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 March 31, 2021

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 001-39888

Affirm Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**84-2224323**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
650 California Street	
San Francisco, California	**94108**
(Address of Principal Executive Offices)	(Zip Code)

(415) 984-0490
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 $0.00001 per share	AFRM	The Nasdaq Global Select Market

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 and every Interactive Data File required to be submitted and posted 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 and post 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. (Check one):

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 Exchange Act). Yes ☐ No ☒

As of May 7, 2021, the number of shares of the registrants Class A common stock outstanding was 147,578,989 and the number of shares of the registrant's Class B common stock outstanding was 117,514,310.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Form 10-Q"), as well as information included in oral statements or other written statements made or to be made by us, 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, that involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this report, including statements regarding our future results of operations and financial condition, business strategy, and plans and objectives of management for future operations, are forward-looking statements. In some cases, forward-looking statements may be identified by words such as "anticipate," "believe," "continue," "could," "design," "estimate," "expect," "intend," "may," "plan," "potentially," "predict," "project," "should," "will," “would,” or the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our future revenue, expenses, and other operating results and key operating metrics;
- our ability to attract additional merchants and retain and grow our relationships with our existing merchant partners;
- our ability to attract new consumers and retain and grow our relationships with our existing consumers;
- our ability to compete successfully in a highly competitive industry;
- our ability to successfully engage new originating bank partners;
- the availability of funding sources to support our network;
- our ability to effectively price and score credit risk using our proprietary risk model;
- the performance of loans facilitated through our platform;
- our expectations regarding product launches;
- the future growth rate of our revenue and related key operating metrics;
- our ability to achieve or sustain profitability in the future;
- our ability to remain in compliance with laws and regulations that currently apply or become applicable to our business;
- our ability to protect our confidential, proprietary, or sensitive information;
- past and future acquisitions, investments, and other strategic investments;
- our ability to maintain, protect, and enhance our brand and intellectual property;
- litigation, investigations, regulatory inquiries, and proceedings;
- the impact of macroeconomic conditions on our business, including the impact of the COVID-19 pandemic; and
- the size and growth rates of the markets in which we compete.

Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including risks described in the section titled "Risk Factors" and elsewhere in this Form 10-Q. Other sections of this Form 10-Q may include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, events, or circumstances. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report or to conform these statements to actual results or to changes in our expectations. You should read this Form 10-Q and the documents that we have filed as exhibits to this report with the understanding that our actual future results, levels of activity, performance, and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

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 report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and 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.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (investors.affirm.com), our filings with the Securities and Exchange Commission, webcasts, press releases, and conference calls. We use these mediums, including our website, to communicate with investors and the general public about our company, our products, and other issues. It is possible that the information that we make available on our website may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website. The contents of our website are not incorporated into this filing. We have included our investor relations website address only as an inactive textual reference and do not intend it to be an active link to our website.

Part I - Financial Information

Item 1. Unaudited Financial Statements

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands, except shares and per share amounts)

	June 30, 2020	March 31, 2021
Assets		
Cash and cash equivalents	$ 267,059	$ 1,623,672
Restricted cash	61,069	183,330
Loans held for sale	4,459	12,774
Loans held for investment	1,034,312	2,195,394
Allowance for credit losses	(95,137)	(113,754)
Loans held for investment, net	939,175	2,081,640
Accounts receivable, net	59,001	66,080
Property, equipment and software, net	48,140	53,444
Goodwill and intangible assets	3,751	279,198
Commercial agreement assets	—	246,383
Other assets	19,597	219,868
Total Assets	**$ 1,402,251**	**$ 4,766,389**
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit		
Liabilities:		
Accounts payable	$ 18,361	$ 29,005
Payable to third-party loan owners	24,998	36,523
Accrued interest payable	1,860	3,891
Accrued expenses and other liabilities	27,810	291,428
Convertible debt	74,222	—
Notes issued by securitization trusts	—	1,241,126
Funding debt	817,926	760,395
Total liabilities	965,177	2,362,368
Commitments and contingencies (Note 8)		
Redeemable convertible preferred stock, $0.00001 par value, 124,453,009 and 30,000,000 shares authorized as of June 30, 2020 and March 31, 2021, respectively; 122,115,971 and no shares issued and outstanding as of June 30, 2020 and March 31, 2021, respectively; liquidation preference of $809,032 and nil as of June 30, 2020 and March 31, 2021, respectively	804,170	—
Stockholders' (deficit) equity:		
Common stock, $0.00001 par value, 232,000,000 and no shares authorized as of June 30, 2020 and March 31, 2021, respectively; 47,684,427 and no shares issued and outstanding as of June 30, 2020 and March 31, 2021, respectively	—	—
Class A common stock, par value $0.00001 per share: no shares authorized, issued and outstanding as of June 30, 2020; 3,030,000,000 shares authorized, 147,773,275 shares issued and outstanding as of March 31, 2021	—	2
Class B common stock, par value $0.00001 per share: no shares authorized, issued and outstanding as of June 30, 2020; 140,000,000 shares authorized, 116,884,843 shares issued and outstanding as of March 31, 2021	—	1
Additional paid in capital	80,373	3,134,145
Accumulated deficit	(447,167)	(734,873)
Accumulated other comprehensive (loss) gain	(302)	4,746
Total stockholders' (deficit) equity	(367,096)	2,404,021
Total Liabilities, Redeemable Convertible Preferred Stock and Stockholders' (Deficit) Equity	**$ 1,402,251**	**$ 4,766,389**

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

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS, CONT.
(Unaudited)
(in thousands, except shares and per share amounts)

The following table presents the assets and liabilities of consolidated variable interest entities ("VIEs"), which are included in the interim condensed consolidated balance sheets above. The assets in the table below may only be used to settle obligations of consolidated VIEs and are in excess of those obligations. The liabilities in the table below include liabilities for which creditors do not have recourse to the general credit of the Company. Additionally, the assets and liabilities in the table below include third-party assets and liabilities of consolidated VIEs only and exclude intercompany balances that eliminate upon consolidation.

	June 30, 2020	March 31, 2021
Assets of consolidated VIEs, included in total assets above		
Restricted cash	$ 28,788	$ 138,656
Loans held for investment	935,085	1,914,979
Allowance for credit losses	(87,467)	(103,390)
Loans held for investment, net	847,618	1,811,589
Accounts receivable, net	8,146	8,209
Other assets	3,345	4,238
Total assets of consolidated VIEs	**$ 887,897**	**$ 1,962,692**
Liabilities of consolidated VIEs, included in total liabilities above		
Accounts payable	$ 492	$ 1,772
Accrued interest payable	1,732	3,762
Accrued expenses and other liabilities	565	4,648
Notes issued by securitization trusts	—	1,241,126
Funding debt	817,926	701,231
Total liabilities of consolidated VIEs	**820,715**	**1,952,539**
Total net assets	**$ 67,182**	**$ 10,153**

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

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
Revenue				
Merchant network revenue	$ 67,350	$ 97,999	$ 171,503	$ 290,894
Virtual card network revenue	5,930	13,809	16,641	30,587
Total network revenue	73,280	111,808	188,144	321,481
Interest income	52,372	94,530	137,613	222,624
Gain on sales of loans	9,866	16,350	20,329	47,344
Servicing income	2,755	7,977	10,110	17,235
Total Revenue, net	**$ 138,273**	**$ 230,665**	**$ 356,196**	**$ 608,684**
Operating Expenses				
Loss on loan purchase commitment	$ 43,519	$ 62,054	$ 106,141	$ 195,690
Provision for credit losses	82,216	(1,063)	137,238	40,389
Funding costs	8,204	14,665	24,499	37,077
Processing and servicing	13,678	21,335	35,025	51,635
Technology and data analytics	33,654	98,728	90,634	174,130
Sales and marketing	7,108	57,549	19,978	119,243
General and administrative	31,399	146,853	89,791	220,042
Total Operating Expenses	**219,778**	**400,121**	**503,306**	**838,206**
Operating Loss	**$ (81,505)**	**$ (169,456)**	**$ (147,110)**	**$ (229,522)**
Other income, net	(4,022)	(77,773)	(19)	(48,088)
Loss Before Income Taxes	**$ (85,527)**	**$ (247,229)**	**$ (147,129)**	**$ (277,610)**
Income tax expense (benefit)	93	(70)	282	105
Net Loss	**$ (85,620)**	**$ (247,159)**	**$ (147,411)**	**$ (277,715)**
Excess return to preferred stockholders on repurchase	—	—	(13,205)	—
Net Loss Attributable to Common Stockholders	**$ (85,620)**	**$ (247,159)**	**$ (160,616)**	**$ (277,715)**
Other Comprehensive Income (Loss)				
Foreign currency translation adjustments	$ (874)	$ 2,829	$ (864)	$ 5,048
Net Other Comprehensive Income (Loss)	(874)	2,829	(864)	5,048
Comprehensive Loss	**$ (86,494)**	**$ (244,330)**	**$ (148,275)**	**$ (272,667)**
Per share data:				
Net loss per share attributable to common stockholders for Class A and Class B:				
Basic	$ (1.80)	$ (1.06)	$ (3.35)	$ (2.27)
Diluted	$ (1.80)	$ (1.06)	$ (3.35)	$ (2.48)
Weighted average common shares outstanding:				
Basic	47,435,554	233,309,590	47,974,768	122,161,508
Diluted	47,435,554	233,309,590	47,974,768	123,329,359

