

2025 Predictions: Understanding the F&A Landscape

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The Association of
Accountants and
Financial Professionals
in Business



Featured Presenters



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About BlackLine



BLACKLINE

Agenda

1. 2024 – How did we do?
2. 2025 F&A Predictions
 - ESG
 - DeFi
 - AI (Oh my)
3. Q&A



What we predicted..





Chat GPT

Expanded use of Generative AI



Global Minimum Tax

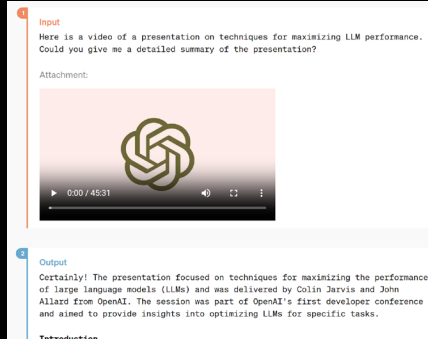
Continued Progress on regulations



CBDC

Expanded use of Central Bank Digital
Currencies

What happened



GPT-4o: A single model end-to-end across text, vision, and audio



Pillar 1 agreement was not reached, Pillar 2 on track for 2024 adoption



SWIFT to build platform for CBDC

Poll Question 1:

Which prediction had the greatest impact on you this year?

- a. ChatGPT
- b. Global Minimum Tax
- c. Central Bank Digital Currencies
- d. All of them!

Poll Question 1 Results: (Placeholder)



2025 F&A Predictions

What's in store next year

SAFE HARBOR!

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In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including non-GAAP revenue, gross profit, gross margin, free cash flow, sales and marketing expense, research and development expense, general and administrative expense, loss from operations and operating margin (loss). These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures we use may differ from the non-GAAP financial measures used by other companies. A reconciliation of these measures to the most directly comparable GAAP measure is included in the Appendix to this presentation.

What to expect in 2025

E

1 20/200

F P

2 20/100

T O Z

3 20/70

L P E D

4 20/50

P E C F D

5 20/40

E D F C Z P

6 20/30

F E L O P Z D

7 20/25

D E F P O T E C

8 20/20

L E F O D P C T

9

F D P L T C E O

10

F E Z O L C F T D

11

What to expect in 2025

Subhead (optional)

A square card with a yellow-to-gold gradient background. The letters 'ESG' are centered in a large, bold, black sans-serif font.

ESG

Corporate sustainability

A square card with a yellow-to-gold gradient background. The letters 'DeFi' are centered in a large, bold, black sans-serif font.

DeFi

Decentralized Finance

A square card with a yellow-to-gold gradient background. The letters 'AI' are centered in a large, bold, black sans-serif font.

AI

Continues to evolve



ESG

Insert Subhead (optional)



Regulations

There's a bunch



Regulations going into effect 2025

Subhead (optional)

- European Union CSRD
- IFRS ISSB Australia
- US SEC Climate Disclosures



Responding to regulations

98%

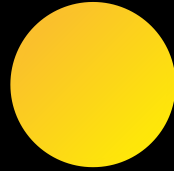
Have an established ESG council/ working group

98%

Report progress towards ESG goals

99%

Preparing for increased disclosure requirements



CSO on the Rise

Sustainability in focus

What does a CSO do?

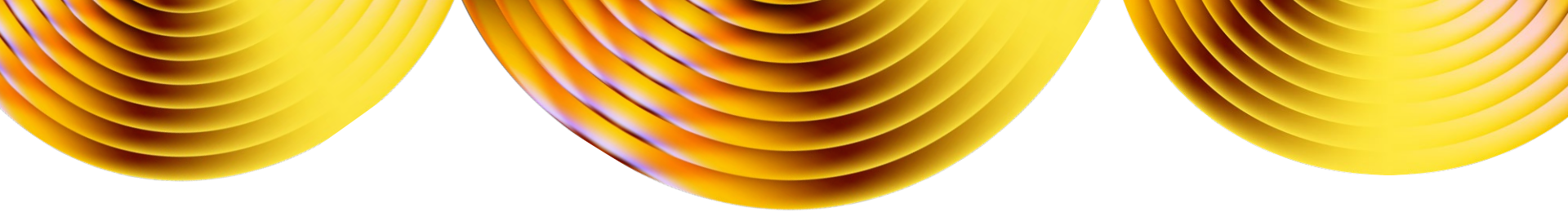
Subhead (optional)

- Reduce environmental impact
- Promote sustainability
- Financial stability



56k

New CSO roles by 2029*



Investment in Technology

The need for good data

88%

Report data quality challenges

81%

Report process and controls as
challenges

74%

Plan to invest in technology

Predictions 2025



Regulation Remoulade

Many regulations for companies to comply with



CSO goes IPO

Focus on departments for sustainability



Tech for the win

The need for good data continues to grow

Poll Question 2:

How is your company reporting ESG?

- a. Not reporting ESG
- b. We use Excel
- c. Using dedicated technology
- d. Ask our CSO!

Poll Question 2 Results: (Placeholder)



DeFi

Decentralized Finance is here

What is DeFi?

