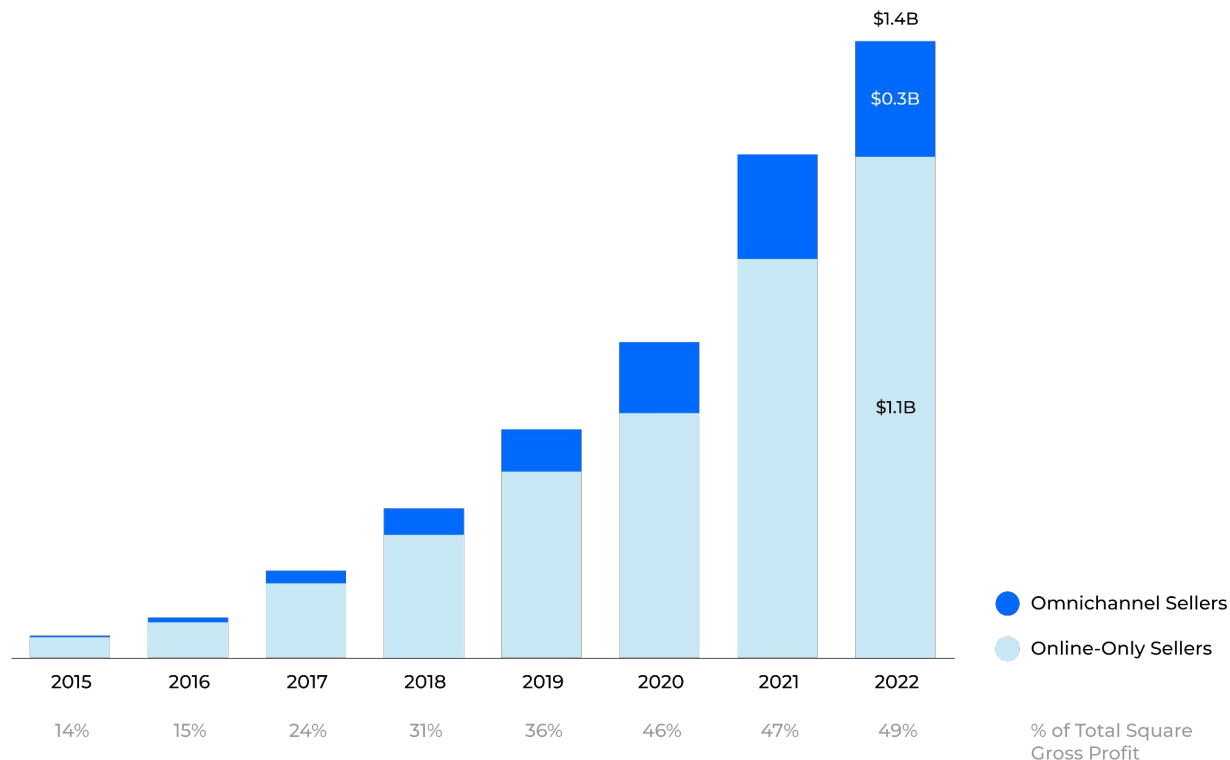
SQUARE

## Growing omnichannel

Gross profit from  
omnichannel sellers

>45%

omnichannel seller gross profit  
CAGR over the past five years



Omnichannel seller is defined as a seller who has taken both an in-person payment and an online channel payment in a given quarter. Annual values are presented as the sum of four quarters within each year. All gross profit data excludes contributions from our BNPL platform and hardware. 2015 and 2016 excludes Starbucks gross profit.

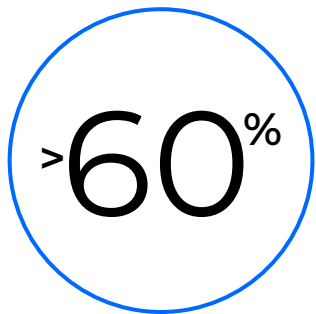




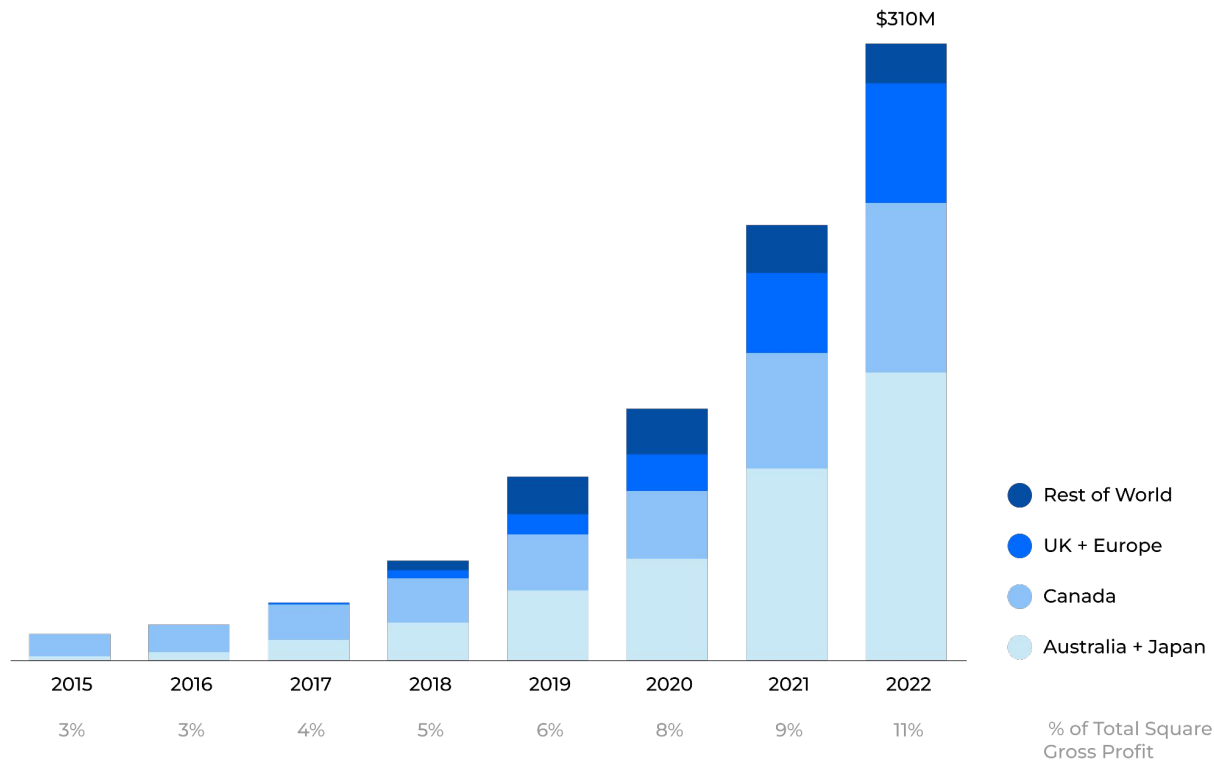
SQUARE

## Global expansion

Gross profit from  
international markets



international gross profit  
CAGR over the past five years



Excludes contributions from our BNPL platform and hardware gross profit losses. We view hardware as an acquisition tool and not a profit center for our business. Rest of World includes gross profit from legacy Weebly solutions added in the 2018 acquisition.



