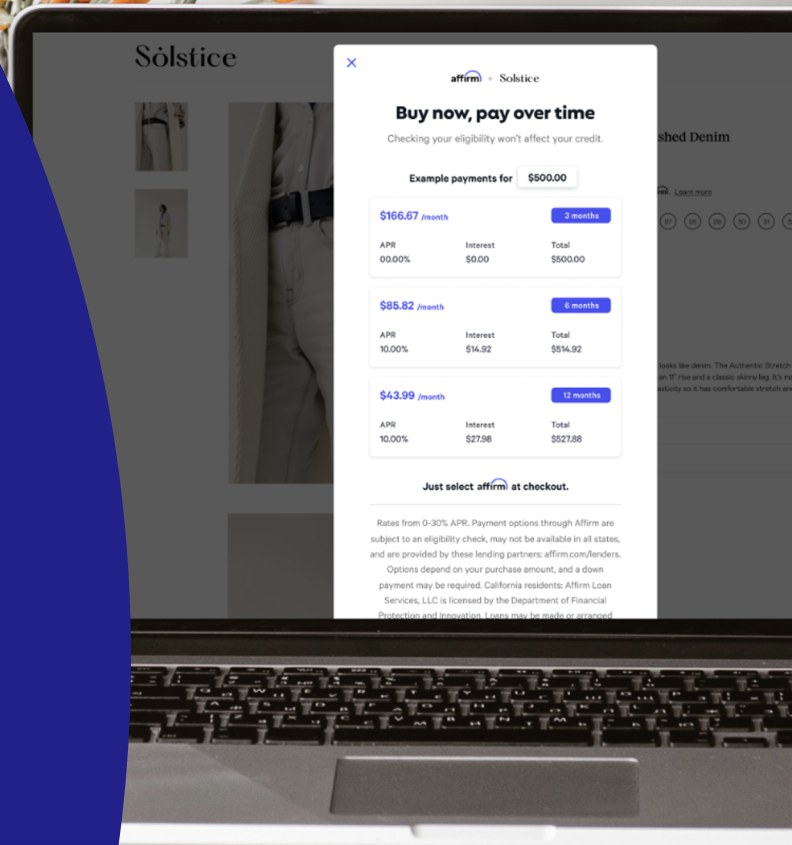


# Welcome to the Affirm Investor Forum

September 28, 2021



affirm x Sólstice

## Buy now, pay over time

Checking your eligibility won't affect your credit.

Example payments for **\$500.00**

**\$166.67** /month **2 months**

APR	Interest	Total
00.00%	\$0.00	\$500.00

**\$85.82** /month **4 months**

APR	Interest	Total
10.00%	\$14.92	\$514.92

**\$43.99** /month **12 months**

APR	Interest	Total
10.00%	\$27.98	\$527.88

Just select **affirm** at checkout.

Rates from 0-30% APR. Payment options through Affirm are subject to an eligibility check, may not be available in all states, and are provided by these lending partners: [affirm.com/lenders](https://affirm.com/lenders).

Options depend on your purchase amount, and a down payment may be required. California residents: Affirm Loan Services, LLC is licensed by the Department of Financial Protection and Innovation. Loans may be made or arranged.

# Safe Harbor/Non-GAAP Financial Measures



## Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and assumptions include factors relating to: our need to attract additional merchants, partners and consumers and retain and grow our relationships with existing merchants, partners and consumers; the highly competitive nature of our industry; our need to maintain a consistently high level of consumer satisfaction and trust in our brand; the concentration of a large percentage of our revenue with a single merchant partner; our ability to sustain our revenue growth rate or the growth rate of our related key operating metrics; risks relating to our agreement with one of our originating bank partners; the risk that our existing funding arrangements may not be renewed or replaced or our existing funding sources may be unwilling or unable to provide funding to us on terms acceptable to us, or at all; our ability to effectively underwrite loans facilitated through our platform and accurately price credit risk; the performance of loans facilitated through our platform; risks associated with changes in market interest rates; risks relating to our securitizations, warehouse credit facilities and forward flow agreements; the impact on our business of general economic conditions, the financial performance of our merchants, and fluctuations in the U.S. consumer credit market; our ability to grow effectively through acquisitions or other strategic investments or alliances; risks associated with expanding our operations internationally; the potential impact of any cyber-attacks, misconduct, computer viruses, or physical or electronic break-ins that we might experience; risks associated with our business being subject extensive regulation, examination, and oversight in a variety of areas; and other risks that are described in our Annual Report on Form 10-K for the year ended June 30, 2021 and in our other filings with the SEC. These forward-looking statements reflect our views with respect to future events as of the date hereof and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. The forward-looking statements are made as of the date hereof, and we assume no obligation and do not intend to update these forward-looking statements.

## Use of Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we present the following non-GAAP financial measures: Revenue less transaction costs, revenue less transaction costs as a percentage of GMV, revenue less transaction costs as a percentage of revenue, adjusted other operating expense as a percentage of revenue, and adjusted operating margin. Reconciliations of each historical non-GAAP financial measure with the most directly comparable GAAP financial measure are included in this presentation. However, a reconciliation of adjusted operating loss to the comparable GAAP measure is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future. Our management uses these non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of our annual operating budget, as a measure of our operating results and the effectiveness of our business strategy, and in evaluating our financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, and our use of these non-GAAP financial measures has limitations as an analytical tool. Accordingly, you should not consider these non-GAAP financial measures in isolation or as substitutes for analysis of our financial results as reported under GAAP, and these non-GAAP measures should be considered along with other operating and financial performance measures presented in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

Topic	Presenter		
<b>CEO Keynote</b>	<b>Max Levchin</b> Founder & CEO		
<b>Executive Q&amp;A</b>	<b>Brooke Major-Reid</b> Chief Capital Officer	<b>Libor Michalek</b> President, Technology, Risk and Operations	<b>Silvija Martincevic</b> Chief Commercial Officer
<b>Financial Discussion</b>	<b>Michael Linford</b> CFO		
<b>Analyst Q&amp;A</b>	<b>Max Levchin</b> Founder & CEO	<b>Michael Linford</b> CFO	