Subhead (optional)

- Uses cryptocurrency and blockchain to manage financial transactions
- Aims to replace legacy, centralized institutions with peer-to-peer relationships that can provide a full spectrum of financial services
- DeFi challenges current systems by empowering individuals with peer-to-peer transactions



The system today

Centralized Systems

- Regulatory bodies, like the Federal Reserve and SEC, set the rules for centralized financial institutions and brokerages
- Lending and trading is managed by centralized system
- Consumers deal with financial middlemen to get access to financial services
- Banks, exchanges and lenders earn a percentage of transactions.



How it's different

Decentralized Finance

DeFi uses peer-to-peer financial networks and blockchain to eliminate intermediaries.

Benefits

- **Accessible:** Transactions can occur without geographic restrictions.
- **Low fees:** DeFi enables parties to negotiate interest rates directly and lend via DeFi networks.
- **Security :** Smart contracts and records of transactions are available for anyone to review and do not reveal identity.

The Coinbase logo, consisting of the word "coinbase" in a blue, lowercase, sans-serif font.

How it's used

Decentralized Finance

Powered by Decentralized Apps

- **Financial transactions.** Payments, trading securities, lending and borrowing
- **E-wallets.** Digital wallets that operate independently of the largest cryptocurrency exchanges
- **Stable coins.** Tied to non-cryptocurrencies
- **Non-fungible tokens (NFTs).** Digital versions of typically non-tradable assets
- **Flash loans.** Loans that borrow and repay funds in the same transaction. Decentralized arbitrage

Lending and borrowing



Aave

Lend your tokens to earn interest and withdraw any time.



Compound

Lend your tokens to earn interest and withdraw any time.



Summer.fi

Trade, borrow, and save with Dai, an Ethereum stablecoin.



PWN

Easy loans backed by any token or NFTs on Ethereum.



Yearn

Yearn Finance is a yield aggregator. Giving individuals, DAOs and other protocols a way to deposit digital assets and receive yield.



Convex

Convex allows Curve liquidity providers to earn trading fees and claim boosted CRV without locking their CRV.

TOTAL VALUE LOCKED (TVL) 2019-2024



Tale of the DeFi Tape

\$90B

TVL of DeFi

46%

Projected DeFi CAGR until 2032

10K

Approx # of Cryptocurrencies

Risks of DeFi

An emerging industry with risks

- No consumer protections
- Hackers
- Collateral concerns
- Private key requirements



What you can do to prepare your business

Starting small is key

- **Invest In Education**
- **Pilot**
- **Security And Compliance**
- **Strategic Partnerships**



Predictions 2025



Continued Growth

Cross-chain interoperability



Security Issues

Recent hacks showcase weakness



Mixed regulations

KYC and AML take center stage

Poll Question 3:

What are your thoughts on DeFi?

- a. I'm currently using DeFi
- b. Looks promising
- c. I have mixed feelings
- d. Too Risky!

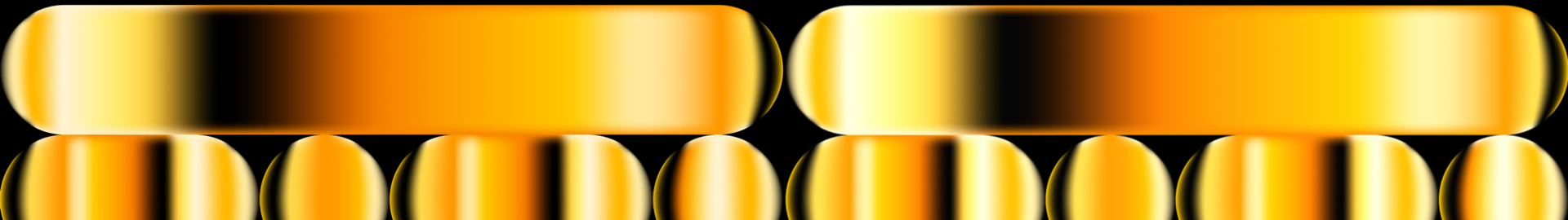
Poll Question 3 Results: (Placeholder)



AI

The Future is Now

**AI Market: \$1.8T
by 2030**

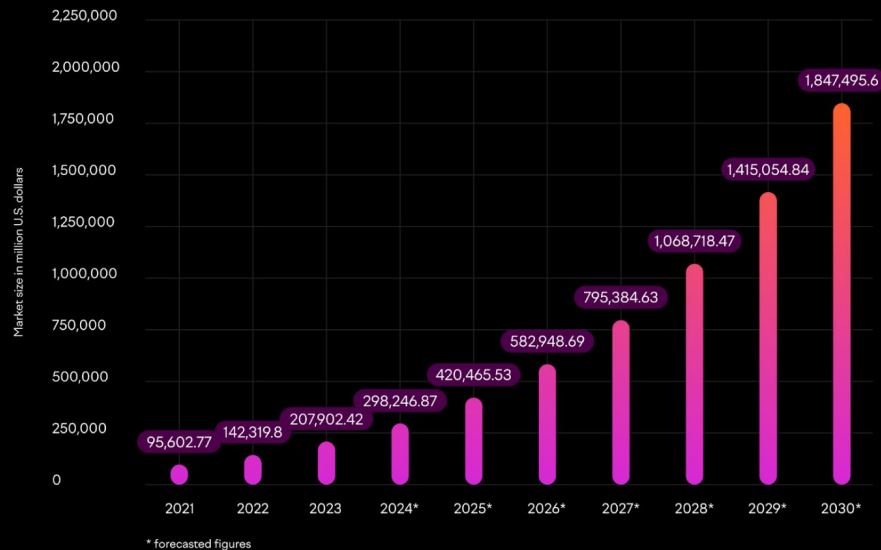


The AI market continues to grow

Subhead (optional)