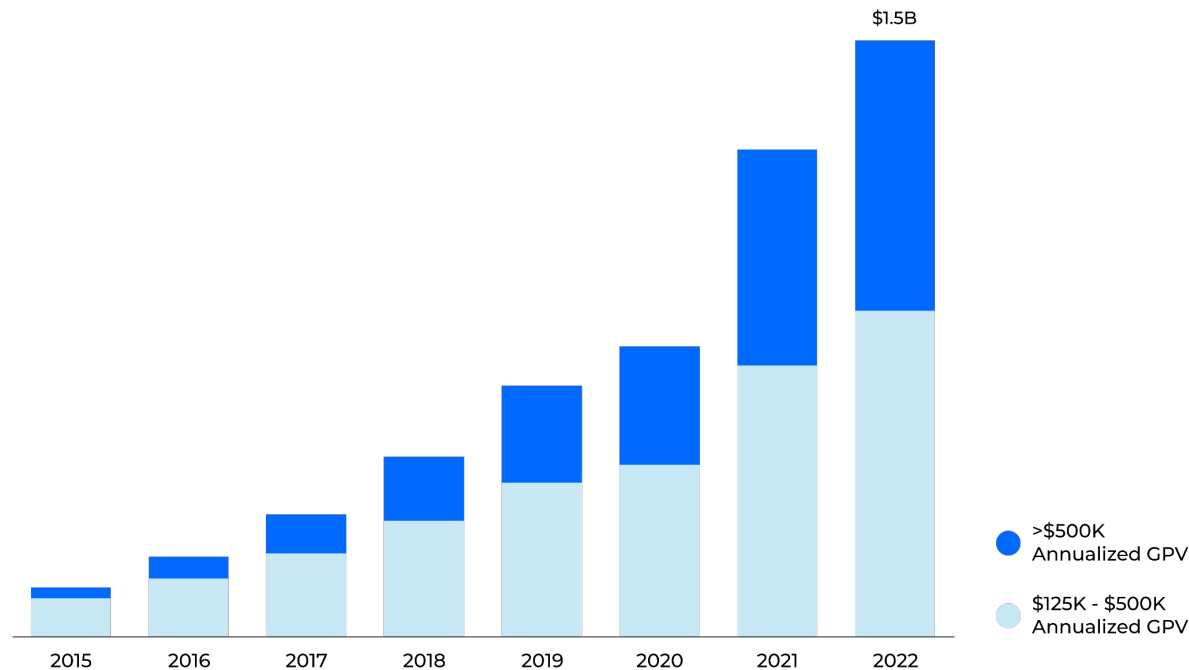
SQUARE

## Upmarket progress

Gross profit from  
larger sellers

>45%

>\$500K seller gross profit  
CAGR over the past five years



Seller size defined as annualized GPV based on the last quarter of the applicable year. Gross profit excludes contributions from our BNPL platform and hardware. 2015 and 2016 excludes Starbucks gross profit.

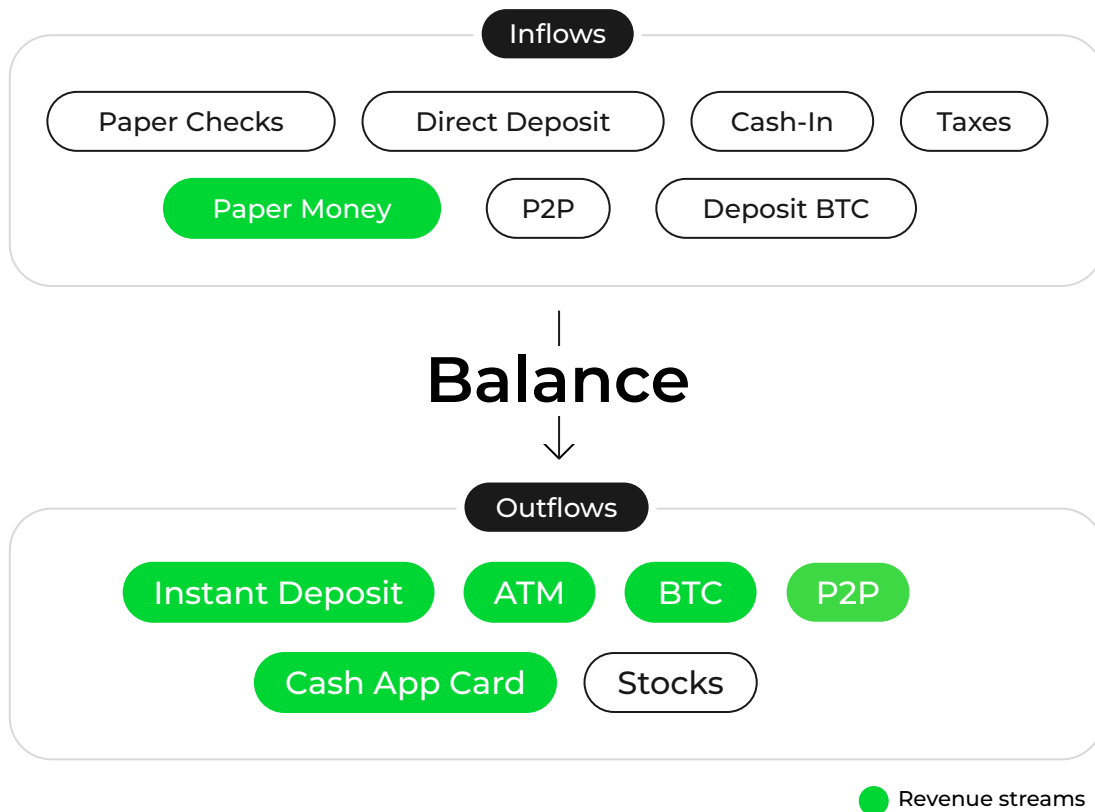


# Cash App Ecosystem



## CASH APP

Our services work together cohesively to build the Cash App ecosystem



## CASH APP

We instrument and operate  
Cash App's business through  
our inflows framework

**Actives: 51 million**

**X**

**Inflows per active: \$1,048**

**=**

**Gross profit:  
\$750 million**

**X**

**Monetization rate: 1.39%**

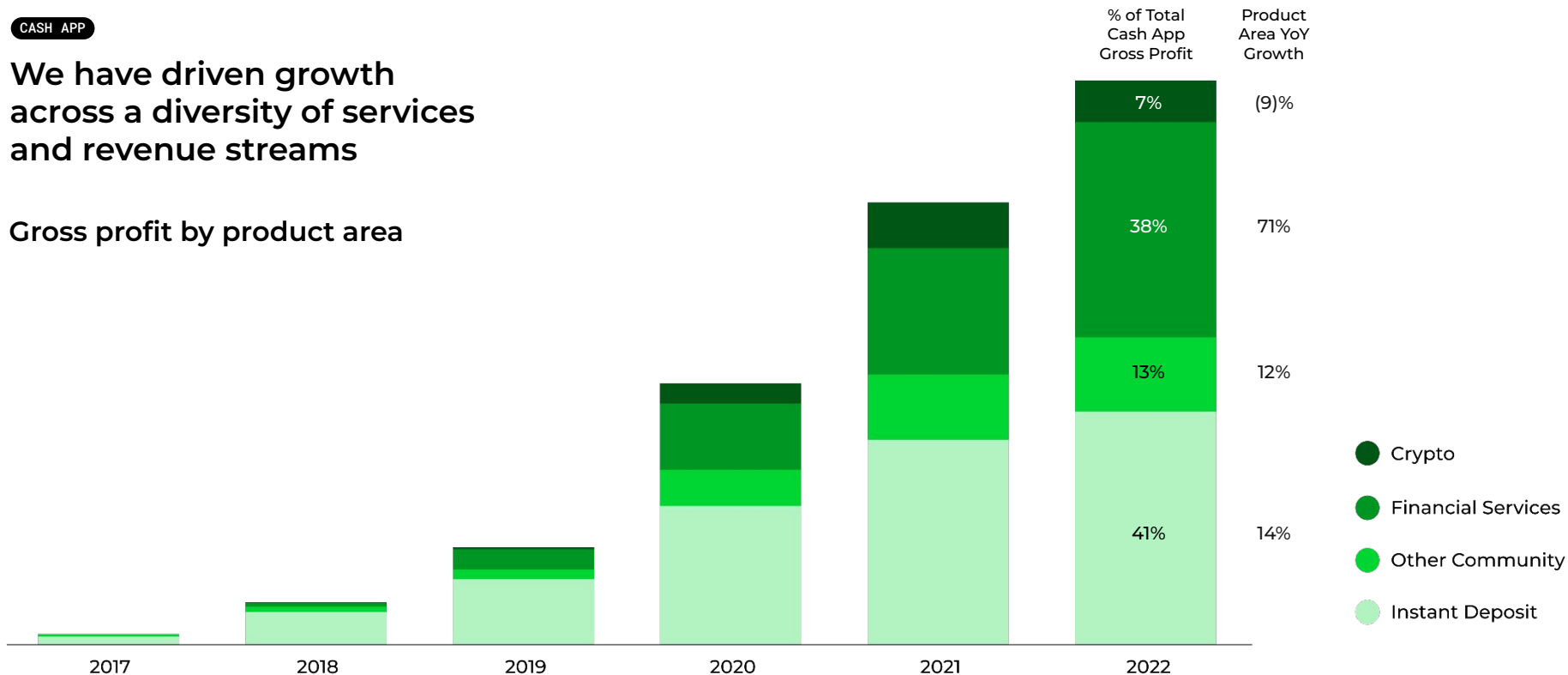
Excludes contributions from our BNPL platform. Actives reflects monthly actives in December 2022. Inflows per active, monetization rate, and gross profit as of Q4 2022.