**CEO**  
**Keynote**



**Max Levchin**

**Founder & CEO**





## **Mission**

**Build honest  
financial products  
that improve lives.**

## Generational shift

Suspicious of credit

Tired of debt

Wary of tricks like late fees  
and deferred interest

Partial to debit

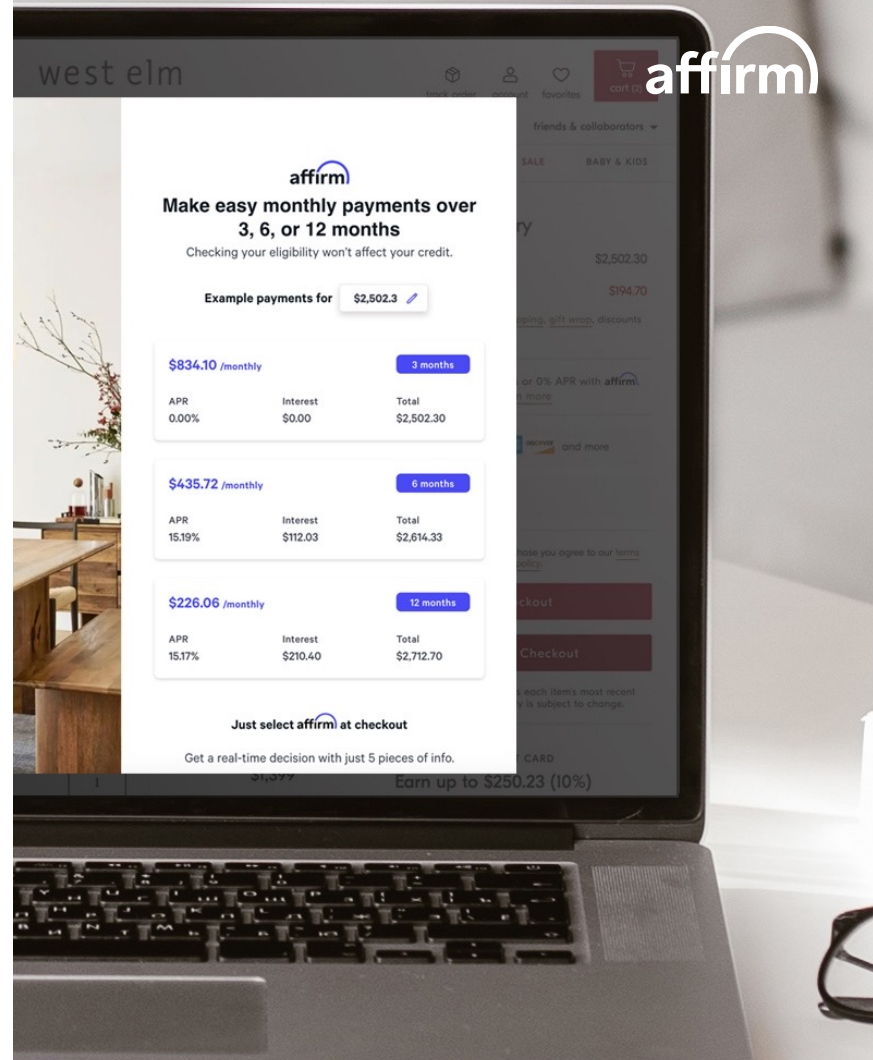
## Opportunity

**The Great Unbundling**  
of the credit card

# The breaking up of the credit card bundle



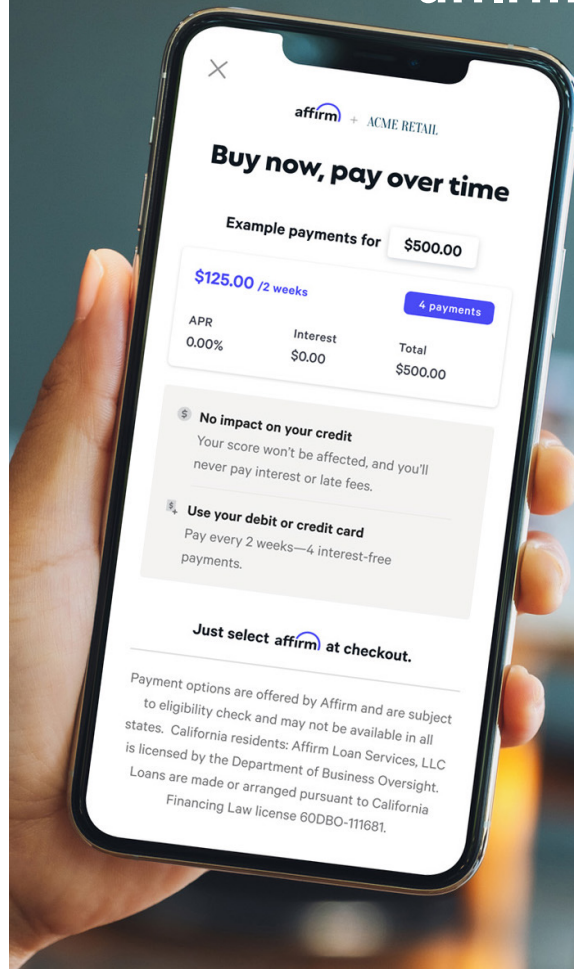
# High-ticket, highly considered purchases



# Lower average order value purchases



affirm



×

affirm + ACME RETAIL

## Buy now, pay over time

Example payments for **\$500.00**

**\$125.00** /2 weeks

4 payments

APR

0.00%

Interest

\$0.00

Total

\$500.00

**No impact on your credit**

Your score won't be affected, and you'll never pay interest or late fees.

**Use your debit or credit card**

Pay every 2 weeks—4 interest-free payments.

**Just select affirm at checkout.**

Payment options are offered by Affirm and are subject to eligibility check and may not be available in all states. California residents: Affirm Loan Services, LLC is licensed by the Department of Business Oversight. Loans are made or arranged pursuant to California Financing Law license 60DBO-111681.

## Results

## Partner of choice

Simple financing



Increased purchasing power



Higher conversions

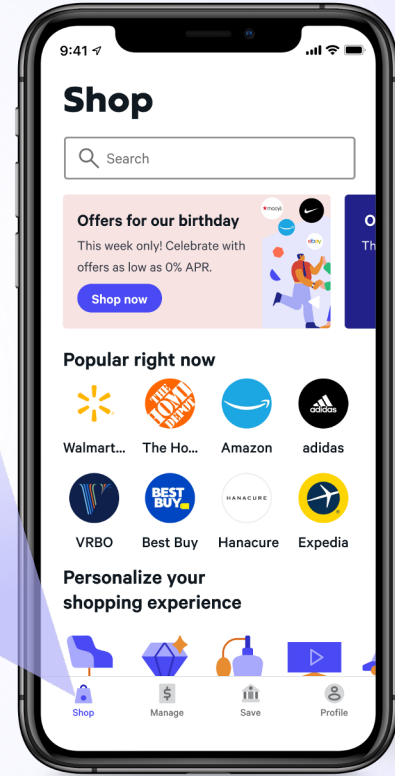
More sales

New customers



Available today

# Affirm App Shopping Tab





**\$428 billion**

in merchandise returned  
to U.S. retailers in 2020

**2x returns**

from 2019 to 2020 in the U.S.