- The size of the AI market is growing exponentially
- Market was \$10B in 2018
- Other \$2T Industries:
Wireless, Coal, Automobile
Manufacturing, Banks

AI Global Market Size 2021 – 2030



Source: Statista

ChatGPT

Leading AI Chatbot

- 200M users in 2024
- 2B monthly visits
- Available in 150+ countries
- Top countries using (36%)- US, India, Brazil, UK, Indonesia
- GPT 3- 175B parameters, GPT 4- 1T
- GPT 4o released May 2024



Business Stats on AI

67%

Increasing Investments in AI

75%

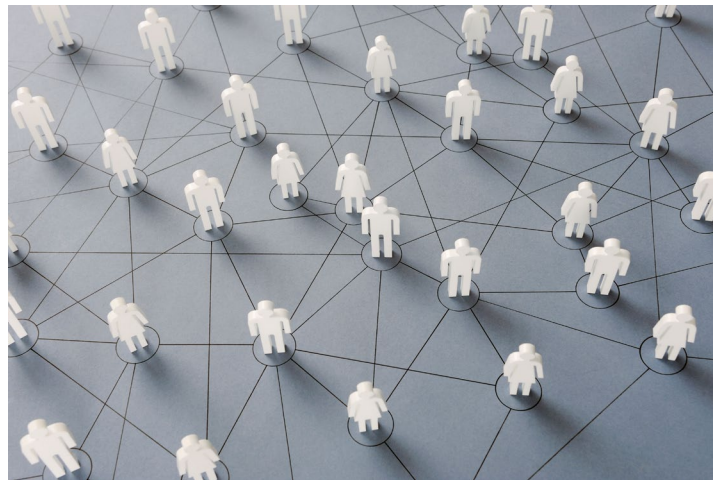
Increased investment in Data
Life Cycle Management

78%

Think more regulation needed

Benefits to organizations

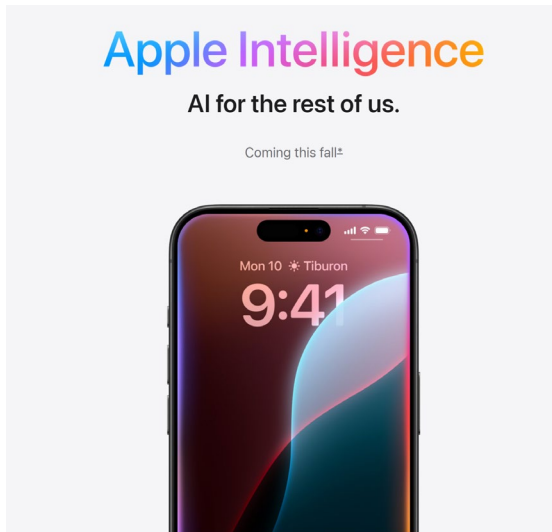
- **Improved productivity and efficiency**
- **Better innovation**
- **Improved products and services**
- **Reduced costs**
- **Better customer relationships**



**“Every Dollar Spent on AI
Will Generate \$4.60 Into
the Global Economy”**

Beyond Business

- Use cases for AI continue to expand
- Integration into our personal devices
- Self Continuity – talk with your future self!

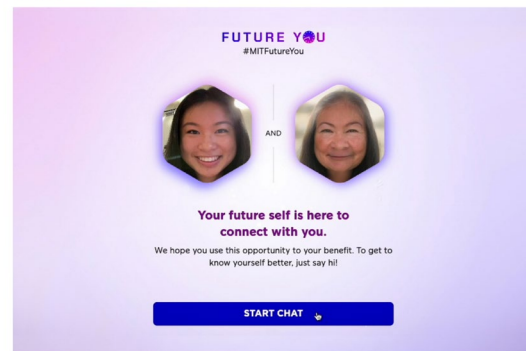


AI simulation gives people a glimpse of their potential future self

By enabling users to chat with an older version of themselves, Future You is aimed at reducing anxiety and guiding young people to make better choices.

[Watch Video](#)

Adam Zewe | MIT News
October 1, 2024



Predictions 2025



More Use Cases

Continue to push what AI can do



Realized Benefits

More quantifiable results for business



Cost Concerns

ROI must be shown to continue growth

Poll Question 4:

How well adopted is your company on AI?

- a. We are not using AI apps
- b. We have AI apps in pilot
- c. We are using 1-5 AI apps
- d. Using more than 5 AI apps

Poll Question 4 Results: (Placeholder)

Questions and Answers



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Thank you!

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