CASH APP

We have driven growth  
across a diversity of services  
and revenue streams

### Gross profit by product area

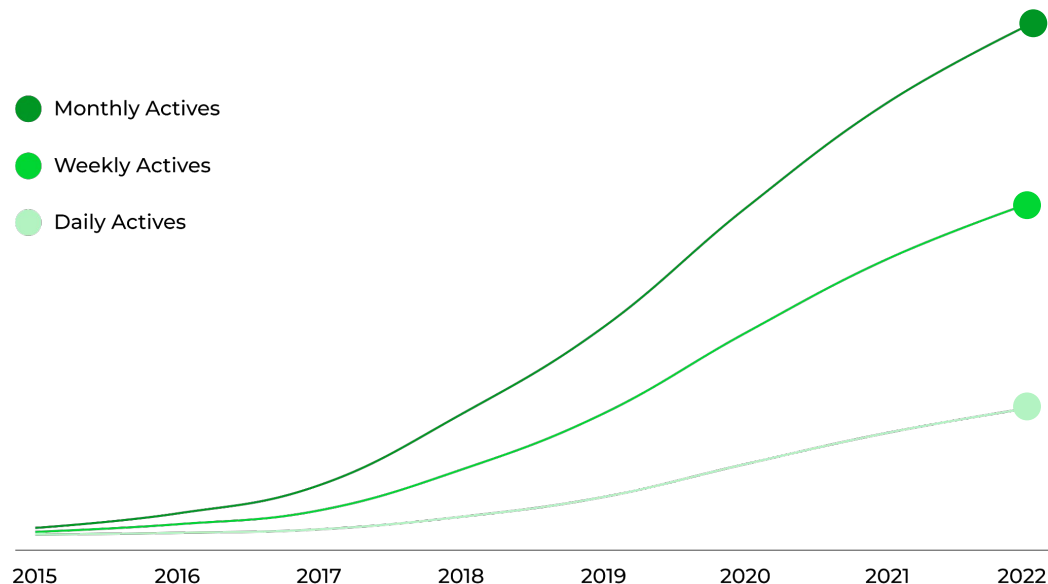


Excludes contributions from our BNPL platform. Crypto equals gross profit from bitcoin buying and selling, bitcoin withdrawal fees, and brokerage. Financial Services equals gross profit from transaction fees on Cash App Card, interest on customer funds, cash deposits, Cash App Card Studio, ATM fees, and Cash App Borrow. Other Community equals gross profit from business accounts, Cash App Pay, and P2P transactions funded with a credit card.



## CASH APP

## We have driven greater weekly and daily engagement



~51<sub>M</sub> monthly actives in December 2022

~33<sub>M</sub> weekly actives on average in December 2022 (~2 in 3 monthly actives)

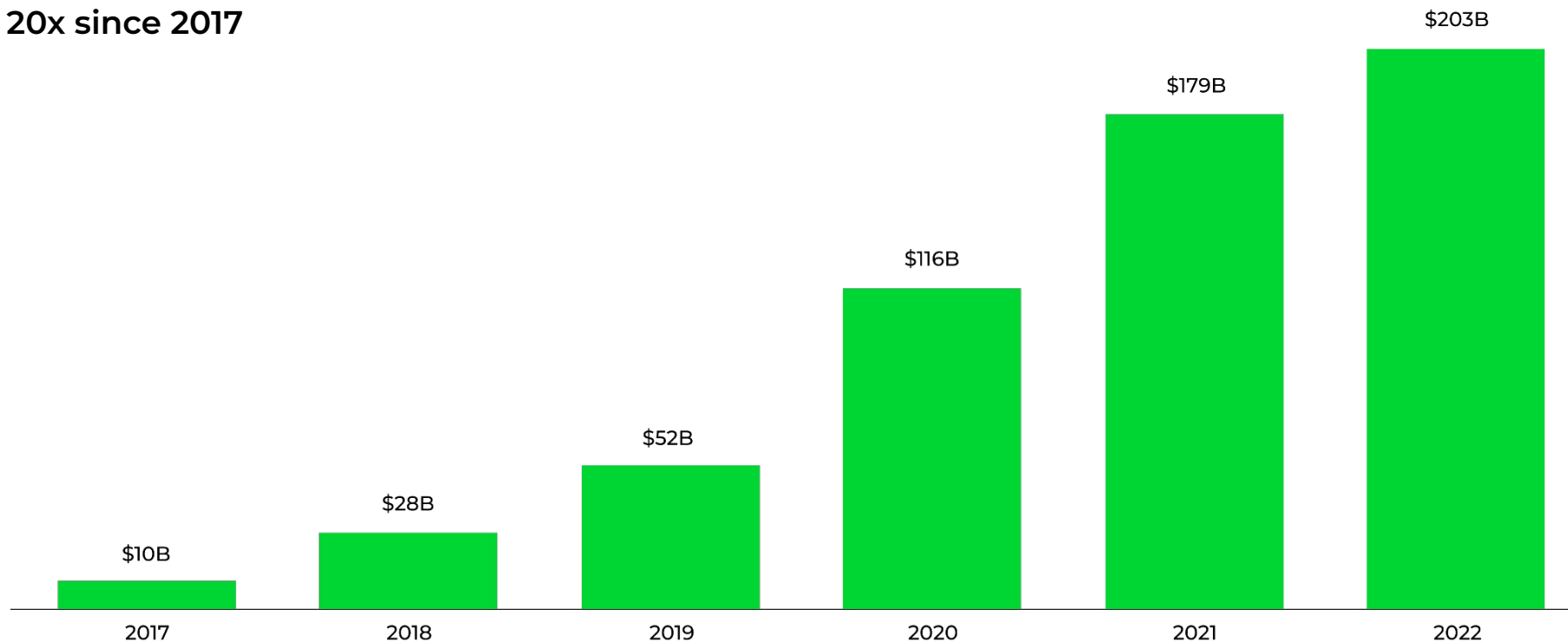
~13<sub>M</sub> daily actives on average in December 2022 (~1 in 4 monthly actives)

For definition of Cash App “active” please see Appendix. Chart shows annual average monthly, weekly, and daily actives from 2015 to 2022, calculated as the average of each month during the applicable year.



## CASH APP

Total inflows have increased  
20x since 2017



Excludes contributions from our BNPL platform.