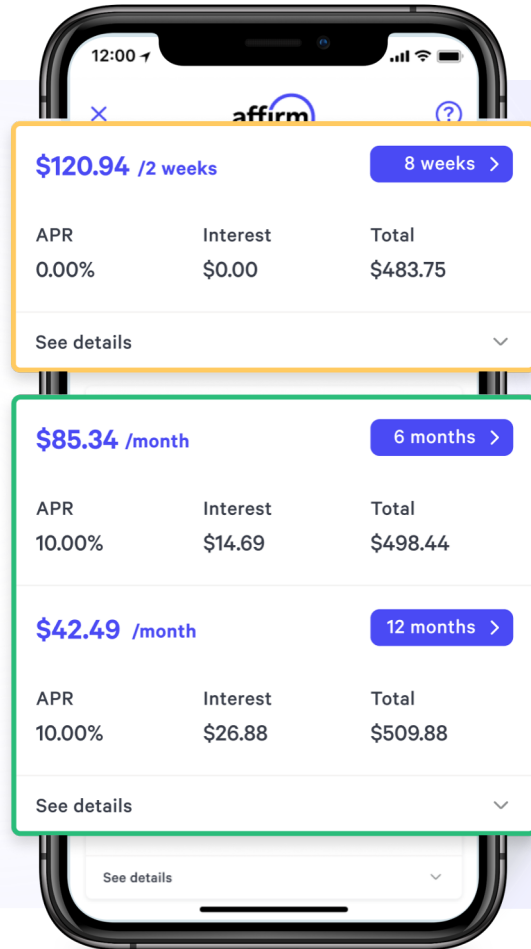
**\$1 billion+**

in returns processed by Returnly



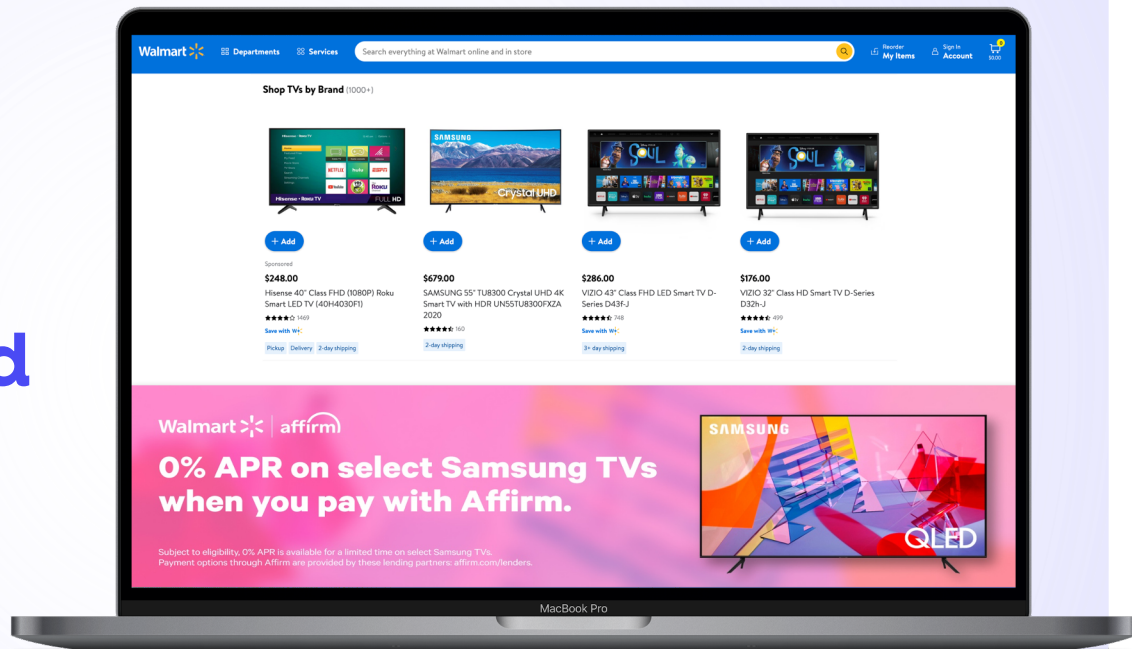
New and available today

# Adaptive Checkout



New and available today

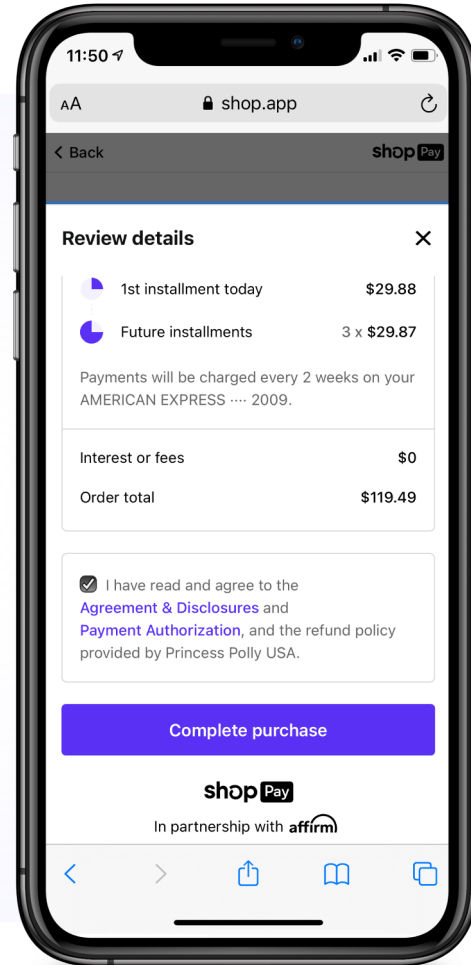
# Brand-Sponsored Promotions





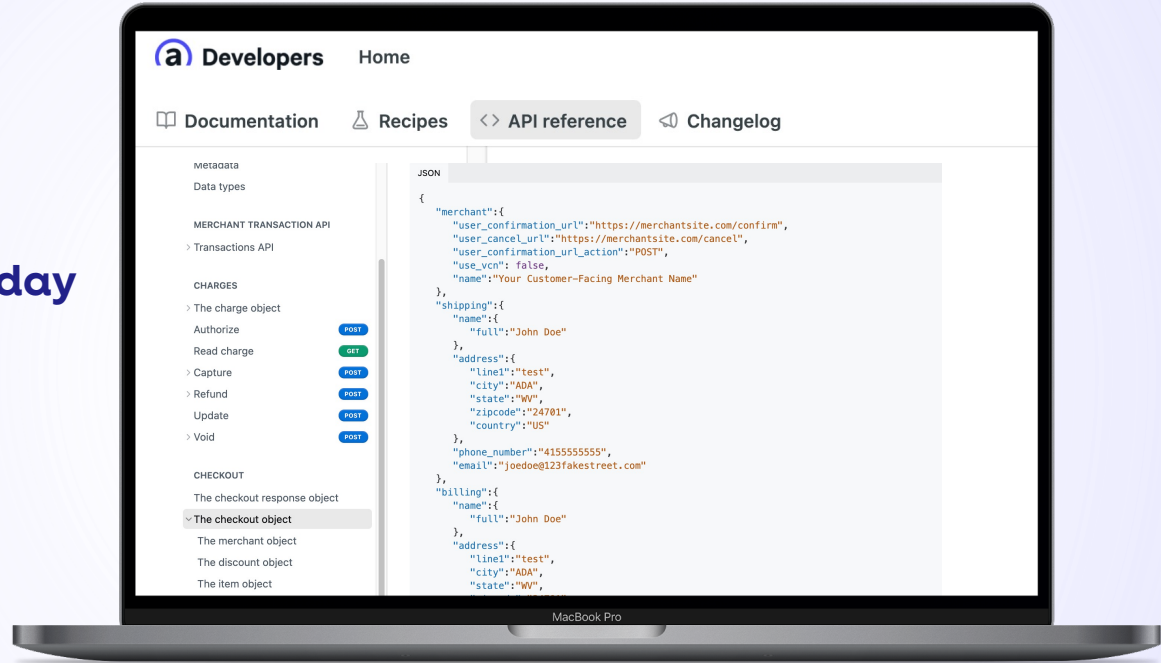
Available today

# Shop Pay Installments



New and available today

Powered  
by Affirm



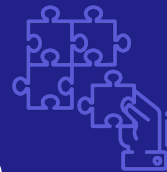
# Merchant Capital Program



## The Insight

Merchants are looking for attractive and transparent capital sources to accelerate their growth