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

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENT OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
(Unaudited)
(in thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance as of June 30, 2019	**122,653,704**	**$ 798,074**	**47,078,208**	**$ —**	**$ 54,824**	**$ (318,238)**	**$ —**	**$ (263,414)**
Issuance of common stock	—	—	213,770	—	743	—	—	743
Repurchases of common stock	—	—	(63,719)	—	—	(865)	—	(865)
Issuance of redeemable convertible preferred stock, net of issuance costs of $20	1,175,872	15,481	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	9,323	—	—	9,323
Foreign currency translation adjustments	—	—	—	—	—	—	25	25
Net loss	—	—	—	—	—	(30,795)	—	(30,795)
Balance as of September 30, 2019	**123,829,576**	**$ 813,555**	**47,228,259**	**$ —**	**$ 64,890**	**$ (349,898)**	**$ 25**	**$ (284,983)**
Issuance of common stock	**—**	**$ —**	**1,485,298**	**—**	**478**	**—**	**—**	**478**
Repurchases of common stock	—	—	(1,385,879)	—	(2,123)	(15,467)	—	(17,590)
Repurchases of redeemable convertible preferred stock	(1,713,605)	(9,385)	—	—	(13,205)	—	—	(13,205)
Stock-based compensation	—	—	—	—	9,155	—	—	9,155
Foreign currency translation adjustments	—	—	—	—	—	—	(15)	(15)
Net loss	—	—	—	—	—	(30,996)	—	(30,996)
Balance as of December 31, 2019	**122,115,971**	**$ 804,170**	**47,327,678**	**$ —**	**$ 59,195**	**$ (396,361)**	**$ 10**	**$ (337,156)**
Issuance of common stock	**—**	**$ —**	249,861	**—**	552	**—**	**—**	552
Repurchases of common stock	—	—	(45,500)	—	(400)	—	—	(400)
Stock-based compensation	—	—	—	—	8,462	—	—	8,462
Foreign currency translation adjustments	—	—	—	—	—	—	(874)	(874)
Net loss	—	—	—	—	—	(85,620)	—	(85,620)
Balance as of March 31, 2020	**122,115,971**	**$ 804,170**	**47,532,039**	**$ —**	**$ 67,809**	**$ (481,981)**	**$ (864)**	**$ (415,036)**

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

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENT OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT, CONT.
(Unaudited)
(in thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance as of June 30, 2020	**122,115,971**	**$ 804,170**	**47,684,427**	**$ —**	**$ 80,373**	**$ (447,167)**	**$ (302)**	**$ (367,096)**
Issuance of common stock upon exercise of stock options	—	—	388,246	—	1,741	—	—	1,741
Repurchases of common stock	—	—	(115,625)	—	(584)	—	—	(584)
Issuance of redeemable convertible preferred stock, net of issuance costs of $440	21,824,141	434,434	—	—	—	—	—	—
Vesting and exercise of warrants for common stock	—	—	5,074,398	—	67,645	—	—	67,645
Stock-based compensation	—	—	—	—	7,175	—	—	7,175
Conversion of convertible debt	4,444,321	88,559	—	—	(42,124)	—	—	(42,124)
Effects of adoption of new accounting standards	—	—	—	—	—	(9,980)	—	(9,980)
Foreign currency translation adjustments	—	—	—	—	—	—	405	405
Net loss	—	—	—	—	—	(3,946)	—	(3,946)
Balance as of September 30, 2020	**148,384,433**	**$ 1,327,163**	**53,031,446**	**$ —**	**$ 114,226**	**$ (461,093)**	**$ 103**	**$ (346,764)**
Issuance of common stock upon exercise of stock options	—	—	6,220,024	—	21,676	—	—	21,676
Repurchases of common stock	—	—	(12,100)	—	(199)	—	—	(199)
Issuance of redeemable convertible preferred stock, net of issuance costs of $143	12,546	108	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	6,774	—	—	6,774
Foreign currency translation adjustments	—	—	—	—	—	—	1,814	1,814
Net loss	—	—	—	—	—	(26,610)	—	(26,610)
Balance as of December 31, 2020	**148,396,979**	**$ 1,327,271**	**59,239,370**	**$ —**	**$ 142,477**	**$ (487,703)**	**$ 1,917**	**$ (343,309)**

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

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENT OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT, CONT.
(Unaudited)
(in thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Deficit
	Shares	Amount	Shares[1]	Amount				
Balance as of December 31, 2020	**148,396,979**	**$ 1,327,271**	**59,239,370**	**$ —**	**$ 142,477**	**$ (487,703)**	**$ 1,917**	**$ (343,309)**
Conversion of redeemable convertible preferred stock	(148,396,979)	(1,327,271)	148,396,979	2	1,327,269	(11)	—	1,327,260
Issuance of common stock upon initial public offering, net of issuance costs of $6,746	—	—	28,290,000	1	1,305,301	—	—	1,305,302
Issuance of common stock upon exercise of stock options	—	—	4,721,033	—	19,819	—	—	19,819
Issuance of common stock upon exercise of warrants	—	—	15,577,185	—	203,511	—	—	203,511
Issuance of common stock for acquisition	—	—	6,209,806	—	117,023	—	—	117,023
Vesting of restricted stock units	—	—	2,225,411	—	—	—	—	—
Repurchases of common stock	—	—	(1,666)	—	(3)	—	—	(3)
Stock-based compensation	—	—	—	—	146,314	—	—	146,314
Tax withholding for stock-based compensation	—	—	—	—	(127,566)	—	—	(127,566)
Foreign currency translation adjustments	—	—	—	—	—	—	2,829	2,829
Net loss	—	—	—	—	—	(247,159)	—	(247,159)
Balance as of March 31, 2021	**—**	**$ —**	**264,658,118**	**$ 3**	**$ 3,134,145**	**$ (734,873)**	**$ 4,746**	**$ 2,404,021**

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

[1] The share amounts listed above combine common stock, Class A common stock and Class B common stock.

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Nine Months Ended March 31,	
	2020	**2021**
Cash Flows from Operating Activities		
Net Loss	$ (147,411)	$ (277,715)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for credit losses	137,238	40,389
Amortization of premiums and discounts on loans, net	(20,668)	(60,705)
Gain on sales of loans	(20,329)	(47,344)
Changes in fair value of servicing assets and liabilities	(706)	(2,733)
Changes in fair value and extinguishment of convertible debt derivative	—	(30,106)
Change in fair value of residual trust certificates	—	(350)
Change in fair value of contingent consideration	—	78,499
Amortization of commercial agreement assets	—	50,097
Amortization of debt issuance costs	1,661	3,675
Stock-based compensation	24,589	152,471
Depreciation and amortization	7,421	12,092
Income tax expense (benefit)	282	105
Impairment of right of use assets	—	11,141
Loss on disposal of property, equipment and software	—	4,563
Other	(862)	2,354
Purchases of loans held for sale	(1,635,950)	(1,640,672)
Proceeds from the sale of loans held for sale	1,575,767	1,599,554
Change in operating assets and liabilities:		
Accounts receivable, net	(4,013)	(6,461)
Other assets	24,475	(208,798)
Accrued interest payable	793	2,535
Accounts payable	1,564	4,064
Accrued expenses and other liabilities	7,054	128,602
Payable to third-party loan owners	6,240	11,526
Net Cash Used in Operating Activities	**(42,855)**	**(173,217)**
Cash Flows from Investing Activities		
Purchases of loans held for investment	(2,033,286)	(4,007,881)
Origination of loans	—	(305,953)
Proceeds from the sale of loans	211,703	348,195
Principal repayments of loans	1,607,887	3,002,351
Acquisition, net of cash and restricted cash acquired	—	(104,776)
Acquisition of commercial agreement assets	—	(25,900)
Additions to property, equipment and software	(18,704)	(12,414)
Net Cash Used in Investing Activities	**(232,400)**	**(1,106,378)**
Cash Flows from Financing Activities		
Proceeds from funding debt	1,528,747	2,413,905
Payment of debt issuance costs	(1,383)	(11,266)
Principal repayments of funding debt	(1,329,160)	(2,555,699)
Proceeds from issuance of notes and residual trust certificates by securitization trusts	—	1,396,229
Principal repayments of notes issued by securitization trusts	—	(144,503)
Proceeds from issuance of redeemable convertible preferred stock, net	15,481	434,542
Repurchases of redeemable convertible preferred stock	(22,591)	—
Conversion of redeemable convertible preferred stock	—	(13)
Proceeds from initial public offering, net	—	1,305,301
Proceeds from exercise of common stock options and warrants	1,775	43,815
Repurchases of common stock	(18,854)	(786)
Payments of tax withholding for stock-based compensation	—	(127,566)
Net Cash Provided by Financing Activities	**174,015**	**2,753,959**

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

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, CONT.
(Unaudited)
(in thousands)

	Nine Months Ended March 31,	
	2020	**2021**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	4,510
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash	**(101,240)**	**1,478,874**
Cash and cash equivalents and restricted cash, beginning of period	357,771	328,128
Cash and Cash Equivalents and Restricted Cash, end of period	**$ 256,531**	**$ 1,807,002**
Supplemental Disclosures of Cash Flow Information		
Cash payments for interest	$ 22,072	$ 28,575
Cash paid for income taxes	—	81
Cash paid for operating leases	7,302	9,726
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Stock-based compensation included in capitalized internal-use software	$ 2,350	$ 7,792
Additions to property and equipment included in accrued expenses	2,213	24
Issuance of warrants in exchange for commercial agreement	—	270,579
Conversion of convertible debt	—	88,559
Issuance of common stock in connection with acquisition	—	117,023
Right of use assets obtained in exchange for operating lease liabilities	—	78,421

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

1. Business Description

Affirm Holdings, Inc. (“Affirm”, the “Company”, “we”, “us”, or “our”), headquartered in San Francisco, California, provides consumers with a simpler, more transparent, and flexible alternative to traditional payment options. Our mission is to deliver honest financial products that improve lives. Through our technology-driven payments network and partnerships with originating banks, we enable consumers to confidently pay for a purchase over time, with terms ranging from one to sixty months. When a consumer applies for a loan through our platform, the loan is underwritten using our proprietary risk model, and once approved, the consumer selects their preferred repayment option. The majority of loans are funded and issued by our originating bank partners.