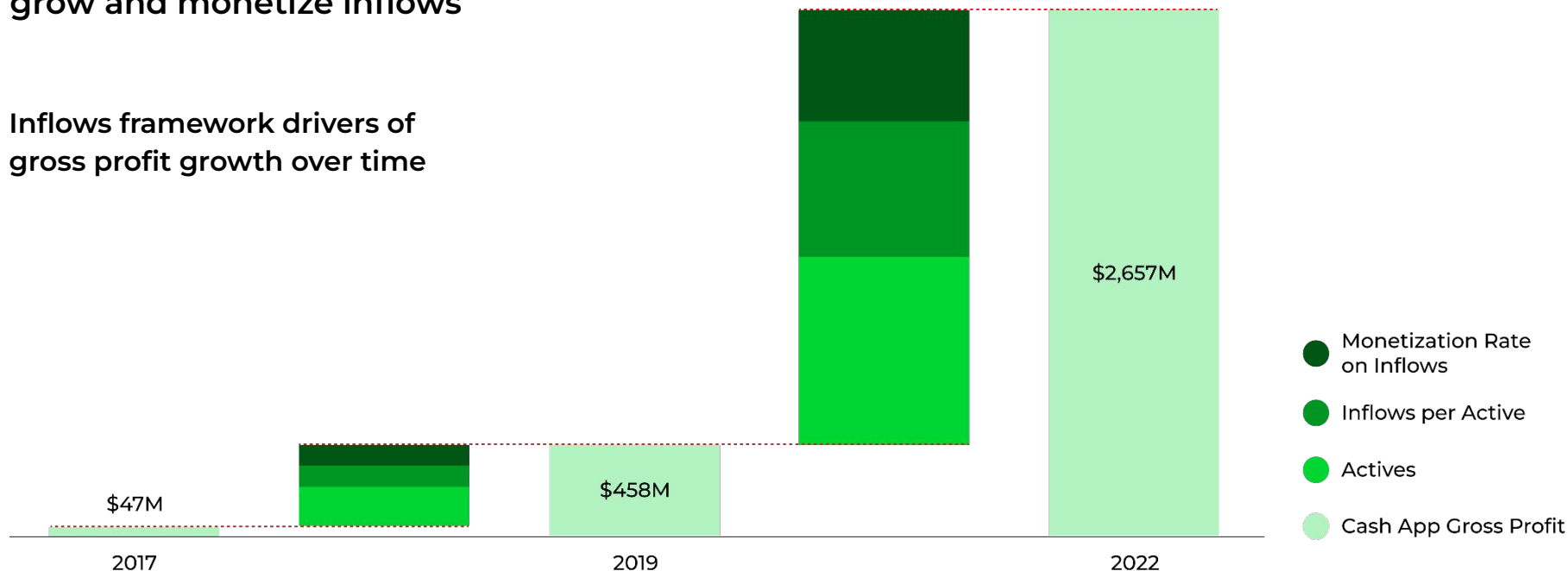




## CASH APP

## With a number of levers to grow and monetize inflows

### Inflows framework drivers of gross profit growth over time



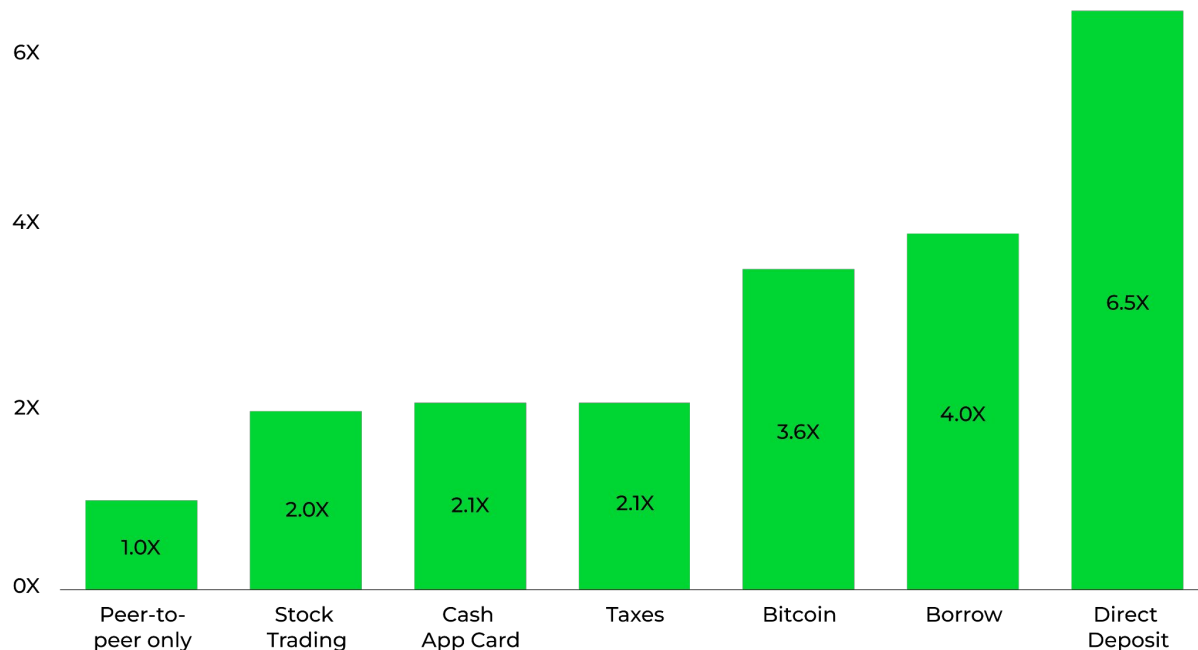
For definition of Cash App “active” please see Appendix. Excludes contributions from our BNPL platform. Monetization rate on inflows represents gross profit as a percentage of inflows over the given period. Inflows per active defined as overall inflows into Cash App each year, excluding contributions from our BNPL platform, divided by the number of annual actives. “Actives” represents growth in annual actives for each year in the period.



## CASH APP

## Product adoption has driven greater inflows and monetization

### Inflows multiplier by product actives



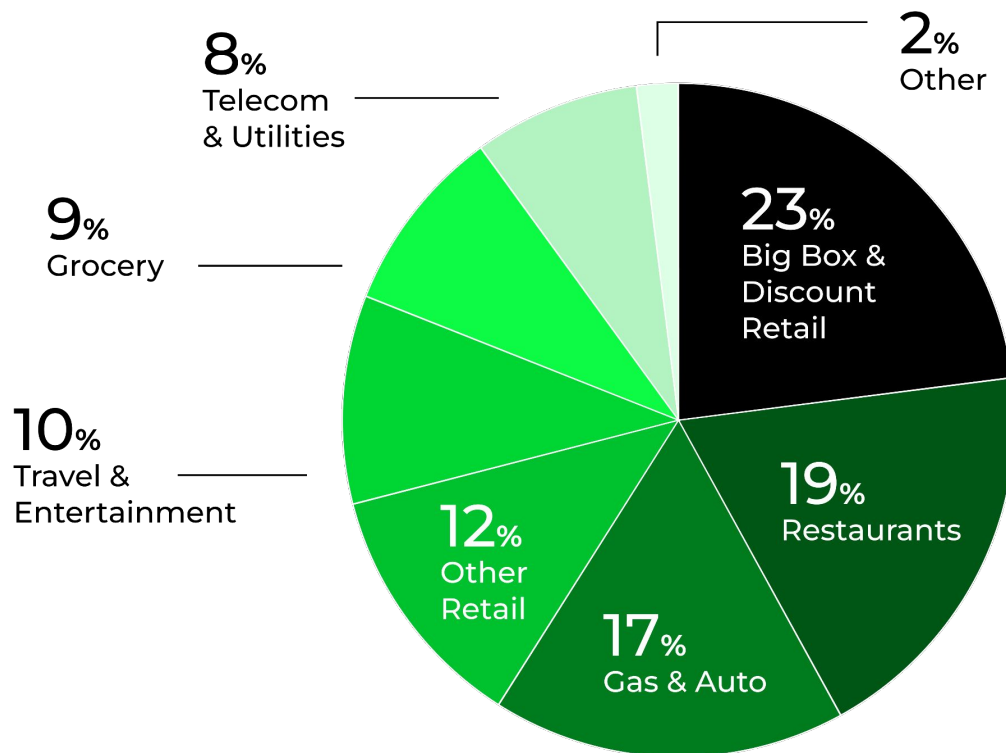
For definition of Cash App “active” please see Appendix. Represents monthly actives in December 2022 and total inflows for Q4 2022, except for Cash App Taxes actives where we used quarterly actives in Q1 2022 because it is an annual use case. Inflows per active for the specific product are calculated as the average quarterly total inflows for that product active. Actives can span multiple product categories.