## The Solution



Non-dilutive, low-cost  
cash advances

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# \$50M+

Facilitated YTD

# The Great Unbundling Continued



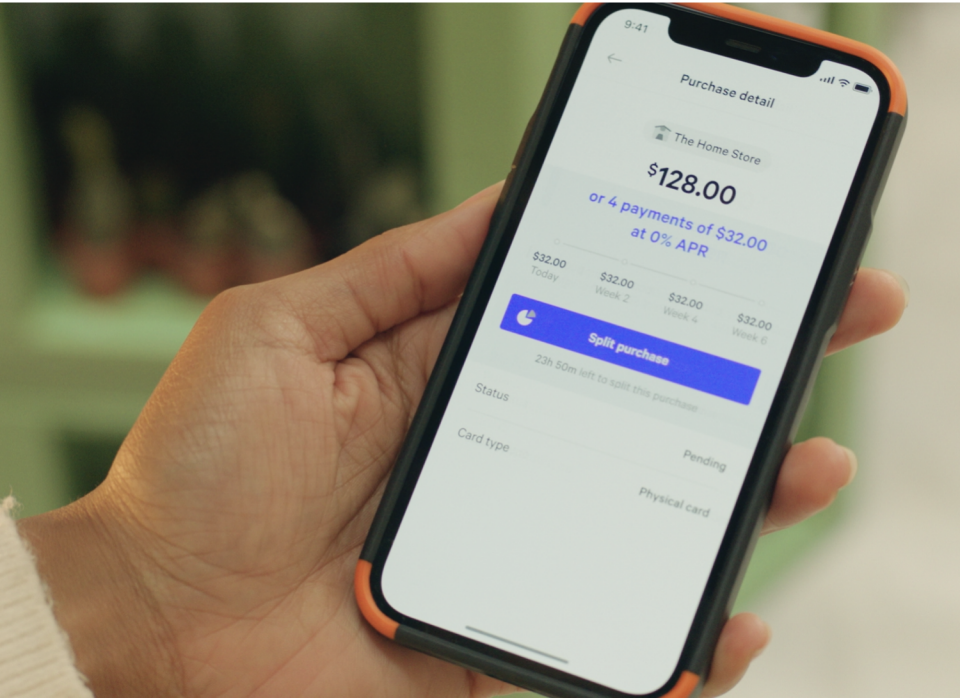
A woman with dark curly hair, wearing a white sweater, is looking down at a blue Affirm debit card she is holding in her hand. The card has the Affirm logo and 'debit+' printed on it. The background is a blurred wooden wall.

affirm

A large white circle containing the Affirm logo and the text 'debit+' in blue.