Merchants partner with us to transform the consumer shopping experience and to acquire and convert customers more effectively through our frictionless point-of-sale payment solution. Consumers get the flexibility to buy now and make simple monthly payments for their purchases and merchants see increased average order value, repeat purchase rate, and an overall more satisfied customer base. Unlike legacy payment options and our competitors’ product offerings, which charge deferred or compounding interest and unexpected costs, we disclose up-front to consumers exactly what they will owe — no hidden fees, no penalties.

On January 15, 2021, we closed our initial public offering ("IPO") of 28,290,000 shares of Class A common stock, including 3,690,000 shares pursuant to the option granted to the underwriters to purchase additional shares of Class A common stock, at an offering price of $49.00 per share. The proceeds from the IPO, before expenses, were approximately $1.3 billion.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying interim condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), as contained in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”), disclosure requirements for interim financial information, and the requirements of Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto for the fiscal year ended June 30, 2020. The balance sheet as of June 30, 2020 has been derived from the audited financial statements at that date. Management believes these interim condensed consolidated financial statements reflect all adjustments, including those of a normal and recurring nature, which are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period. Certain prior period amounts have been reclassified to conform to the current period presentation.

Our interim condensed financial statements have been prepared on a consolidated basis. Under this basis of presentation, our financial statements consolidate all wholly owned subsidiaries and variable interest entities (“VIEs”), in which we have a controlling financial interest. These include various Delaware business trust entities and limited partnerships established to enter into warehouse credit agreements with certain lenders for funding debt facilities and asset-backed securitization transactions.

Our variable interest arises from contractual, ownership, or other monetary interests in the entity, which changes with fluctuations in the fair value of the entity’s net assets. We consolidate a VIE when we are deemed to be the primary beneficiary. We assess whether or not we are the primary beneficiary of a VIE on an ongoing basis.

Use of Estimates

The preparation of interim condensed consolidated financial statements in conformity with U.S. GAAP requires the use of estimates, judgments and assumptions that affect the reported amounts in the interim condensed consolidated financial statements and the accompanying notes. Material estimates that are particularly susceptible to

significant change relate to determination of the variable consideration for revenue, the allowance for credit losses, capitalized software development costs, valuation allowance for deferred tax assets, convertible debt derivatives, loss on loan purchase commitment, discount on self-originated loans, the fair value and useful lives of tangible and intangible assets acquired and liabilities assumed resulting from business combinations, the evaluation for impairment of intangible assets and goodwill, the incremental borrowing rate used in discounting our lease liabilities, and stock-based compensation. We base our estimates on historical experience, current events and other factors we believe to be reasonable under the circumstances. To the extent that there are material differences between these estimates and actual results, our financial condition or operating results will be materially affected.

These estimates are based on information available as of the date of the interim condensed consolidated financial statements; therefore, actual results could differ materially from those estimates.

Business Combination

We use the acquisition method of accounting for business combination transactions, and, accordingly, recognize the fair values of assets acquired and liabilities assumed in our interim condensed consolidated financial statements. Assets acquired and liabilities assumed in a business combination that arise from contingencies are recognized at fair value. Transaction costs related to the acquisition of the acquired company are expensed as incurred. The allocation of fair values may be subject to adjustment after the initial allocation for up to a one-year period as more information becomes available relative to the fair values as of the acquisition date. The interim condensed consolidated financial statements include the results of operations of any acquired company since the acquisition date.

Goodwill and Intangible Assets

We recognize the excess of the purchase price over the fair value of identifiable net assets acquired at the acquisition date as goodwill. Goodwill is not amortized but is reviewed for impairment annually and more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform a quantitative goodwill impairment test by determining the fair value of the reporting unit and comparing it to the carrying value of the reporting unit. If the fair value of the reporting unit is greater than the reporting unit's carrying value, then the carrying value of the reporting unit is deemed to be recoverable. If the carrying value of the reporting unit is greater than the reporting unit's fair value, goodwill is impaired and written down to the reporting unit's fair value.

Acquired intangible assets consisting of identifiable intangible assets are comprised of developed technology, merchant relationships, and trade names resulting from acquisitions. Acquired intangible assets are recorded at fair value on the date of acquisition and amortized over their estimated economic lives following the pattern in which the economic benefits of the assets will be consumed, which is on a straight-line basis. Acquired intangible assets are presented net of accumulated amortization on the interim condensed consolidated balance sheets. We review the carrying amounts of intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. We measure the recoverability of intangible assets by comparing the carrying amount of each asset to the future undiscounted cash flows we expect the asset to generate. If we consider any of these assets to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair value. In addition, we periodically evaluate the estimated remaining useful lives of long-lived intangible assets to determine whether events or changes in circumstances warrant a revision to the remaining period of depreciation or amortization.

Revenue Recognition

Merchant Network Revenue — Revenue from Contracts with Customers

Merchant network revenue consists of merchant fees. Merchant partners (or merchants) are charged a fee on each transaction processed through the Affirm platform. The fees vary depending on the individual arrangement between us and each merchant and on the terms of the product offering. The fee is recognized at the point in time the

terms of the executed merchant agreement have been fulfilled and the merchant successfully confirms the transaction.

Our contracts with merchants are defined at the transaction level and do not extend beyond the service already provided (i.e., each transaction represents a separate contract). The fees collected from merchants for each transaction are determined as a percentage of the value of the goods purchased by the consumer from merchants and consider a number of factors including the end consumer's credit risk and financing term. We do not have any capitalized contract costs, and do not carry any material contract balances.

Our service comprises a single performance obligation to merchants to facilitate transactions with consumers. From time to time, we offer merchants promotional incentives to offer incentives to promote our platform to their customers, such as fee reductions or rebates. These amounts, as well as refunds, are recorded as a reduction of revenue and netted against merchant network revenue.

We may originate certain loans via our wholly-owned subsidiaries, with zero or below market interest rates. In these instances, the par value of the loans originated is in excess of the fair market value of such loans, resulting in a loss, which we record as a reduction to merchant network revenue. In order to continue to expand our consumer base, we may originate loans under certain merchant arrangements that we do not expect to achieve positive revenue. In these instances, the loss is recorded as sales and marketing expense.

On May 5, 2021, our largest merchant partner, Peloton, announced a voluntary recall of two of its products following a report by the U.S. Consumer Product Safety Commission released on April 17, 2021. Pursuant to ASC 606, we have revised our estimate of the variable consideration associated with revenue earned on the facilitation of transactions related to the recalled products and have recorded a reduction in revenue of $3.5 million in the current period.

Virtual Card Network Revenue — Revenue from Contracts with Customers

We have agreements with issuer processors to facilitate transactions through the issuance of virtual debit cards to be used by consumers at checkout. Consumers can apply for a virtual debit card through the Affirm app and, upon approval, receive a single-use virtual debit card to be used for their purchase online or offline at a non-integrated merchant. The non-integrated merchants are charged interchange fees by the issuer processor for virtual debit card transactions, as with all debit card purchases, and the issuer processor shares a portion of this revenue with us. We also leverage this issuer processor as a means of integrating certain merchants. Similarly, for these arrangements, the merchant is charged interchange fees by the issuer processor and the issuer processor shares a portion of this revenue with us.

Our contracts with issuer processors are defined at the transaction level and do not extend beyond the service already provided. The fees collected from issuer processors for each transaction are determined as a percentage of the interchange fees charged on transactions facilitated on the payment processor network, and revenue is recognized at the point in time the transaction is completed successfully. The fees collected are presented in revenue, net of associated processing fees. As the issuer processors do not provide distinct services to us, any fees paid to the issuer processors are offset against collected fees. We have concluded that these fees do not give rise to a future material right because the pricing of each transaction does not depend on the volume of prior successful transactions. We do not have any capitalized contract costs, and do not carry any material contract balances.

Our service comprises a single performance obligation to the issuer processors to facilitate transactions with consumers.

Interest Income

We accrue interest income using the effective interest method. Interest income on a loan is accrued daily, based on the finance charge disclosed to the consumer, over the term of the loan based upon the principal outstanding. The accrual of interest on a loan is suspended if a formal dispute with the borrower involving either

Affirm or the merchant of record is opened, or a loan is 120 days past due. Upon the resolution of a dispute with the consumer, the accrual of interest is resumed and any interest that would have been earned during the disputed period is retroactively accrued. As of June 30, 2020 and March 31, 2021, the balance of loans held for investment on non-accrual status was $0.3 million and $0.5 million, respectively.

The account is charged-off in the period if the account becomes 120 days past due or meets other charge-off policy requirements. Past due status is based on the contractual terms of the loans. Previously recognized interest receivable from charged-off loans that is accrued but not collected from the consumer is reversed.