## CASH APP

Consumers have found broad-based utility with Cash App Card through everyday purchases

Cash App Card spend at top 250 merchants in 2022



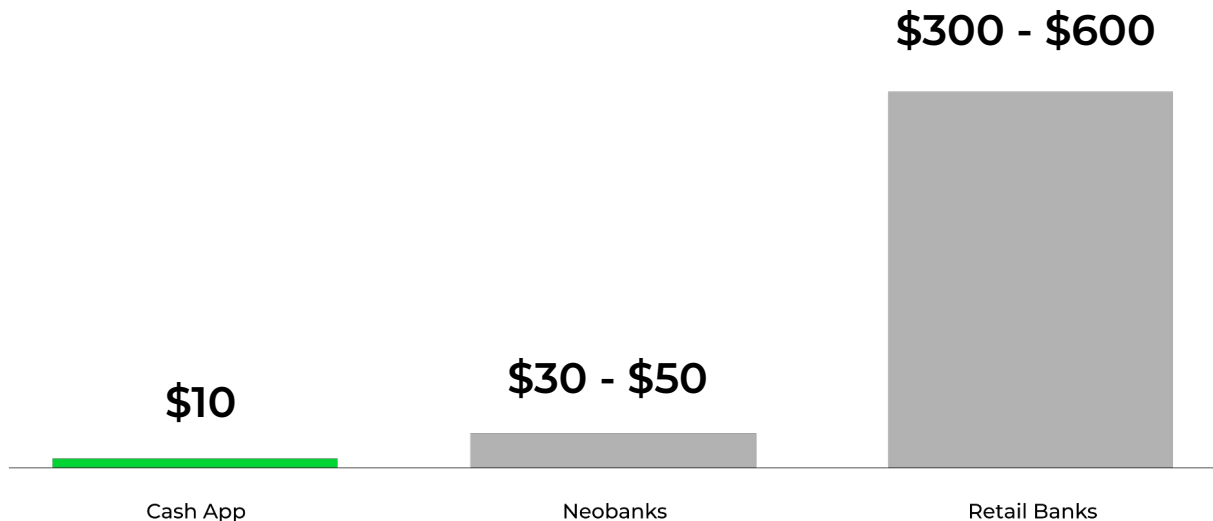
Gas & Auto includes convenience store spending at relevant gas stations.



## CASH APP

Acquisition cost of \$10 or less on average is a fraction of industry benchmarks

Cash App's average acquisition cost vs. industry



Source: Internal Cash App data, Unifimoney article: "A No CAC Bank?", and competitor transcripts. Reflects Cash App's average acquisition cost for 2022.



## CASH APP

Cash App sales and marketing includes acquisition spend and various non-discretionary expenses

22%

**Acquisition spend**

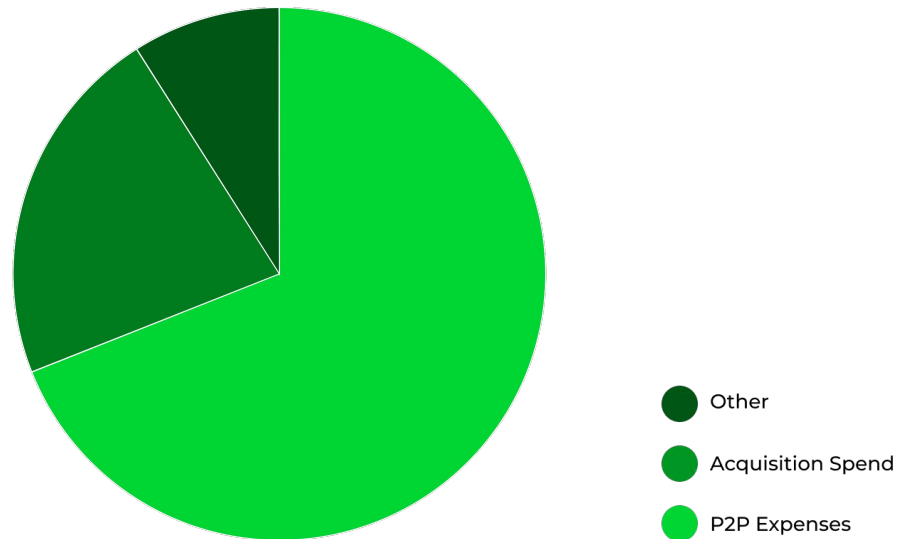
we use to calculate our cost of acquisition of \$10 or less on average

69%

**P2P expenses**

we deduct from gross profit in our cohort economics

Cash App sales and marketing expense (2022)

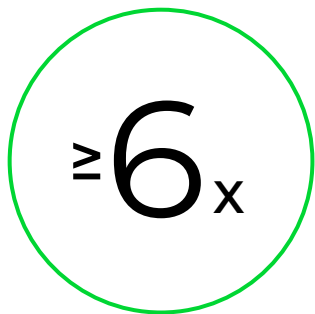


Excludes sales and marketing related to our BNPL platform. For definitions of Cash App “acquisition spend” please see Appendix. Represents each category as a percentage of Cash App sales and marketing expenses. P2P (peer-to-peer) expenses include P2P processing costs and P2P risk loss. Other expenses include Cash App Card issuance costs, investing costs, and certain other costs which are not material.

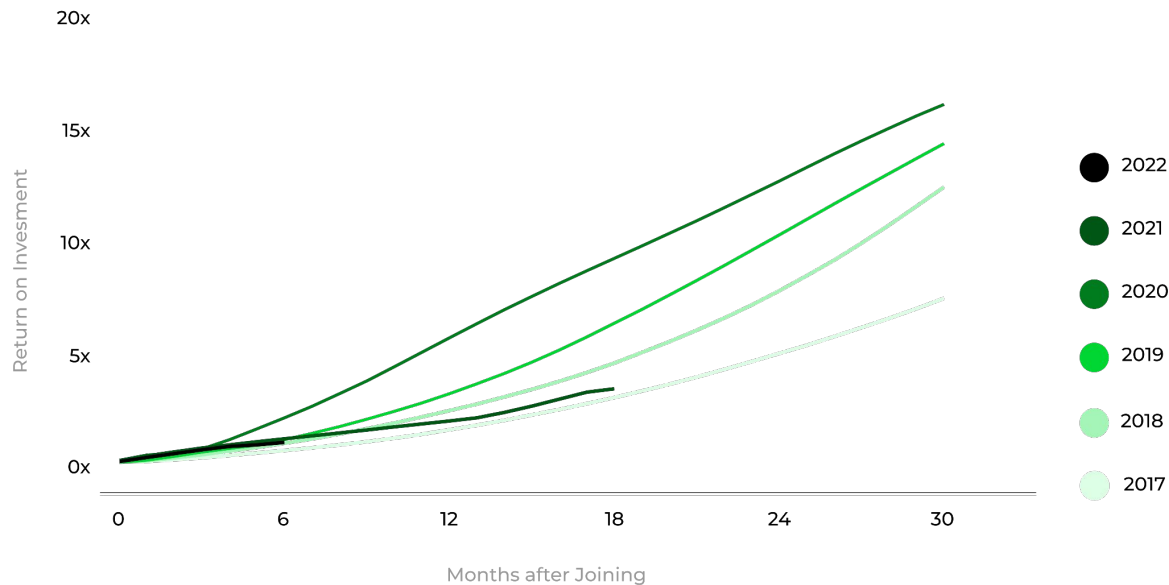


## CASH APP

Efficient paybacks and positive retention have driven strong customer lifetime value and return on investment



Cash App cohorts onboarded prior to 2021 have achieved a return on investment of 6x or greater over three years



For definition of Cash App “return on investment (ROI)” please see Appendix. Each line represents the average monthly cohort for the corresponding year, and are only included for periods where we have a sample of at least 6 different months.