affirm debit+

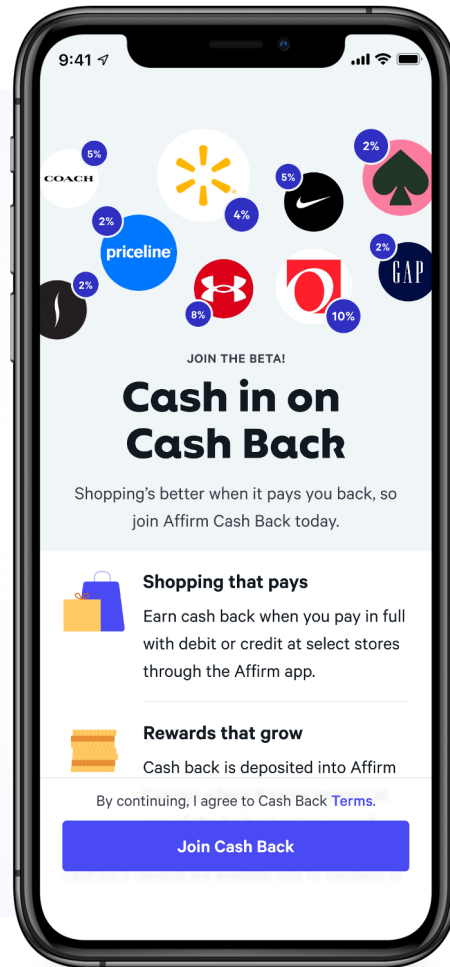




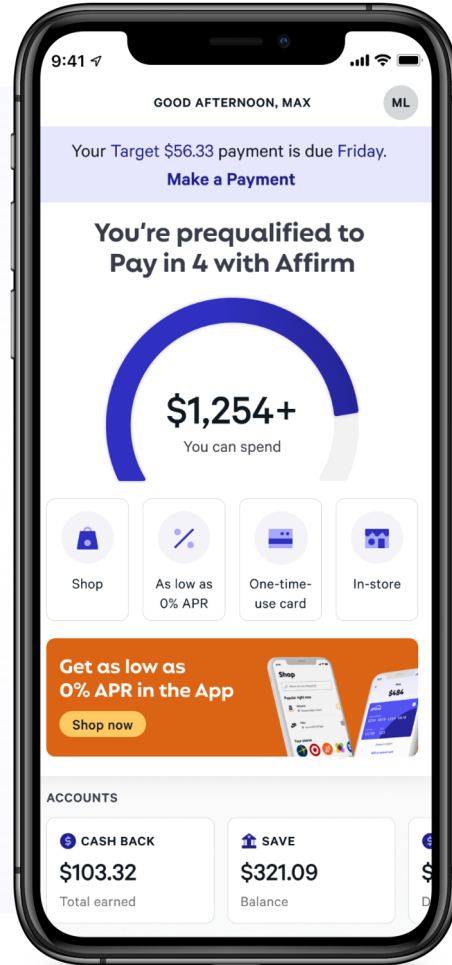


In development

# Affirm Cash Back and Rewards

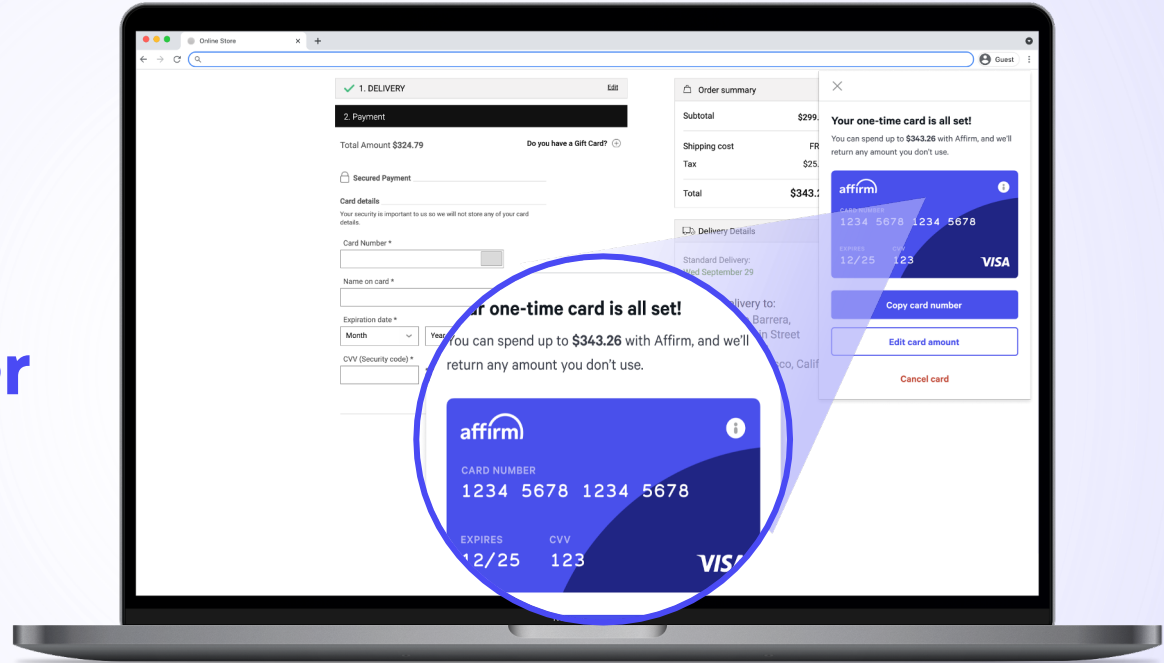


New and coming soon  
**SuperApp**



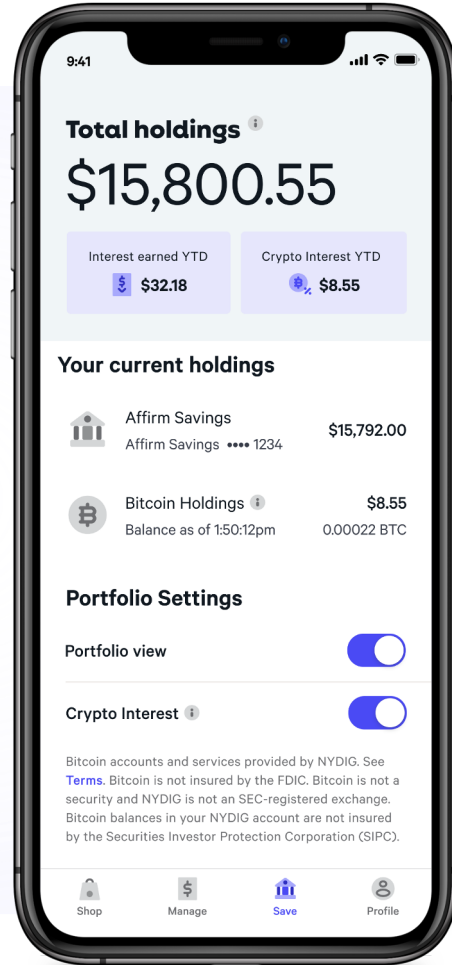
In development

# Affirm Browser Extension



New and coming soon

Crypto



# Large and expanding addressable market



**\$800B**

U.S. e-commerce market



**\$8T**

Consumer credit  
card spend in the U.S.



**~\$1T**

U.S. merchant spend  
on customer acquisition

# Financial Discussion



## Michael Linford

CFO



# Driving strong business momentum

Hyper growth at scale

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Compelling product unit economics

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World-class credit management

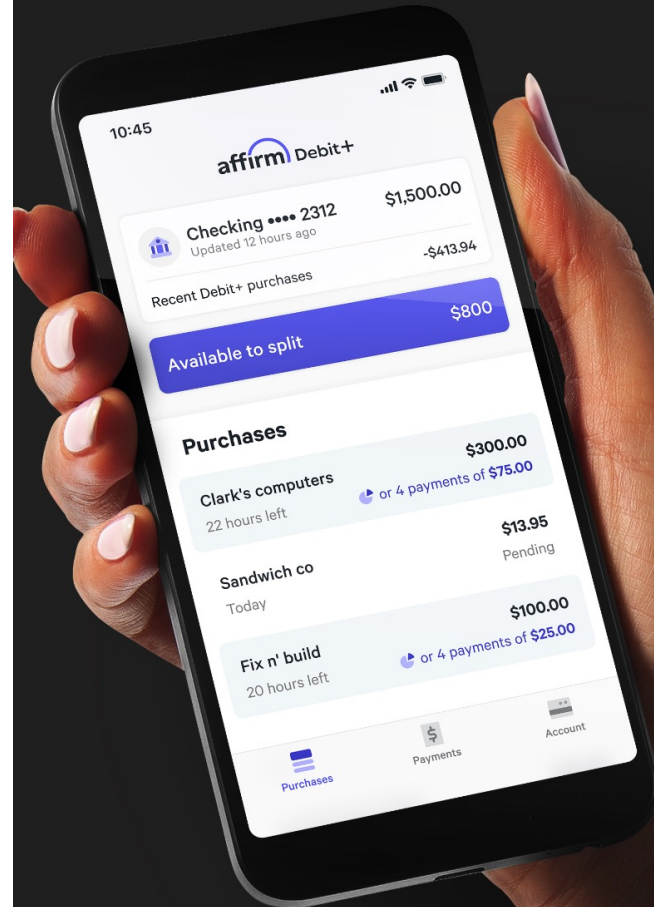
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Efficient capital funding capabilities