Any discounts or premiums on loan receivables created upon the purchase of a loan from our originating bank partners or upon the origination of a loan are amortized into interest income over the life of the loan using the effective interest method. The amortization is presented together as interest income in the interim condensed consolidated statements of operations and comprehensive loss.

Servicing Income

Servicing fees are contractual fees specified in our servicing agreements with third-party loan owners that are earned from providing professional services to manage loan portfolios on their behalf. The servicing fee is calculated on a daily basis by multiplying a set fee percentage (as outlined in the executed agreements with third-party loan owners) by the outstanding loan principal balance. We recognize this revenue on a monthly basis.

Customer Referral Partners

From time to time, we make payments to customer referral partners providing lead generation services for each transaction processed through our technology platform. We first evaluate whether the customer referral partner is a customer or a vendor. We consider customer referral partners as customers if we determine they are the principal to eligible merchants in providing the facilitation of credit service. We consider customer referral partners as vendors if we determine that we are the principal to eligible merchants in providing the facilitation of credit service. Payments made to customer referral partners that are not considered to be our customers are expensed as over the period of benefit and recorded in processing and servicing within our interim condensed consolidated statements of operations and comprehensive loss.

Stock-Based Compensation

We account for stock-based compensation expense in accordance with the fair value recognition and measurement provisions of U.S. GAAP, which requires compensation cost for the grant date fair value of stock-based awards to be recognized over the requisite service period. In addition, we made an accounting policy election to estimate the expected forfeiture rate for service-based awards and only recognize expense for those stock-based awards expected to vest. We estimate the forfeiture rate based on our historical experience with stock-based awards that are granted and forfeited prior to vesting.

The fair value of stock-based awards, granted or modified, is determined on the grant date (or modification or acquisition dates, if applicable) at fair value, using appropriate valuation techniques.

Service-Based Awards

We record stock-based compensation expense for service-based stock options and restricted stock units (“RSUs") on a straight-line basis over the requisite service period, which is generally four years.

Stock-based compensation expense for all stock-based awards is based on the grant date fair value and is recognized on a straight-line basis over the requisite service period of the awards, which is generally the option vesting term of four years. The fair value of each option on the date of grant is determined using the Black Scholes-Merton option pricing model using the single-option award approach. Volatility is based on historical volatility rates obtained from comparable publicly-traded companies that operate in the same or related business as us, as there is

no market or historical data for our common stock. The risk-free interest rate is determined using a U.S. Treasury rate for the period that coincides with the expected term set forth. We used the simplified method to determine an estimate of the expected term of an employee stock option.

We account for stock-based awards to non-employees, including consultants, in accordance with ASC 718, in which equity-classified awards are measured at the grant date fair value and recognized as expense in the period and manner as though we had paid cash in exchange for goods or services instead of granting a stock-based award.

Performance-Based Awards

We have granted RSUs that vest upon the satisfaction of both service-based and performance-based conditions. The service-based condition for these awards generally is satisfied over four years. The performance-based condition is satisfied upon the occurrence of a qualifying event, defined as the earlier of (i) the closing of certain specific liquidation or change in control transactions, or (ii) an IPO. We record stock-based compensation expense for performance-based equity awards and stock on an accelerated attribution method over the requisite service period, which is generally four years, and only if performance-based conditions are considered probable of being satisfied.

Prior to the IPO in January 2021, we had not recognized stock-based compensation expense as the qualifying event described above had not yet occurred and was not considered probable of occurring. With the completion of our IPO on January 15, 2021, we recognized a cumulative catch-up stock-based compensation charge of $65.1 million associated with the vesting of RSUs for which the service-based condition had been met prior to the IPO. Stock-based compensation expense related to remaining service-based awards after the IPO is recorded over the remaining requisite service period.

Upon exercise or vesting of a stock-based award, if the tax deduction exceeds the compensation cost that was previously recorded for financial statement purposes, this will result in an excess tax benefit.

Market-Based Awards

We have granted stock option awards with service-based and performance-based vesting conditions, with market-based conditions that are incorporated into the grant date fair value. The stock option awards are earned as a result of satisfying the performance-based conditions and become vested and exercisable upon satisfying the service-based conditions. We determined the grant date fair value of these awards by utilizing a Monte Carlo simulation model that incorporates the possibility that the market-based conditions may not be satisfied. The Monte Carlo simulation also incorporates assumptions including expected stock price volatility, expected term, and risk-free interest rates. We estimate the volatility of common stock on the date of grant based on the weighted-average historical stock price volatility of comparable publicly-traded companies in our industry group. We estimate the expected term of the award based on various exercise scenarios. The risk-free interest rate is determined using a U.S. Treasury rate for the period that coincides with the expected term set forth. The grant date and service inception date of the stock option awards is the date of Affirm's IPO, or January 13, 2021.

We record stock-based compensation expense for market-based equity awards such as RSUs and stock options on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable of being satisfied.

Recently Adopted Accounting Standards

As of March 31, 2021, we no longer qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As such, we are no longer entitled to take advantage of the exemptions from various reporting requirements applicable to emerging growth companies, including extended transition periods for complying with new or revised accounting standards. Accordingly, as discussed more fully below, we adopted certain new or revised accounting standards in the third quarter of fiscal 2021 for which adoption previously had been deferred.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)” ("ASC 606"). ASC 606 requires revenue to be recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services and also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows from customer contracts. Subsequent to the issuance of ASU 2014-09, the FASB issued several amendments to ASC 606 to clarify or improve the revenue recognition standard such as principal versus agent considerations in ASU 2016-08, technical corrections and improvements to ASC 606 in ASU 2016-20, and clarifying the scope of asset derecognition guidance and accounting for partial sales of nonfinancial asset in ASU 2017-05.

In June 2020, the FASB issued ASU 2020-05, “Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities” ("ASC 842"), which amends the effective dates of ASC 606 and ASC 842 to give immediate relief to certain entities as a result of the widespread adverse economic effects and business disruptions caused by the COVID-19 pandemic. ASU 2020-05 permits certain entities that have not yet made statements available for issuance to adopt ASC 606 for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Under ASU 2020-05, we adopted ASC 606 on July 1, 2020 using the modified retrospective transition method. Under this method, we evaluated contracts that were not complete as of the date of adoption as if those contracts had been accounted for under ASC 606. Under the modified retrospective transition approach, periods prior to the adoption date were not adjusted and continue to be reported in accordance with revenue accounting literature in effect during those periods. The adoption of ASC 606 did not have a material impact on our revenue arrangements.

ASC 606 explicitly excludes revenue generated in accordance with ASC 310, "Receivables" and ASC 860, "Transfers and Servicing." Accordingly, we have concluded that interest income, gains on loan sales and servicing income are not affected by the adoption of ASC 606 and its related amendments. Merchant network revenue and virtual card network revenue are within the scope of ASC 606.

Stock-Based Compensation

In June 2018, the FASB issued ASU 2018-07, “Compensation — Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting” that expands on the scope of ASC 718 to include stock-based payment transactions for acquiring goods and services from non-employees. For non-public business entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, but no earlier than an entity’s adoption of ASC 606. We adopted ASC 606 effective July 1, 2020 and have correspondingly adopted ASU 2018-07 as of that date. There was no material impact to existing stock-based awards to non-employees.

Income Taxes

In December 2019, the FASB issued ASU 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes” ("ASC 740"), which removes certain exceptions related to the approach for intraperiod tax allocation, recognizing deferred tax liabilities for outside basis differences and calculating income taxes in interim periods. The guidance also reduces complexity in certain areas, including franchise taxes that are partially based on income and accounting for tax law changes in interim periods. We early adopted the new standard effective July 1, 2020 on a prospective basis. The adoption of the new standard did not have a material impact on our interim condensed consolidated financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” ("ASC 842") which substantially modifies lessee accounting for leases, and requires most leases to be recognized on the balance sheet with enhanced disclosures. ASC 842 provides that a contract is, or contains, a lease if it conveys the right to control the use of an identified asset and, accordingly, a lease liability and a related right-of-use ("ROU") asset is recognized at the commencement date. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Subsequent to the issuance of ASC 842, the FASB issued several amendments to ASC 842 to clarify or improve the new leases standard, including the codification and targeted improvements in ASUs 2018-10 and 2019-01 and the narrow-scope improvements for lessors in ASU 2018-20.

In August 2018, the FASB issued ASU 2018-11, “Targeted Improvements to ASC 842,” which included an option to not restate comparative periods in transition and elect to use the effective date of ASU 2016-02 as the date of initial application (the “effective date” method).

Following the loss of our emerging growth company status during the third quarter of fiscal 2021, we adopted ASC 842 with an effective date of July 1, 2020 using the modified retrospective transition approach by applying the standard to all leases existing at the date of initial application and not restating comparative periods. Refer to Note 7. Leases for further information on the implementation of the standard.

We have elected the practical expedients permitted under the transition guidance, which allowed us not to reassess (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) the accounting for any initial direct costs for any expired or existing leases. We also elected the practical expedients allowing the combination of lease and non-lease components by class of underlying asset. In addition, we have elected the short-term lease exception and will not recognize ROU assets or lease liabilities for qualifying leases (leases with a term of less than 12 months from lease commencement).