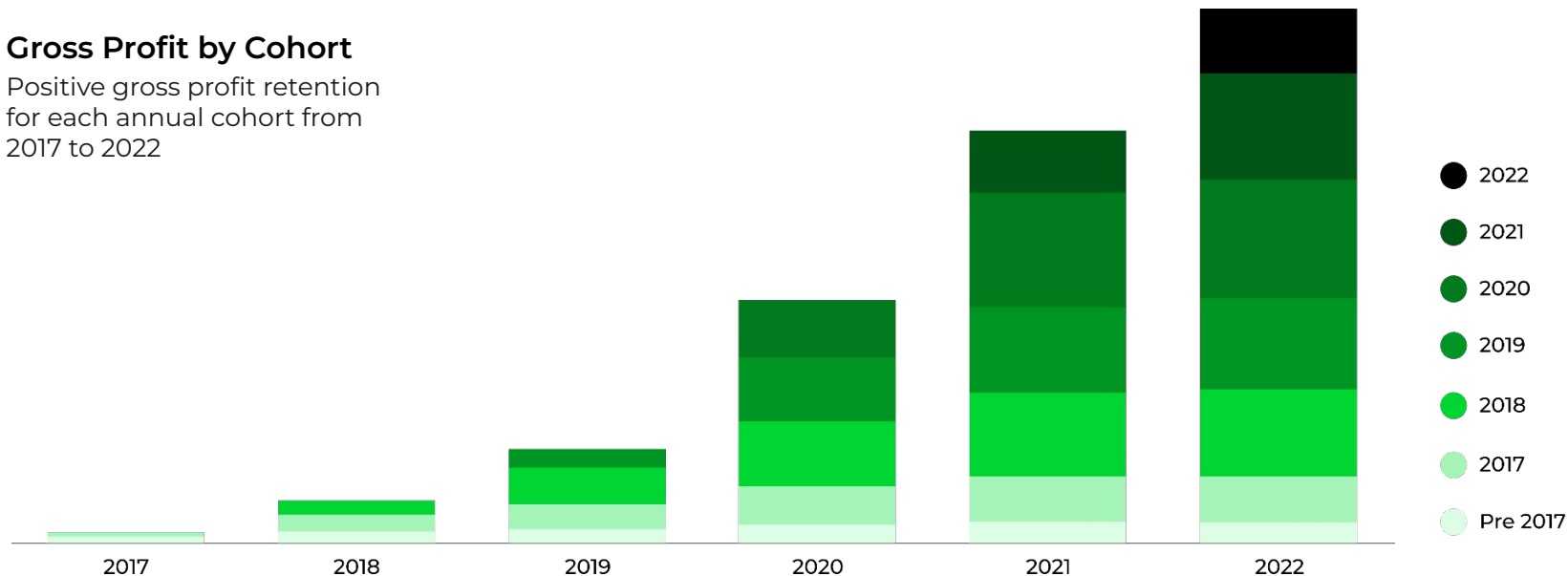


## CASH APP

## Strong gross profit retention has led to recurring revenue streams

### Gross Profit by Cohort

Positive gross profit retention for each annual cohort from 2017 to 2022



For definition of Cash App “gross profit retention” please see Appendix. Each of our annual Cash App cohorts since 2015 and our pre-2015 cohort have exhibited positive overall gross profit retention on aggregate from the date of their first transaction through December 31, 2022.



## CASH APP

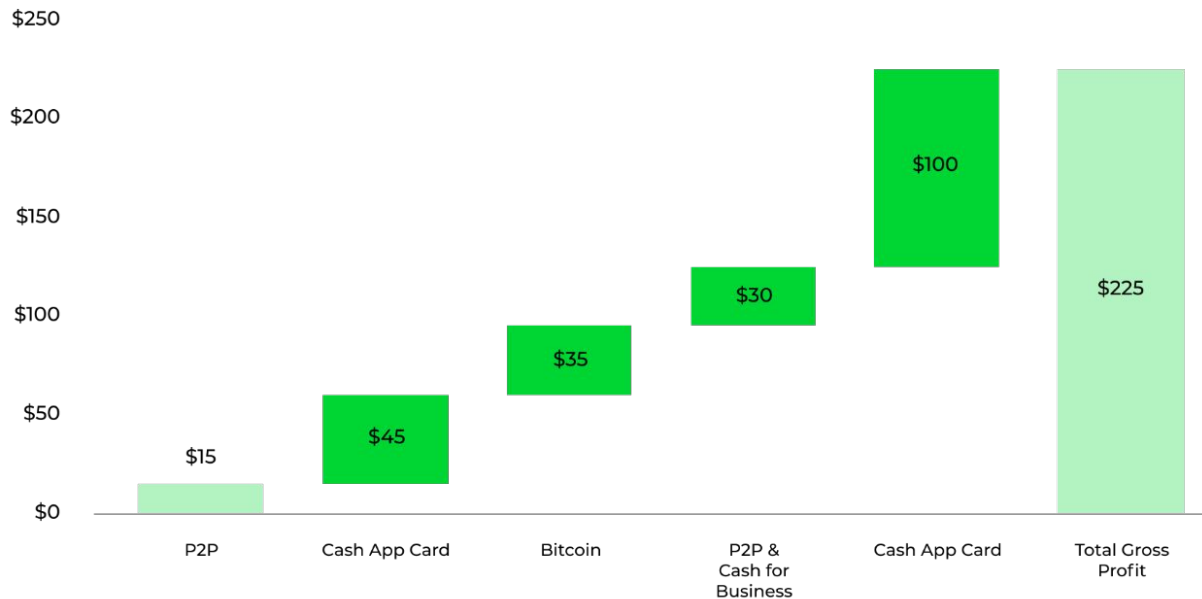
## Product adoption can enhance cohort economics

**Annual gross profit for an active could increase by >10x** as an active adopts more products and expands share of wallet

### Illustrative Cash App active example:

Gross profit opportunity for a transacting active that begins with a small P2P network, and then grows to become a banking and investing active, before depositing their paycheck into Cash App

Annual gross profit for an ideal Cash App active



Gross profit is presented on a per active basis for a given year. Cash App active example is illustrative, although representative of adoption and engagement actives have demonstrated on Cash App.





CASH APP

## Investing in seven key development pillars

- Community
- Financial Services
- Crypto
- Operating System
- Trust
- Commerce
- Global

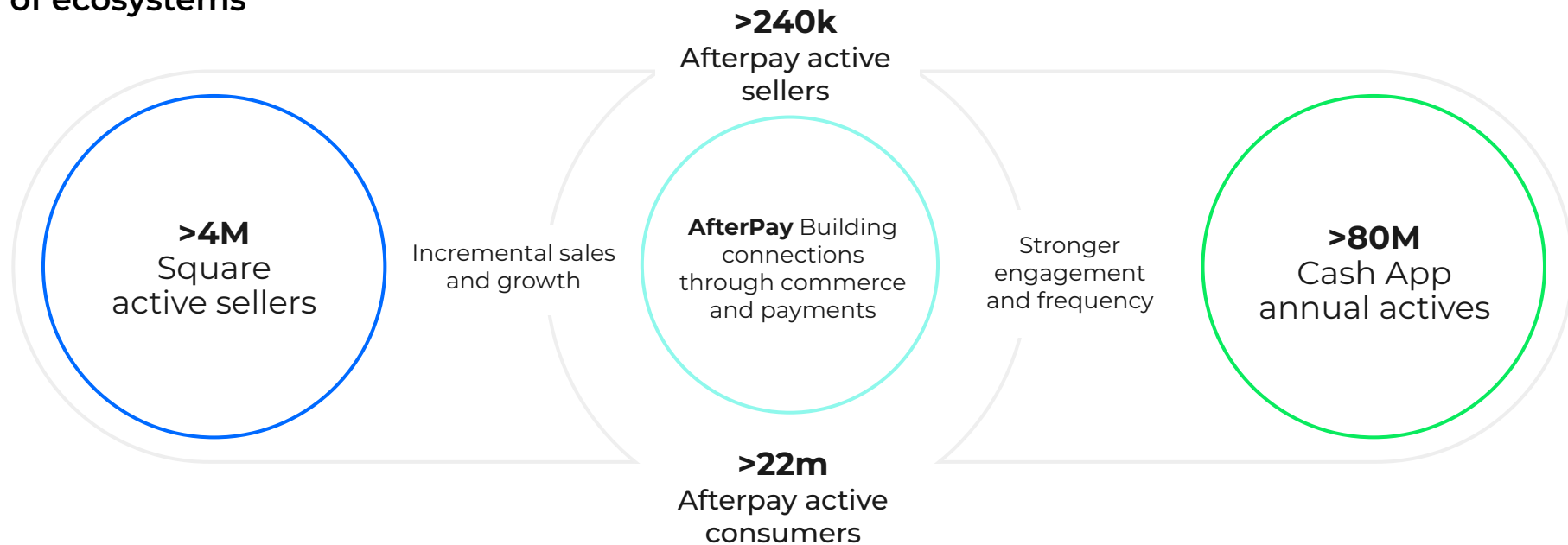


# Afterpay: Connecting the Square and Cash App Ecosystems



## AFTERPAY

## Afterpay is a connection between Block's ecosystem of ecosystems



All mentions of "Square active sellers", "Afterpay active sellers", "Afterpay active consumers", and "Cash App annual actives" are as of December 31, 2022 unless otherwise specified. For definitions of "Square active sellers", "Afterpay active sellers", "Afterpay active consumers" and "Cash App actives" please see Appendix.