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Disciplined investment approach

affirm



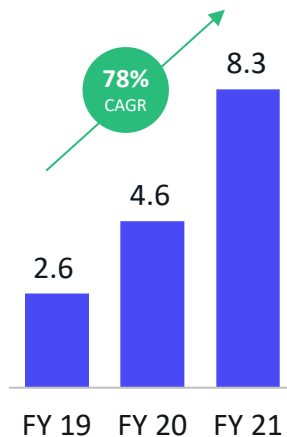
# Track record of growth



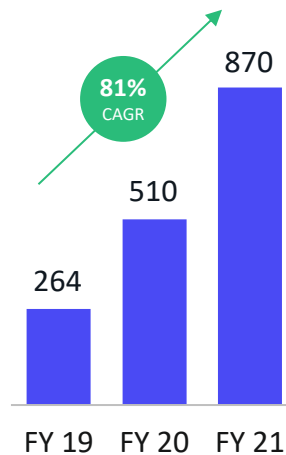
Hyper growth at scale

Attractive unit economics

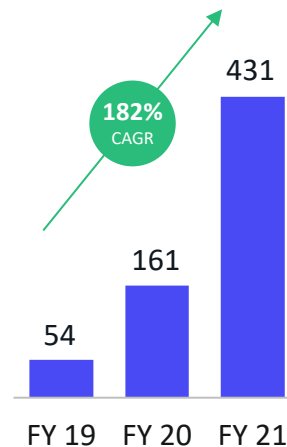
**Gross Merchandise Volume (GMV)<sup>1</sup>**  
(\$B)



**Total Revenue**  
(\$M)



**Revenue Less Transaction Costs<sup>2</sup>**  
(\$M)



1. Gross Merchandise Volume ("GMV") is the total dollar amount of all transactions on the Affirm platform during the applicable period, net of refunds.

2. Transaction Costs are the sum of loss on loan purchase commitment, provision for credit losses, funding costs, and processing and servicing expense.

All metrics are unaudited.



# Our offerings

Consumer Offerings

0% APR  
Installment Loans

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Interest Bearing (IB)  
Installment Loans

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Split Pay

Merchant Services

User Acquisition

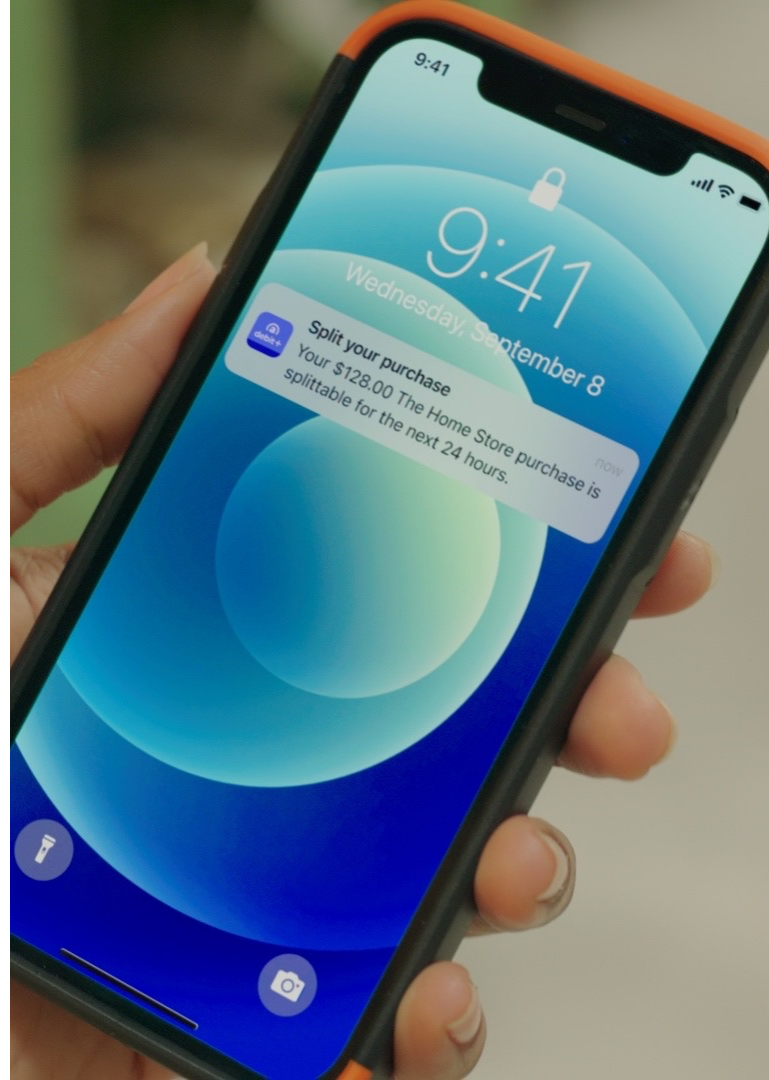
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Data Analytics

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Returnly

← **affirm** debit+ →



# Robust access to diversified pools of capital



	Description	Financial Products	Funding Economics	Advance Rates
Warehouse	Asset-backed debt; borrowing using loans as collateral	All	2–4% Interest expense + Amortized debt Issuance costs	80–90%
Forward Flow	Third-party loan sales	IB, High & Low AOV 0% (excl. Split Pay)	~1–5% Gain on sale	100%
Securitization – On Balance Sheet	Packaging loans into security; retaining risk	All	1–3% Interest expense + Amortized debt Issuance costs	90–99%
Securitization – Off Balance Sheet	Packaging loans into security; selling security	High AOV 0%	~1–5% Gain on sale	95–99%

# Split Pay

Merchant Discount Rate (MDR)<sup>1</sup>

**Up to 8%**

Repeat Velocity<sup>2</sup>

**Monthly**

Annual Percentage Rate (APR)

**0%**

Cart Size Range

**\$50–\$3,000**

Term Lengths

**6–8 weeks**

Average Order Value (AOV)

**\$100–\$250**

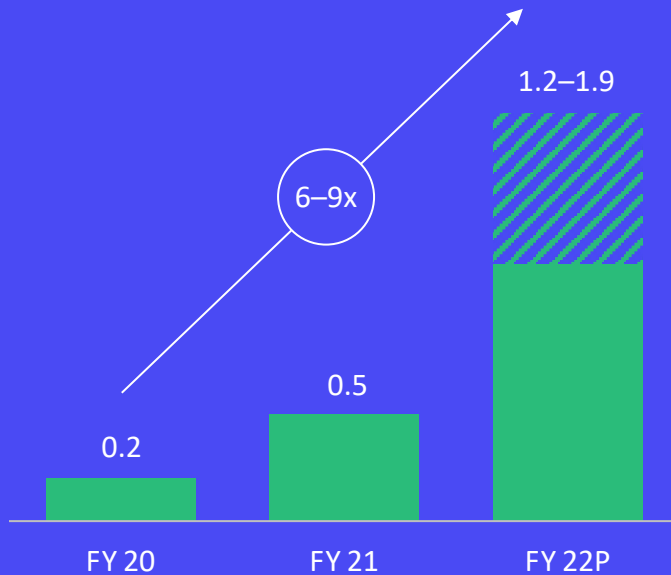
Payment Frequency

**Biweekly**

1. Merchant Discount Rate ("MDR") is the fee charged to merchants for facilitating a transaction.
  2. Repeat Velocity is the illustrative frequency with which a typical consumer may make a purchase which would be eligible for a given product type.
- All metrics are unaudited.