As a result of the adoption of ASC 842, we recognized ROU assets included in other assets in the interim condensed consolidated balance sheets and lease liabilities for operating leases included in accrued expenses and other liabilities in the interim condensed consolidated balance sheets of $66.7 million and $71.2 million, respectively, as of July 1, 2020 with a $0.1 million in cumulative effect adjustment to accumulated deficit. The aggregate lease liability differs from the ROU asset primarily due the unamortized balance of deferred rent, which, prior to July 1, 2020, was included in accrued expenses and other liabilities in the interim condensed consolidated balance sheet. ROU assets are reviewed for impairment, consistent with other long-lived assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. After a ROU asset is impaired, any remaining balance of the ROU asset is amortized on a straight-line basis over the shorter of the remaining lease term or the estimated useful life.

We currently have no finance leases. The adoption of the new lease accounting standard had no impact on cash provided by or used in operating, investing or financing activities in our interim condensed consolidated statements of cash flows. The adoption of the new lease accounting standard also did not have a material impact our interim condensed consolidated statements of operations and comprehensive loss.

Financial Instruments — Credit Losses

In June 2016, the FASB issued amendments on ASU 2016-13, “Financial Instruments — Credit Losses (Topic 326)” ("ASC 326"). The amendments will replace the incurred loss impairment methodology in U.S. GAAP with a methodology that measures expected credit losses based on historical experience, current conditions and a reasonable and supportable forecast. This amendment is generally referred to as the current expected credit loss ("CECL") standard. The amendments in this standard will be recognized through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. Subsequent to the issuance of ASU 2016-13, the FASB issued several amendments to ASC 326 to clarify or improve the financial instruments credit losses standard such as codification and targeted improvements in ASUs 2018-19, 2019-04, 2019-05, 2019-11 and 2020-03.

Following the loss of our emerging growth company status, we adopted ASC 326 effective July 1, 2020 using the modified retrospective approach for our loans held for investment, which resulted in an increase in the allowance for credit losses of $10.1 million and a cumulative effect adjustment to the beginning balance of accumulated deficit of $10.1 million. Results for reporting periods beginning on or after July 1, 2020 will be presented under the new standard, while prior period amounts before the adoption of CECL on July 1, 2020, continue to be reported in accordance with previously applicable GAAP.

Under ASC 326, we maintained our current allowance model and included credit loss allowance assumptions in compliance with ASC 326, which included forecasts for prepayments, recoveries, historical performance, credit rating, as well as current market conditions and expectations for future market conditions. We included the disclosures required by ASC 326 in Note 4. Loans Held for Investment and Allowance for Credit Losses.

We have adopted all new accounting pronouncements that are in effect and applicable to us for the period ended March 31, 2021.

Recent Accounting Pronouncements Not Yet Adopted

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting” ("ASC 848"). Subject to meeting certain criteria, the new guidance provides optional expedients and exceptions to applying contract modification accounting under existing U.S. GAAP, to address the expected phase out of the London Interbank Offered Rate (“LIBOR”) by the end of 2021. This ASU is effective for all entities upon issuance as of March 12, 2020 through December 31, 2022. We are in the process of reviewing our revolving credit agreements and loan sale agreements that utilize LIBOR as the reference rate and introducing new fallback language to these agreements. We are in the process of evaluating the impact of this amendment on our consolidated financial statements.

Convertible Debt Instruments

In August 2020, the FASB issued ASU 2020-06, "Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity’s Own Equity (Subtopic 815-40),” which simplifies the accounting for convertible instruments. The guidance removes certain accounting models that separate the embedded conversion features from the host contract for convertible instruments. Either a modified retrospective method of transition or a fully retrospective method of transition is permissible for the adoption of this standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted no earlier than the fiscal year beginning after December 15, 2020. We are in the process of evaluating the impact of this amendment on our consolidated financial statements.

3. Interest Income

Interest income consisted of the following components (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
Interest income on unpaid principal balance	$ 46,444	$ 65,921	$ 121,179	$ 162,666
Amortization of discount on loans held for investment	9,175	31,625	24,904	68,843
Amortization of premiums on loans held for investment	(1,701)	(2,373)	(4,236)	(6,449)
Interest receivable charged-off, net of recoveries	(1,546)	(643)	(4,234)	(2,436)
Total interest income	$ 52,372	$ 94,530	$ 137,613	$ 222,624

4. Loans Held for Investment and Allowance for Credit Losses

Loans held for investment consisted of the following (in thousands):

	June 30, 2020	March 31, 2021
Unpaid principal balance	$ 1,049,618	$ 2,262,613
Accrued interest receivable	8,707	14,234
Premiums on loans held for investment	4,646	6,736
Less: Discount due to loan commitment liability	(28,659)	(81,883)
Less: Fair value adjustment on loans acquired through business combination	—	(6,306)
Total loans held for investment	$ 1,034,312	$ 2,195,394

The majority of the loans that are underwritten using our technology platform and originated by our originating bank partners are later purchased by us. We purchased loans from our originating bank partners in the amount of $1,239.9 million and $3,463.5 million for the three and nine months ended March 31, 2020, respectively, and $2,031.2 million and $5,620.8 million for the three and nine months ended March 31, 2021, respectively.

These loans have a variety of lending terms as well as maturities ranging from one to sixty months. Given that our loan portfolio focuses on one product segment, point-of-sale unsecured installment loans, we evaluate the entire portfolio as a single homogeneous loan portfolio.

We closely monitor credit quality for our loan receivables to manage and evaluate our related exposure to credit risk. Credit risk management begins with initial underwriting, where loan applications are assessed against the credit underwriting policy and procedures of our originating bank partners, and continues through to full repayment of a loan. To assess a consumer who requests a loan, we use, among other indicators, internally developed risk models using detailed information from external sources, such as credit bureaus where available, and internal historical experience, including the consumer’s prior repayment history on our platform as well as other measures. We combine these factors to establish a proprietary score as a credit quality indicator.

Our proprietary score (“ITACs”) is assigned to most loans facilitated through our technology platform, ranging from zero to 100, with 100 representing the highest credit quality and in turn the lowest likelihood of loss. The ITACs model analyzes the characteristics of a consumer's attributes that are shown to be predictive of both willingness and ability to repay including, but not limited to: basic features of a consumer's credit profile, a consumer's prior repayment performance with other creditors, current credit utilization, and legal and policy changes. When a consumer passes both fraud and credit policy checks, the application is assigned an ITACs score. ITACs is also used for portfolio performance monitoring. Our credit risk organization closely tracks the distribution

of a consumer ITACs as well as the ITACs of loans to monitor for signs of a changing credit profile within the portfolio. Repayment performance within each ITACs band is also monitored to ensure both the integrity of the risk scoring models and to measure possible changes in consumer behavior amongst various credit tiers.

The following table presents an analysis of the credit quality, by ITACs score, of the amortized cost basis by fiscal year of origination on loans held for investment (in thousands) as of March 31, 2021:

	Amortized Costs Basis by Fiscal Year of Origination						
	2021	2020	2019	2018	2017	Prior	Total
96+	$ 1,391,811	$ 158,238	$ 12,126	$ 370	$ 2	$ —	$ 1,562,547
94 – 96	374,582	16,517	800	34	1	—	391,934
90 – 94	103,938	5,855	74	1	—	—	109,868
<90	28,570	872	2	—	—	—	29,444
No score[1]	78,995	18,384	2,262	463	36	1	100,141
Total loan receivables	$ 1,977,896	$ 199,866	$ 15,264	$ 868	$ 39	$ 1	$ 2,193,934
Current period charge-offs	$ 8,844	$ 5,391	$ 291	$ 11	$ —	$ —	$ 14,537
Current period recoveries	(394)	(1,344)	(1,369)	(653)	(479)	(53)	(4,292)
Current period net charge-offs	$ 8,450	$ 4,047	$ (1,078)	$ (642)	$ (479)	$ (53)	$ 10,245

(1) This balance represents loan receivables in new markets without sufficient data currently available for use of the Affirm scoring methodology as well as loan receivables originated by PayBright Inc. ("PayBright").

Loan receivables are defined as past due if either the principal or interest have not been received within four calendars days of when they are due in accordance with the agreed upon contractual terms. The following table presents an aging analysis of the amortized cost basis on loans held for investment by delinquency status (in thousands):

	June 30, 2020	March 31, 2021
Non-delinquent loans	$ 1,019,492	$ 2,138,804
4 – 29 calendar days past due	16,765	24,766
30 – 59 calendar days past due	5,393	12,220
60 – 89 calendar days past due	6,268	10,640
90 – 119 calendar days past due	6,159	7,504
Total amortized cost basis	$ 1,054,077	$ 2,193,934

We maintain an allowance for credit losses at a level that is appropriate to absorb probable losses inherent in our loans. The allowance for credit losses covers estimated losses for individually assessed loans and includes estimates which rely on economic conditions, forecasts, and historical loan performance. When loans are charged off, we recognize this as a charge against the allowance for credit losses. We may continue to attempt to recover amounts from the respective consumers. The allowance for credit losses on loans is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. It is comprised of specific allowance for individually assessed loans which are regularly evaluated to maintain a level adequate to absorb expected losses inherent in the loan portfolio. Refer to Note 2. Summary of Significant Accounting Policies for additional information.