## AFTERPAY

## Our integration priorities

### Live in Market

- Afterpay and Square integration for online and in-person transactions (AU, U.S., U.K., and Canada)
- Afterpay within the Cash App Discover tab
- Cash App Pay at Afterpay sellers
- Lead generation into Cash App

### Medium-Term

### Underway

- Expose Square sellers to Cash App annual actives and Afterpay active consumers via commerce integration and Shop Directory
- Build merchant pipeline and improve functionality within the Discover tab
- Broaden product set for Square sellers through global API (Cash App Pay and Afterpay)

### Longer-Term

- Expand Square's enterprise presence, cross-sell commerce ecosystem with Afterpay active sellers
- Launch Cash App internationally, including in Australia
- Scale an advertising platform for Cash App

For definitions of "Lead generation", "Cash App actives", "Afterpay active consumers", and "Shop Directory" please see Appendix.



## AFTERPAY

## We focus on driving healthy consumer behavior and repeat engagement

1 %

risk loss on Afterpay  
consumer receivables

>90 %

of Afterpay GMV comes  
from returning customers

95 %

of all installments  
were paid on time

98 %

of all purchases  
incurred no late fees

Data for the quarter ending December 31, 2022. For definition of “risk loss” please see Appendix.

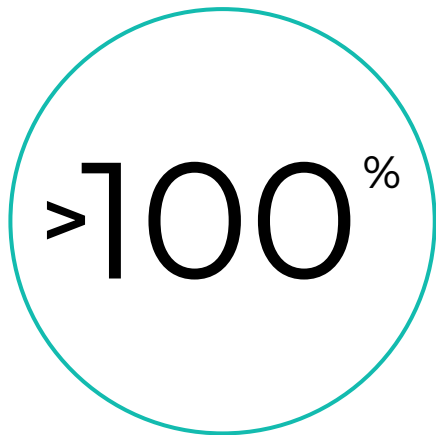


# Appendix

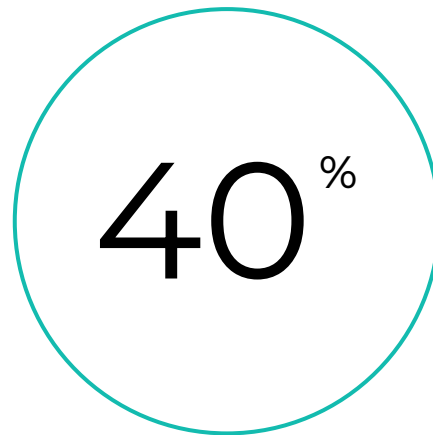


## Our investment framework

Block and each ecosystem must show a believable path to Gross Profit Retention of over 100% and Rule of 40 on Adjusted Operating Income over the long-term



Gross Profit  
Retention

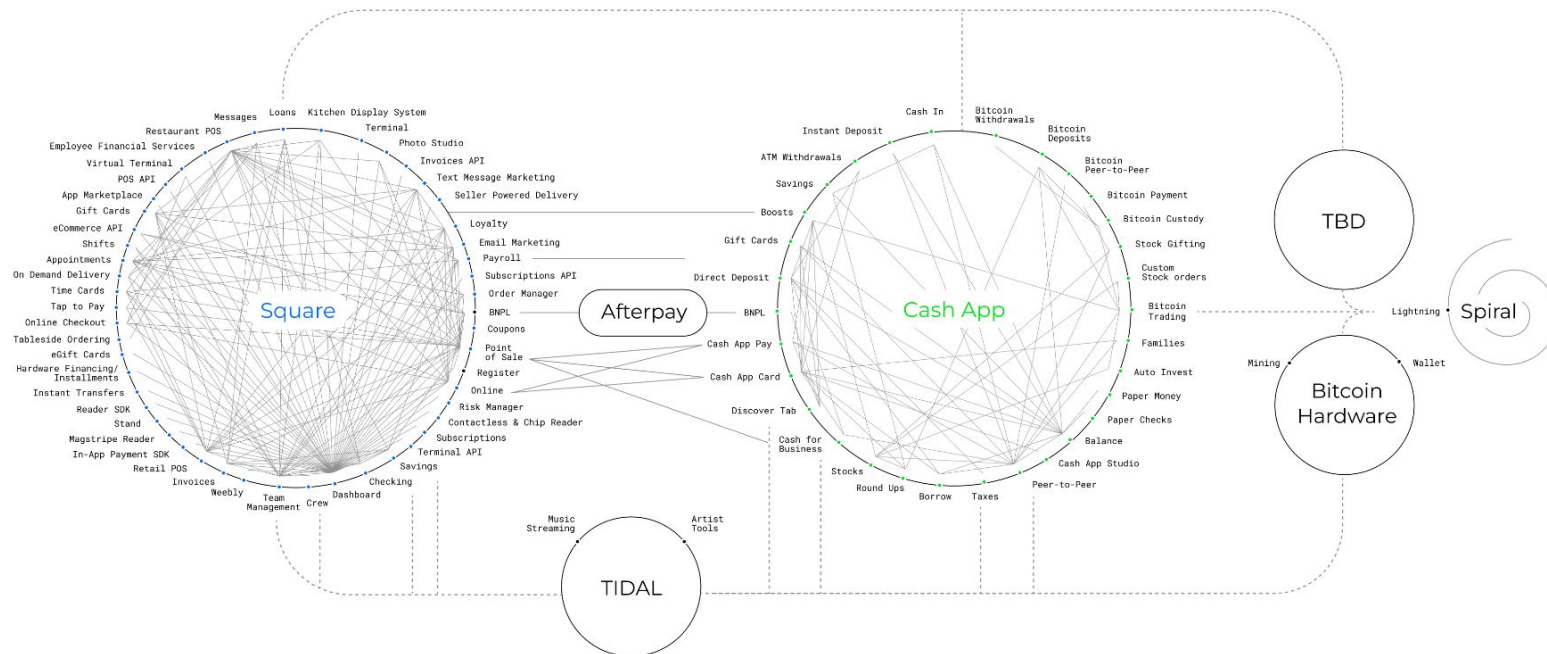


Gross Profit Growth + Adjusted Operating  
Income Margin (% of Gross Profit)

Adjusted Operating Income (Loss) is a non-GAAP financial measure that excludes certain expenses that we believe are not reflective of our core operating performance, including amortization of intangible assets, bitcoin impairment losses, acquisition-related accelerated share-based compensation expenses, and acquisition-related, integration, and other costs. We present Adjusted Operating Income (Loss) because we use it to evaluate our operating performance, generate future operating plans, and make strategic decisions.



## Our ecosystems become more powerful as we build connections between them





# Appendix

## Slide 7

**“U.S. Commerce”** gross profit opportunity is a combination of U.S. Payments, U.S. ACH, and SaaS opportunities. U.S. Payments opportunity is calculated by aggregating the gross receipts of U.S. businesses and adjusting for Square's addressable industries (2017 U.S. Census), then applying an inflation factor, card payment mix (per December 2022 Nilson Report), and a 1% transaction margin. The U.S. ACH opportunity uses the 2021 adjusted gross receipts, applies ACH penetration mix (Nilson Report), a 0.92% transaction margin, and the number of addressable businesses for Square's Invoices product as a percentage of Square's total addressable businesses. SaaS opportunity is calculated using the 2022 gross profit per active for each of Square's SaaS products, then multiplying by the number of addressable businesses respective to each product based on seller size and vertical.

**“U.S. Banking”** gross profit opportunity is defined by the aggregate sizing of Square Loans, Square Card, and Instant Transfer. Square Card and Instant Transfer opportunities are calculated based on 2022 seller gross profit per active multiplied by gross margin, an estimated attach rate ceiling, and the number of addressable businesses respective to each product based on seller size and vertical. Square Loans is calculated using outstanding FDIC U.S. small business loans under \$250,000 outstanding as of December 31, 2022, multiplied by the average of Goldman Sachs' estimated revenue rate on small business loans of 4% to 6%.