Annual GMV  
(\$B)



URBANSTEMS

BIRDIES

rag & bone

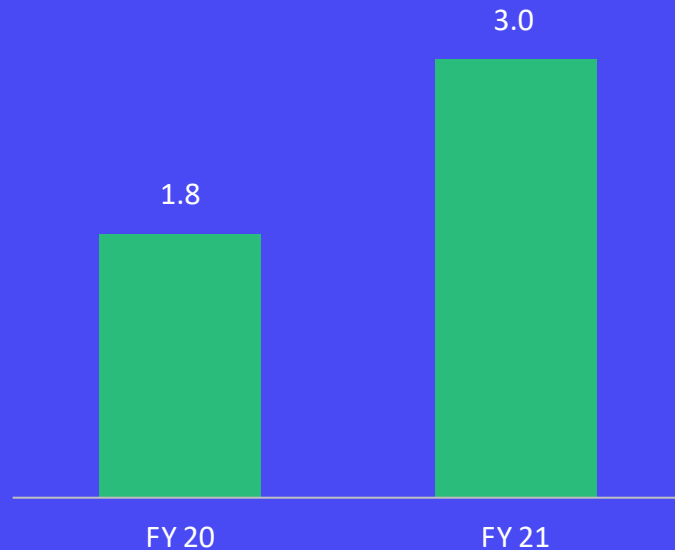
# 0% APR installment offerings

	Short Term 0%	Long Term 0%
Merchant Discount Rate	4–8%	8–15+%
APR	0%	0%
Term Lengths	3–12 months	13–60 months
Payment Frequency	Monthly	Monthly
Repeat Velocity	Monthly	Quarterly
Cart Size Range	\$50–\$17,500	\$50–\$17,500
Representative AOV <sup>1</sup>	\$500–\$750	\$800–\$1,200

1. Representative AOV is the illustrative average order value for typical merchants offering this product. All metrics are unaudited.



Annual GMV  
(\$B)



SAMSUNG



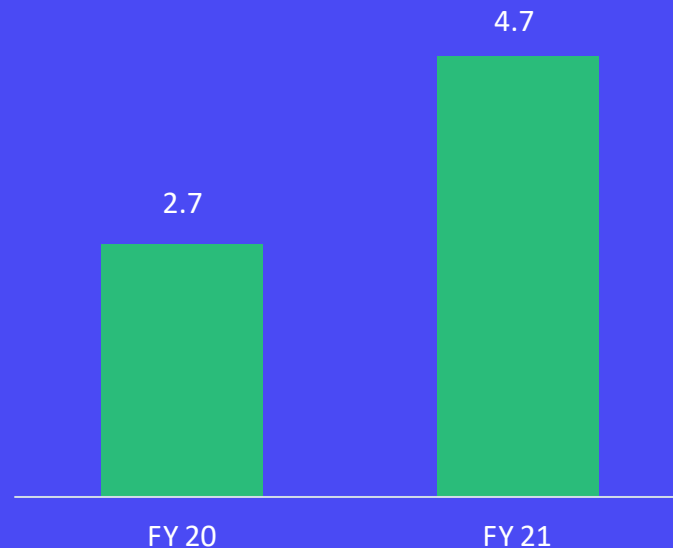
# Interest-bearing installment offering

Merchant Discount Rate <b>2–5%</b>	Payment Frequency <b>Monthly</b>
APR <b>10–30%</b>	Cart Size Range <b>\$50–\$17,500+</b>
Term Lengths <b>3–60 months</b>	Representative AOV <sup>1</sup> <b>\$500–\$1,000</b>

1. Representative AOV is the illustrative average order value for typical merchants offering this product. All metrics are unaudited.



Annual GMV  
(\$B)





Merchant Discount Rate

**Up to 10%**

Term Lengths

**Short duration**

Representative Value<sup>1</sup>

**\$50–\$150**



Outdoor Voices



1. Representative Value is the illustrative average return credit amount for typical merchants offering this product.

	Debit Transactions	Pay Over Time Transactions
Interchange Fee	~1–1.5%	~1–1.5%
MDR	—	Varies by term length
APR	—	0–30%
Term Lengths	—	6 weeks–60 months
Payment Frequency	Daily (3–4 day settlement)	Biweekly or monthly
Repeat Velocity	Daily	Monthly
Cart Size Range	\$0–\$150	\$50–\$17,500
Representative AOV	~\$35	~\$100