The following table details activity in the allowance for credit losses (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
Balance at beginning of period	$ 85,855	$ 124,992	$ 66,260	$ 95,137
Adjustment due to adoption of new accounting standard	—	—	—	10,083
Provision for credit losses[(1)]	78,962	(993)	133,800	39,190
Charge-offs	(22,017)	(14,537)	(59,810)	(40,377)
Recoveries of charged-off receivables	2,130	4,292	4,680	9,721
Balance at end of period	$ 144,930	$ 113,754	$ 144,930	$ 113,754

(1) Excludes provision for merchant losses of $3.1 million for both the three and nine months ended March 31, 2020 and $(0.1) million and $0.9 million for the three and nine months ended March 31, 2021, respectively, and provision for repurchase of fraudulent loans sold of $0.2 million and $0.3 million for the three and nine months ended March 31, 2020 and $0.1 million and $0.4 million for the three and nine months ended March 31, 2021, respectively, which are included in provision for credit losses on the interim condensed consolidated statements of operations and comprehensive loss.

5. Business Combination

On January 1, 2021, Affirm Canada Holdings Ltd. (“Affirm Canada”), a subsidiary of Affirm, and Affirm acquired all outstanding stock of PayBright, one of Canada’s leading buy now, pay later providers, for approximately $288.8 million. We have included the financial results of PayBright in our interim condensed consolidated financial statements from the date of acquisition.

The purchase price was comprised of (i) approximately $114.5 million in cash, (ii) 3,622,445 shares of our common stock issued to the shareholders of PayBright at closing and (iii) 2,587,362 shares of our common stock held in escrow and subject to forfeiture if certain revenue milestones are not met. On January 12, 2021, these shares were reclassified into an aggregate of 1,811,222 shares of our Class A common stock and 1,811,222 shares of our Class B common stock issued to the shareholders of PayBright at closing and an aggregate of 1,293,681 shares of our Class A common stock and 1,293,681 shares of our Class B common stock held in escrow.

The acquisition date fair value of the consideration transferred for PayBright was approximately $288.8 million, which consisted of the following (in thousands):

Cash	$ 114,490
Fair value of common stock transferred	116,989
Fair value of contingent consideration	57,275
Total purchase price	$ 288,754

For further details on our fair value methodology with respect to the contingent consideration, see Note 14. Fair Value of Financial Assets and Liabilities.

The acquisition of PayBright was accounted for as a business combination and reflects the application of acquisition accounting in accordance with ASC 805, "Business Combinations" ("ASC 805"). The acquired PayBright assets, including identifiable intangible assets and liabilities assumed, have been recorded at their estimated fair values with the excess purchase price assigned to goodwill. The goodwill was primarily attributed to future synergies from integration, new customer acquisitions, and the value of assembled workforce in Canada. Neither goodwill nor intangible assets are deductible for income tax purposes.

The following table summarizes the allocation of the consideration paid of approximately $288.8 million to the fair values of the assets acquired and liabilities assumed at the acquisition date (in thousands):

Cash and cash equivalents	$ 8,219
Restricted cash	1,469
Loans held for investment	89,570
Accounts receivable	1,537
Property, equipment and software	586
Intangible assets	16,653
Other assets	5,651
Total assets acquired	$ 123,685
Accounts payable	6,579
Accrued interest payable	23
Accrued expenses and other liabilities	193
Funding debt	85,310
Total liabilities assumed	$ 92,105
Net assets acquired	$ 31,580
Goodwill	257,174
Total purchase price	$ 288,754

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (in thousands)

	Fair Value	Useful Life (Years)
Developed technology	$ 6,127	3
Merchant relationships	9,505	4
Trade name	1,021	5
Total intangible assets	$ 16,653	

The transaction costs associated with the acquisition were approximately $0.4 million and $2.4 million for both the three and nine months ended March 31, 2021, respectively, which are included in general and administrative expense in the interim condensed consolidated statements of operations and comprehensive loss.

Unaudited Pro Forma Information

The following table reflects the pro forma consolidated total revenue and net loss for the periods presented as if the acquisition of PayBright had occurred on July 1, 2019 and combines the historical results of Affirm and PayBright. This supplemental unaudited pro forma information is based upon accounting estimates and judgments that we believe are reasonable and includes certain adjustments to conform accounting standards to U.S. GAAP. This supplemental unaudited pro forma financial information has been prepared for illustrative purposes only and is not necessarily indicative of what actual results would have occurred, or of results that may occur in the future.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
Revenue	$ 142,385	$ 230,665	$ 366,233	$ 625,157
Net loss	$ (91,307)	$ (246,747)	$ (160,506)	$ (294,297)

6. Balance Sheet Components

Goodwill and Intangible Assets

The changes in the carrying amount of goodwill during the nine months ended March 31, 2021 were as follows (in thousands):

Balance as of June 30, 2020	$ 1,255
Additions	257,174
Effect of foreign currency translation	2,619
Balance as of March 31, 2021	$ 261,048

Intangible assets consisted of the following (in thousands):

	June 30, 2020			
	Gross	Accumulated Amortization	Net	Weighted Average Remaining Useful Life (in years)
Developed technology	$ 790	$ (790)	$ —	—
Trademarks and domains	2,146	—	2,146	Indefinite
Other intangibles	350	—	350	Indefinite
Total intangible assets	$ 3,286	$ (790)	$ 2,496	

	March 31, 2021			
	Gross	Accumulated Amortization	Net	Weighted Average Remaining Useful Life (in years)
Merchant relationships	$ 9,601	$ (600)	$ 9,001	3.8
Developed technology	6,979	(1,306)	5,673	2.8
Trademarks and domains	3,178	(52)	3,126	4.8
Other intangibles	350	—	350	Indefinite
Total intangible assets	$ 20,108	$ (1,958)	$ 18,150	

Amortization expense for intangible assets was nil and $1.2 million for the three months ended March 31, 2020 and 2021, respectively, and nil and $1.2 million for the nine months ended March 31, 2020 and 2021, respectively.

The expected future amortization expense of these intangible assets as of March 31, 2021 is as follows (in thousands):

2021 (remaining three months)	$ 1,167
2022	4,670
2023	4,670
2024	3,638
2025	1,407
2026 and thereafter	103
Total amortization expense	$ 15,655

Commercial Agreement Assets

During the nine months ended March 31, 2021, we recognized an asset in connection with a commercial agreement with Shopify Inc., in which we granted warrants in exchange for the benefit of acquiring new merchant partners. This asset represents the probable future economic benefit to be realized over the four-year expected benefit period and is valued based on the fair value of the warrants on the grant date. Refer to Note 15. Redeemable Convertible Preferred Stock and Stockholders' Deficit for further discussion of the warrants. We recognized an asset of $270.6 million associated with the fair value of the warrants, which were fully vested as of March 31, 2021. For the three and nine months ended March 31, 2021, we recorded amortization expense related to the commercial agreement asset of $16.7 million and $48.0 million, respectively, in our interim condensed consolidated statements of operations and comprehensive loss as a component of sales and marketing expense.

During the three months ended March 31, 2021, we recognized an asset in connection with a commercial agreement with an enterprise partner, in which we granted stock appreciation rights in exchange for the benefit of acquiring access to the partner's consumers. This asset represents the probable future economic benefit to be realized over the three-year expected benefit period and is valued based on the fair value of the stock appreciation rights on the grant date. We initially recognized an asset of $25.9 million associated with the fair value of the stock appreciation rights. During the three months ended March 31, 2021, we recorded amortization expense related to the asset of $2.1 million in our interim condensed consolidated statements of operations and comprehensive loss as a component of sales and marketing expense.

Other Assets

Other assets consisted of the following (in thousands):

	June 30, 2020	March 31, 2021
Operating lease right-of-use assets	$ —	$ 59,640
Prepaid payroll taxes for stock-based compensation	—	90,945
Prepaid expenses	6,406	20,725
Processing reserves	924	14,247
Other receivables	3,169	17,473
Other assets	9,098	16,838
Total other assets	$ 19,597	$ 219,868

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following (in thousands)

	June 30, 2020	March 31, 2021
Contingent consideration liability	$ —	$ 136,357
Operating lease liability	—	76,206
Deferred lease liability	4,492	—
Accrued expenses	16,088	35,974
Commercial agreement liability	—	25,140
Other liabilities	7,230	17,751
Total accrued expenses and other liabilities	$ 27,810	$ 291,428

Our acquisition of PayBright included consideration transferred and shares held in escrow, contingent upon the achievement of future milestones. We classified the contingent consideration as a liability and will remeasure the liability to its fair value at each reporting date until the contingency is resolved. As of March 31, 2021, the fair value of the contingent consideration liability was $136.4 million. For further details on our fair value methodology with respect to the contingent consideration, see Note 14. Fair Value of Financial Assets and Liabilities.

During the three months ended March 31, 2021, we recognized a liability in connection with a commercial agreement with an enterprise partner of $25.1 million. Fifty percent of this liability is to be settled 180 days after the date of the final prospectus, or January 12, 2021, and the remaining 50 percent is to be settled on the first year anniversary of this date. The commercial agreement liability recognized represents the net present value of the payments to be made to the enterprise partner. The difference between the contractual settlement amount and the net present value of payments to be made is recognized as a discount. This discount will be expensed over the liability settlement period. During the three months ended March 31, 2021, we recorded an expense of $0.2 million related to accretion of the discount on the commercial agreement liability, which is recorded in our interim condensed consolidated statements of operations as a component of sales and marketing expense.

7. Leases

We lease facilities under operating leases with various expiration dates through 2030. Our corporate headquarters are located in San Francisco, California. We also lease office space in New York, New York; Pittsburgh, Pennsylvania; Salt Lake City, Utah; Chicago, Illinois; and Toronto, Canada.