**“International”** gross profit opportunity is defined by the International Payments opportunity and then extrapolating out International SaaS and International Financial Services based on a similar mix to the U.S. The International Payments opportunity is calculated by aggregating 2019 HFCE data (Household Final Consumption Expenditure) for each of Square's current international markets adjusted for applicable industries, then converting to USD and multiplying a 4-year volume growth CAGR and estimated 2021 card penetration percentage to each country, and a 1% transaction margin.

## Slide 11

**“Community (P2P)”** gross profit opportunity is calculated based on the approximate gross profit percentage of Cash App's Community (P2P) volume opportunity. The Community (P2P) volume opportunity is calculated based on U.S. Census data on adult population as of 2019, adjusted for population growth, multiplied by estimated monthly peer-to-peer volumes per individual, which is the sum of Cash App internal average volume per monthly active, added to estimates for Zelle and Venmo monthly volume per customer based on respective public disclosures. as of Q4 2022.

**“Financial Services”** gross profit opportunity is calculated by multiplying the approximate Cash App Card gross profit percentage by total debit and prepaid transaction volumes per The Nilson Report (December 2022).

**“Bitcoin (Consumer Trading)”** gross profit opportunity is calculated by taking the average annual bitcoin trading volume between 2020–2022 per CoinGecko, adjusting for U.S. volume and washed trades, multiplied by the approximate Cash App bitcoin gross profit percentage.



# Appendix

## Slide 21

**Square “Return on investment (ROI)”** measures the effectiveness of sales and marketing spend. ROI is calculated by dividing the cumulative cohort gross profit of each cohort of sellers by GAAP sales and marketing expenses for the applicable time period, excluding the following: Cash App sales and marketing expenses, BNPL platform sales and marketing expenses, Corporate and Other sales and marketing expenses, Caviar sales and marketing expenses, and the portion of sales and marketing expenses from the legacy Weebly business. Each line represents a quarterly cohort from the first quarter of 2013 to the third quarter of 2022.

## Slide 22

**Square “gross profit retention”** is calculated as the year-over-year gross profit growth of a quarterly seller cohort, averaged over the last four quarters (excluding gross profit from our BNPL platform, hardware, Caviar, PPP loans, and Weebly prior to the acquisition). We do not include hardware because we view hardware as an acquisition tool and not a profit center for our business.

## Slide 31

**“Transacting active”** or **“active”** is a Cash App account that has at least one financial transaction using any product or service within Cash App during the specified period. A transacting active for a specific Cash App product has at least one financial transaction using that product during the specified period and is referred to as an active. Certain of these accounts may share an alias identifier with one or more other transacting active accounts. This could represent, among other things, one customer with multiple accounts or multiple customers sharing one alias identifier (for example, families).

## Slide 37

**Cash App “acquisition spend”** includes paid marketing, referrals and incentives, brand awareness and social marketing expenses for a given period, and excludes peer-to-peer processing and risk loss.

## Slide 38

**Cash App “cohort”** represents the new actives onboarded to Cash App during a given period.

**Cash App “Return on investment (ROI)”** or **“payback period”** measures the effectiveness of acquisition marketing spend, and is calculated by taking a given Cash App monthly cohort’s cumulative gross profit net of peer-to-peer expenses, and dividing by acquisition marketing spend for the month when the given cohort was onboarded. Cash App gross profit net of P2P expenses is calculated as gross profit across Cash App transaction-based profit, Cash App Card gross profit including interchange and ATM withdrawals, Instant Deposit gross profit for Cash App, bitcoin gross profit and less certain variable sales and marketing expenses, including “P2P expenses” or processing costs and risk loss on peer-to-peer transactions.

## Slide 39

**Cash App “gross profit retention”** is calculated as the year-over-year gross profit growth of an annual Cash App customer cohort, excluding contra revenue and interest income. A customer’s annual cohort is determined based on the date they first became a transacting active on the platform. For example, retention for our 2019 cohort is the average annual gross profit growth from actives who had their first transaction in 2019.



# Appendix

## Slide 43

**“Square active sellers”** are defined as processing more than 5 payments over the last four quarters.

**“Afterpay active sellers”** are defined as having processed at least one transaction in the last 12 months and is measured on a per channel basis.

**“Afterpay active consumers”** are defined as having transacted at least once in the last 12 months.

**“Cash App active”** is a Cash App account that has at least one financial transaction using any product or service within Cash App during the specified period. A transacting active for a specific Cash App product has at least one financial transaction using that product during the specified period and is referred to as an active. Certain of these accounts may share an alias identifier with one or more other transacting active accounts. This could represent, among other things, one customer with multiple accounts or multiple customers sharing one alias identifier (for example, families).

## Slide 44

**“Lead generation”** is a referral for an Afterpay seller, such as a search, click, or purchase within the Afterpay App, or when a potential customer is directed to a seller's site.

**“Afterpay active consumers”** are defined as having transacted at least once in the last 12 months.

**“Cash App active”** is a Cash App account that has at least one financial transaction using any product or service within Cash App during the specified period. A transacting active for a specific Cash App product has at least one financial transaction using that product during the specified period and is referred to as an active. Certain of these accounts may share an alias identifier with one or more other transacting active accounts. This could represent, among other things, one customer with multiple accounts or multiple customers sharing one alias identifier (for example, families).

**“Shop Directory”** is Afterpay's online and in-app directory that showcases Afterpay active sellers and affiliate brands.

## Slide 45

**“Risk loss”** or Losses on Consumer Receivables for Afterpay represents an assessment of expected credit losses over the term of the receivables.



## Reconciliations

Discussion of financial  
results excluding Caviar  
(in thousands)

(\$ in thousands)	2015	2016	2017	2018	2019	2020	2021	2022
Total gross profit	345,195	576,038	839,306	1,303,700	1,889,685	2,733,409	4,419,823	5,991,892
Less: Caviar contribution to total gross profit	(462)	6,967	15,578	36,369	41,590			
<b>Gross profit excluding Caviar</b>	<b>345,657</b>	<b>569,071</b>	<b>823,728</b>	<b>1,267,331</b>	<b>1,848,095</b>	<b>2,733,409</b>	<b>4,419,823</b>	<b>5,991,892</b>



## Reconciliations

Discussion of Square financial results excluding hardware, Starbucks, and our BNPL Platform (in thousands)

(\$ in thousands)	2015	2016	2017	2018	2019	2020	2021	2022
Square gross profit	345,283	564,022	776,633	1,072,496	1,390,427	1,507,831	2,316,671	3,000,978
Less: Hardware contribution to Square gross profit	(14,497)	(24,255)	(20,978)	(25,611)	(51,880)	(52,688)	(75,506)	(122,577)
Less: Starbucks contribution to Square gross profit	(23,155)	9,142						
Less: BNPL Platform contribution to Square gross profit								294,076
<b>Square gross profit excluding hardware, Starbucks, and our BNPL Platform</b>	<b>382,935</b>	<b>579,135</b>	<b>797,611</b>	<b>1,098,107</b>	<b>1,442,307</b>	<b>1,560,519</b>	<b>2,392,177</b>	<b>2,829,480</b>



## Reconciliations

Discussion of Square financial results  
excluding our BNPL Platform  
(in thousands)

(\$ in thousands)	2015	2016	2017	2018	2019	2020	2021	2022
Square gross profit	345,283	564,022	776,633	1,072,496	1,390,427	1,507,831	2,316,671	3,000,978
Less: BNPL Platform contribution to Square gross profit								294,076
<b>Square gross profit excluding our BNPL Platform</b>	<b>345,657</b>	<b>564,022</b>	<b>776,633</b>	<b>1,072,496</b>	<b>1,390,427</b>	<b>1,507,831</b>	<b>2,316,671</b>	<b>2,706,902</b>



## Reconciliations

Discussion of Cash App financial results excluding our BNPL Platform (in thousands)

(\$ in thousands)	2017	2018	2019	2020	2021	2022
Cash App gross profit	47,096	194,835	457,668	1,225,578	2,070,847	2,950,967
Less: BNPL Platform contribution to Cash App gross profit						294,076
<b>Cash App gross profit excluding our BNPL Platform</b>	<b>47,096</b>	<b>194,835</b>	<b>457,668</b>	<b>1,225,578</b>	<b>2,070,847</b>	<b>2,656,891</b>