Note: Excludes physical card and marketing/consumer acquisition costs

## Debit Transactions

### REVENUE

Interchange Fee

### EXPENSES

Fraud & dispute charges

Funding costs during settlement

Servicing costs

Payment processing

## Pay Over Time Transactions

### REVENUE

Interchange Fee

MDR

Interest income

### EXPENSES

Loan losses

Fraud & dispute charges

Funding costs

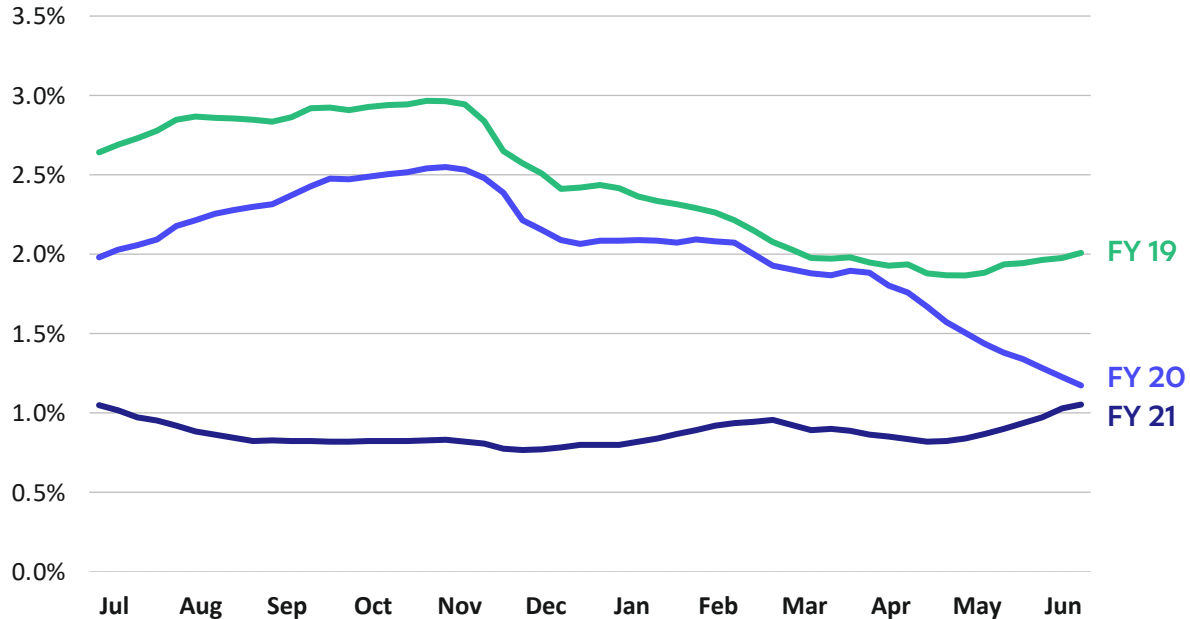
Servicing costs

Payment processing

# Strong credit performance



Delinquencies (DQ) of 30+ days as % of Active Balances



Note: U.S. only.

Managing credit to outcomes

Sustaining low delinquencies

Loosening credit box —  
expect to return to  
pre-pandemic levels



# Disciplined investment approach based on growth



	"Hyper Growth"			"Growth"	"Long Term"
	Actual FY 2020	Actual FY 2021	Outlook FY 2022	@ 30–40% GMV Growth	@ <30% GMV Growth
<b>GMV Growth</b>	77%	79%	50–54%	30–40%	
<b>Total Revenue Growth</b>	93%	71%	33–37%	20–30%	
<b>Revenue as a % of GMV</b>	11%	10%	9%	~8%	6–8%
<b>Revenue Less Transaction Costs as a % of GMV</b>	3%	5%	4–5%	3–4%	3–4%
<b>Revenue Less Transaction Costs as a % of Revenue</b>	32%	50%	48%	37.5–50%	37.5–50%
<b>Adjusted Other Operating Expenses as a % of Revenue<sup>1</sup></b>	45%	48%	59–60%	37.5–40%	17.5–20%
<b>Adjusted Operating Margin<sup>2</sup></b>	(13)%	2%	(11)–(13)%	0–10%	20–30%

1. Adjusted Other Operating Expenses is total operating expenses excluding (a) transaction costs; (b) depreciation and amortization; (c) stock-based compensation included in GAAP operating expenses; (d) the amortization of our Shopify commercial agreement asset; and (e) certain other costs.

2. Adjusted Operating Margin is operating income (loss) excluding (a) depreciation and amortization; (b) stock-based compensation included in GAAP operating expenses; (c) the amortization of our Shopify commercial agreement asset; and (d) certain other costs, divided by total revenue.

Growth rates and margins correspond to Affirm's FY22 Financial Outlook, as presented on September 9, 2021.

All metrics are unaudited.

# Tremendous opportunity ahead



**Affirm is...**

**Attracting more consumers and giving them more reasons to choose Affirm**

---

**Forging deep relationships with top merchants and platforms**

---

**Driving scale and leverage**



**Max Levchin**

Founder & CEO



**Michael Linford**

CFO

# Thank you

[investors.affirm.com](https://investors.affirm.com)

# Appendix

# Reconciliation of non-GAAP financial measures



	Reconciliation of Transaction Costs to Total Operating Expenses (\$M)		
	FY 2019	FY 2020	FY 2021
Loss on Loan Purchase Commitment	73	162	247
Provision for Credit Losses	78	105	66
Funding Costs	26	32	53
Processing and Servicing	33	50	73
Transaction Costs (Non-GAAP)	<b>210</b>	<b>349</b>	<b>439</b>
Technology and Data Analytics	76	122	256
Sales and Marketing	17	25	185
General and Administrative	89	121	370
Total Operating Expenses	<b>392</b>	<b>617</b>	<b>1,250</b>

Metrics are unaudited.

# Reconciliation of non-GAAP financial measures



	Reconciliation of Revenue Less Transaction Costs to Total Revenue (\$M)		
	FY 2019	FY 2020	FY 2021
<b>Total Revenue</b>	264	510	870
<b>Less: Transaction Costs (Non-GAAP)</b>	(210)	(349)	(439)
<b>Revenue Less Transaction Costs (Non-GAAP)</b>	<b>54</b>	<b>161</b>	<b>431</b>

Metrics are unaudited.

# Reconciliation of non-GAAP financial measures



	Reconciliation of Adjusted Other Operating Expenses to Total Operating Expenses (\$M, except %)	
	FY 2020	FY 2021
<b>Total Operating Expenses</b>	617	1,250
<b>Less: Transaction Costs (Non-GAAP)</b>	(349)	(439)
<b>Less: Depreciation and Amortization</b>	(9)	(20)
<b>Less: Stock-Based Compensation<sup>1</sup></b>	(30)	(286)
<b>Less: Amortization of Shopify Commercial Agreement Asset</b>	-	(65)
<b>Less: Other Costs<sup>2</sup></b>	-	(21)
<b>Adjusted Other Operating Expenses (Non-GAAP)</b>	<b>229</b>	<b>415</b>
<b>Divided By: Total Revenue</b>	510	870
<b>Adjusted Other Operating Expenses as a % of Revenue (Non-GAAP)</b>	<b>45%</b>	<b>48%</b>

1. Excludes stock-based compensation expense included in processing and servicing, as this is adjusted for by excluding transaction costs.

2. Other consists of one-time expenses incurred in the period associated with the Company's initial public offering, its strategic acquisitions, and impairment of right of use assets.

Metrics are unaudited.



# Reconciliation of non-GAAP financial measures



	Reconciliation of Adjusted Operating Margin to Operating Income (Loss) (\$M, except %)	
	FY 2020	FY 2021
Operating Income (Loss)	(107)	(380)
Less: Depreciation and Amortization	9	20
Less: Stock-Based Compensation	30	288
Less: Amortization of Shopify Commercial Agreement Asset	-	65
Less: Other Costs <sup>1</sup>	-	21
<b>Adjusted Operating Income (Loss) (Non-GAAP)</b>	<b>(68)</b>	<b>14</b>
Divided By: Total Revenue	510	870
<b>Adjusted Operating Margin (Non-GAAP)</b>	<b>(13)%</b>	<b>2%</b>

1. Other consists of one-time expenses incurred in the period associated with the Company's initial public offering, its strategic acquisitions, and impairment of right of use assets. Metrics are unaudited.