We have the option to renew or extend our leases ranging from one month to ten years. Some lease agreements include the option to terminate the lease with prior written notice ranging from 180 days to one year. As of March 31, 2021 we have not elected to exercise renewal or termination options. Lease terms range from one year to ten years.

Several leases require us to obtain standby letters of credit, naming the lessor as a beneficiary. These letters of credit act as security for the faithful performance by us of all terms, covenants and conditions of the lease agreement. The cash collateral and deposits for the letters of credit have been recognized as restricted cash in the interim condensed consolidated balance sheets and totaled $9.7 million and $9.9 million as of June 30, 2020 and March 31, 2021, respectively.

The weighted average remaining lease term as of March 31, 2021 was 6.1 years. The discount rate used in determining the lease liability for each individual lease was derived from a corporate yield curve which corresponded with the remaining lease term as of July 1, 2020 for leases that existed at adoption and as of the lease commencement date for leases subsequently entered into after July 1, 2020.

As of March 31, 2021, right-of-use assets of $59.6 million were included in other assets, and the related lease liability totaled $76.2 million and was included in accrued expenses and other liabilities in the interim condensed consolidated balance sheet.

For the three and nine months ended March 31, 2021, we recognized impairment expense of $11.1 million for several of our operating lease right-of-use assets, included in general and administrative expense on our interim condensed consolidated statements of operations and comprehensive loss.

Total rent expense incurred for all locations totaled $3.5 million and $9.9 million for the three and nine months ended March 31, 2020, respectively, and $4.1 million and $12.0 million for the three and nine months ended March 31, 2021, respectively. Total lease expense incurred for short term leases with a term 12 months or less totaled $0.2 million and $1.1 million for the three and nine months ended March 31, 2021.

Lease term and discount rate information are summarized as follows:

	March 31, 2021
Weighted average remaining lease term (in years)	6.1
Weighted average discount rate	5.6%

Maturities of lease liabilities as of March 31, 2021 are as follows (in thousands) for the years ended:

2021 (remaining three months)	$ 3,408
2022	14,812
2023	15,285
2024	15,520
2025	15,766
2026 and thereafter	25,986
Total lease payments	90,777
Less imputed interest	(14,571)
Present value of lease liabilities	$ 76,206

8. Commitments and Contingencies

Legal Proceedings

From time to time, we are subject to legal proceedings and claims in the ordinary course of business. The results of such matters often cannot be predicted with certainty. In accordance with applicable accounting guidance, we establish an accrued liability for legal proceedings and claims when those matters present loss contingencies which are both probable and reasonably estimable. All such liabilities arising from current legal and regulatory matters have been recorded in accrued expenses and other liabilities in our interim condensed consolidated balance sheets and these matters are immaterial.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and cash equivalents and restricted cash. We maintain our cash and cash equivalents and restricted cash in accounts at regulated domestic financial institutions and conduct ongoing evaluations of the creditworthiness of the financial institutions with which we do business.

We are exposed to default risk on both loan receivables purchased from our originating bank partners and that are self-originated . The ultimate collectability of a substantial portion of the loan portfolio is susceptible to

changes in economic and market conditions. As of June 30, 2020 and March 31, 2021, approximately 15%, of loan receivables related to customers residing in the state of California. No other states or provinces exceeded 10%.

Concentrations of Revenue

For the three and nine months ended March 31, 2020, approximately 28% and 25%, respectively, of total revenue was driven by one merchant. For the three and nine months ended March 31, 2021, approximately 20% and 31%, respectively, of total revenue was driven by one merchant.

9. Transactions with Related Parties

In the ordinary course of business, we may enter into transactions with directors, principal officers, their immediate families and affiliated companies in which they are principal stockholders (commonly referred to as related parties). Some of our directors, principal officers, and their immediate families have received loans facilitated by us, in accordance with our regular consumer loan offerings. The outstanding balance and interest earned on such accounts is immaterial.

10. Funding Debt

Funding debt and its aggregate future maturities consists of the following (in thousands):

Final Maturity Year Ending	June 30, 2020	March 31, 2021
2021	$ —	$ 81,064
2022	171,133	118,678
2023	653,447	295,956
2024	—	155,765
2025	—	—
Thereafter	—	117,787
Total	$ 824,580	$ 769,250
Deferred debt issuance costs	(6,654)	(8,855)
Total funding debt, net of deferred debt issuance costs	$ 817,926	$ 760,395

Warehouse Credit Facilities

Through trusts, we entered into warehouse credit facilities with certain lenders to finance the purchase and origination of our loans. Each trust entered into a credit agreement and security agreement with a third-party as administrative agent and a national banking association as collateral trustee and paying agent. Borrowings under these agreements are referred to as funding debt and these proceeds from the borrowings can only be used for the purposes of facilitating loan funding and origination, with advance rates ranging from 80% to 88% of the total collateralized balance. These trusts are bankruptcy-remote special-purpose vehicles in which creditors do not have recourse against the general credit of Affirm. These revolving facilities mature between 2022 and 2026, and subject to covenant compliance, generally permit borrowings up to 12 months prior to the final maturity date of each respective facility. As of March 31, 2021, the aggregate commitment amount of these facilities was $1,875.0 million on a revolving basis, of which $688.2 million was drawn, with $1,186.8 million remaining available. Some of the loans purchased from the originating bank partners are pledged as collateral for borrowings in our facilities. The unpaid principal balance of these loans totaled $990.7 million and $801.3 million as of June 30, 2020 and March 31, 2021, respectively.

Borrowings under these warehouse credit facilities bear interest at an annual benchmark rate of LIBOR (London Inter-bank Offered Rate) or at an alternative commercial paper rate (which is either (i) the per annum rate equivalent to the weighted-average of the per annum rates at which all commercial paper notes were issued by certain lenders to fund advances or maintain loans, or (ii) the daily weighted-average of LIBOR, as set forth in the

applicable credit agreement), plus a spread ranging from 1.75% to 5.50%. Interest is payable monthly. In addition, these agreements require payment of a monthly unused commitment fee ranging from 0.20% to 0.75% per annum on the undrawn portion available.

These agreements contain certain customary negative covenants and financial covenants including maintaining certain levels of liquidity, leverage, and tangible net worth. As of March 31, 2021, we were in compliance with all applicable covenants in the agreements.

Other Funding Facilities

Prior to our acquisition of PayBright on January 1, 2021, PayBright entered into various credit facilities utilized to finance the origination of loan receivables in Canada. Similar to our warehouse credit facilities, borrowings under these agreements are referred to as funding debt, and proceeds from the borrowings may only be used for the purposes of facilitating loan funding and origination. These facilities are secured by PayBright loan receivables pledged to the respective facility as collateral, mature in 2021, and bear interest based on a commercial paper rate plus a spread ranging from 1.25% to 4.25%.

As of March 31, 2021, the aggregate commitment amount of these facilities was $174.6 million on a revolving basis, of which $81.1 million was drawn, with $93.5 million remaining available. The unpaid principal balance of loans pledged to these facilities totaled $55.0 million as of March 31, 2021.

These agreements contain certain customary negative covenants and financial covenants including maintaining certain levels of liquidity, leverage, and tangible net worth at the PayBright subsidiary level. As of March 31, 2021, we were in compliance with all applicable covenants in the agreements.

11. Notes Issued by Securitization Trusts

In connection with asset-backed securitizations, we sponsor and establish trusts to ultimately purchase loans facilitated by our platform. Securities issued from our asset-backed securitizations are senior or subordinated, based on the waterfall criteria of loan payments to each security class. The subordinated residual interests issued from these transactions are first to absorb credit losses in accordance with the waterfall criteria. The assets are transferred into a trust such that the assets are legally isolated from the creditors of Affirm and are not available to satisfy obligations of Affirm. These assets can only be used to settle obligations of the underlying trusts. During the nine months ended March 31, 2021, we sponsored and retained residual certificates in securitizations of loans facilitated by our platform through four consolidated securitization trusts: Affirm Asset Securitization Trust 2020-Z1 (“2020-Z1”), Affirm Asset Securitization Trust 2020-A (“2020-A”), Affirm Asset Securitization Trust 2020-Z2 ("2020-Z2") and Affirm Asset Securitization Trust 2021-A (“2021-A”). Each securitization trust issued senior notes and residual certificates to finance the purchase of the loans facilitated by our platform. At the closing of each securitization, we contributed loans, facilitated through our technology platform and purchased from our originating bank partners, with an aggregate outstanding principal balance of $1,505.8 million. The 2020-Z1 and 2020-Z2 securitizations are secured by static pools of loans contributed at closing, whereas the 2020-A and 2021-A securitization are revolving and we may contribute additional loans from time to time until the end of the revolving period. For the 2020-Z2 securitization, we purchased $27.9 million of loan receivables from our third-party loan buyers which were then contributed to the trust.

For each securitization, the residual certificates represent the right to receive all the residual cash collected on the loans held by the securitization trust after paying off the senior notes. All the senior notes were sold to third-party investors. For 2020-Z1, 2020-A and 2021-A, we retained 100% of the residual certificates issued by the securitization trusts. For 2020-Z2, we retained 93.3% of the residual certificates issued by the securitization trust, and a third-party investor holds the remaining 6.7% of the residual certificates in 2020-Z2 and the risk retention interest. The residual trust certificates held by third-party investors are measured at fair value, using a discounted cash flow model, and presented within accrued expenses and other liabilities on the interim condensed consolidated

balance sheets. In addition to the retained residual certificates, our continued involvement includes loan servicing responsibilities over the life of the underlying loans.

2020-Z1

The notes under the 2020-Z1 securitization were issued as a single class: Class A in the amount of $150.0 million (the "2020-Z1 notes"). The 2020-Z1 notes bear interest at a fixed rate of 3.46% and have a maturity date of October 15, 2024. Principal and interest payments began in September 2020 and are payable monthly. These 2021-Z1 notes are recorded at amortized cost on the interim condensed consolidated balance sheet. The associated debt issuance costs, which totaled $1.0 million as of March 31, 2021, are deferred and amortized into interest expense over the contractual life of the notes. The 2020-Z1 notes held by third-party investors and the unamortized debt issuance costs are included in notes issued by securitization trusts with a balance of $91.5 million on the interim condensed consolidated balance sheets at March 31, 2021 and are secured by loan receivables at amortized cost of $95.2 million included in loans held for investment on the interim condensed consolidated balance sheets at March 31, 2021.

2020-A

The notes under the 2020-A securitization were issued in three classes: Class A in the amount of $330.0 million, Class B in the amount of $16.2 million, and Class C in the amount of $22.1 million (collectively, the "2020-A notes"). The Class A, Class B, and Class C notes bear interest at a fixed rate of 2.10%, 3.54%, and 6.23%, respectively, and each class has a maturity date of February 18, 2025. Principal and interest payments began in September 2020 and are payable monthly. These notes are recorded at amortized cost on the interim condensed consolidated balance sheet. The associated debt issuance costs, which totaled $3.0 million as of March 31, 2021, are deferred and amortized into interest expense over the contractual life of the notes. The 2020-A notes held by third-party investors and the unamortized debt issuance costs are included in notes issued by securitization trusts with a balance of $368.2 million on the interim condensed consolidated balance sheets at March 31, 2021 and are secured by loan receivables at amortized cost of $397.4 million included in loans held for investment on the interim condensed consolidated balance sheets as of March 31, 2021.

2020-Z2

The notes under the 2020-Z2 securitization were issued as a single class: Class A in the amount of $375.0 million (the "2020-Z2 notes"). The 2020-Z2 notes bear interest at a fixed rate of 1.90% and have a maturity date of January 15, 2025. Principal and interest payments began in December 2020 and are payable monthly. These 2020-Z2 notes are recorded at amortized cost on the interim condensed consolidated balance sheet. The associated debt issuance costs, which totaled $1.6 million as of March 31, 2021, are deferred and amortized into interest expense over the contractual life of the notes. The notes held by third-party investors and the unamortized debt issuance costs are included in the 2020-Z2 notes issued by securitization trusts with a balance of $290.6 million on the interim condensed consolidated balance sheets at March 31, 2021 and are secured by loan receivables at amortized cost of $301.2 million included in loans held for investment on the interim condensed consolidated balance sheets at March 31, 2021.

2021-A

The notes under the 2021-A securitization were issued in five classes: Class A in the amount of $407.2 million, Class B in the amount of $30.3 million, Class C in the amount of $21.0 million, Class D in the amount of $22.5 million, and Class E in the amount of $19.0 million (collectively, the "2021-A notes"). The Class A, Class B, Class C, Class D, and Class E notes bear interest at a fixed rate of 0.88%, 1.06%, 1.66%, 3.49%, and 5.65%, respectively, and each class has a maturity date of August 15, 2025. Principal and interest payments began in March 2021 and are payable monthly. These notes are recorded at amortized cost on the interim condensed consolidated balance sheet. The associated debt issuance costs, which totaled $3.5 million as of March 31, 2021, are deferred and amortized into interest expense over the contractual life of the notes. The 2021-A notes held by third-party investors and the unamortized debt issuance costs are included in notes issued by securitization trusts with a balance of $499.9

million on the interim condensed consolidated balance sheets at March 31, 2021 and are secured by loan receivables at amortized cost of $499.9 million included in loans held for investment on the interim condensed consolidated balance sheets as of March 31, 2021.

12. Debt

Convertible Debt

In April 2020, we entered into an agreement with various investors pursuant to which we issued convertible notes in an aggregate principal amount of $75.0 million with maturity dates in April 2021 and bearing interest at a rate of 1.00% per annum.

The principal and any unpaid accrued interest of each convertible note automatically converts into shares of redeemable convertible preferred stock upon the closing of financing in which we receive no less than $50.0 million in proceeds from the issuance of redeemable convertible preferred stock. Where an issuance of the redeemable convertible preferred stock results in proceeds of less than $50.0 million, the holders of a majority of the interest in the aggregate principal amount of the convertible notes may elect, at their option, to convert the principal amount and any unpaid accrued interest on each convertible note into shares of redeemable convertible preferred stock. In these situations, the conversion price is equal to the lesser of a discounted conversion price and a conversion price cap. The discounted conversion price varies depending on the time that has elapsed between the issuance of the convertible notes and the closing of the relevant financing. The conversion cap is determined based on a fixed valuation of the Company and on our capitalization determined immediately before the closing of the relevant financing on a fully diluted basis.

Upon completion of the Series G equity financing in September 2020, the convertible notes were redeemed under the next equity financing feature, in which the proceeds from the issuance of redeemable convertible preferred stock was not less than $50.0 million. The aggregate outstanding principal and accrued interest balance of the convertible notes of $75.5 million was converted into 4,444,321 shares of Series G-1 redeemable convertible preferred stock at a conversion price of $16.9374 per share. This conversion resulted in issuance of $88.6 million of Series G-1 redeemable convertible preferred stock at a fair value of $19.9263 per share. The total proceeds were allocated between the liability component of $46.5 million and equity component of $42.1 million. The conversion of the convertible notes was accounted for as a debt extinguishment, which resulted in a gain of $30.1 million. This gain represented the difference between the carrying value of the debt at the time of extinguishment and the allocated proceeds. This gain was recorded in other income, net on the interim condensed consolidated statements of operations and comprehensive loss. The reacquisition of the beneficial conversion feature was measured using the intrinsic value of the conversion option at the extinguishment date, which totaled $42.1 million, and was recorded in equity.

Revolving Credit Facility

On January 19, 2021, we entered into a revolving credit agreement with a syndicate of commercial banks for a $185.0 million unsecured revolving credit facility. This facility bears interest at a rate equal to, at our option, either (a) a Eurodollar rate determined by reference to adjusted LIBOR for the interest period, plus an applicable margin of 2.50% per annum or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50% per annum, (ii) the rate last quoted by The Wall Street Journal as the U.S. prime rate, and (iii) the one-month adjusted LIBOR plus 1.00% per annum, in each case, plus an applicable margin of 1.50% per annum. The revolving credit agreement has a final maturity date of January 19, 2024. The facility contains certain covenants and restrictions, including certain financial maintenance covenants, and requires payment of a monthly unused commitment fee of 0.35% per annum on the undrawn balance available. There are no borrowings outstanding under the facility at March 31, 2021.

13. Variable Interest Entities

We consolidate VIEs when we are deemed to be the primary beneficiary. We established certain entities (deemed to be VIEs) to enter into warehouse credit facilities for the purpose of purchasing loans from our originating bank partners. Refer to Note 10. Funding Debt for additional information. The creditors of the VIEs have no recourse to the general credit of the Company as the primary beneficiary of the VIEs and the liabilities of the VIEs can only be settled by the respective VIE's assets.

Affirm Asset Securitization Trust 2020-Z1, Affirm Asset Securitization Trust 2020-A, Affirm Asset Securitization Trust 2020-Z2, and Affirm Asset Securitization Trust 2021-A are deemed VIEs. We consolidated the VIEs as the primary beneficiary because we, through our role as the servicer, have both the power to direct the activities that most significantly affect the VIEs' economic performance and a variable interest that could potentially be significant to the VIEs through holding the retained residual certificates. In evaluating whether we are the primary beneficiary, management considers both qualitative and quantitative factors regarding the nature, size and form of our involvement with the VIEs. Management assesses whether we are the primary beneficiary of the VIEs on an ongoing basis. For these VIEs, the creditors have no recourse to the general credit of the Company and the liabilities of the VIEs can only be settled by the respective VIEs' assets. Additionally, the assets of the VIEs can be used only to settle obligations of the VIEs. Because we consolidate the securitization trusts, the loans held in the securitization trusts are included in loans held for investment, and the notes sold to third-party investors are recorded in notes issued by securitization trusts in the interim condensed consolidated balance sheets.

We did not have any transactions with unconsolidated VIEs in the three and nine months ended March 31, 2020 and 2021.

14. Fair Value of Financial Assets and Liabilities

ASC 820, "Fair Value Measurement" ("ASC 820") establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

- *Level 1:* Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

- *Level 2:* Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.

- *Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Financial Assets and Liabilities Recorded at Fair Value

The following tables present information about our assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2020 (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Servicing assets	$ —	$ —	$ 2,132	$ 2,132
Total assets	$ —	$ —	$ 2,132	$ 2,132
Liabilities:				
Constant maturity swaps	$ —	$ 3,297	$ —	$ 3,297
Servicing liabilities	—	—	1,540	1,540
Performance fee liability	—	—	875	875
Convertible debt derivative	—	—	6,607	6,607
Total liabilities	$ —	$ 3,297	$ 9,022	$ 12,319

The following tables present information about our assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2021 (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Servicing assets	$ —	$ —	$ 2,120	$ 2,120
Constant maturity swaps	—	3,178	—	3,178
Total assets	$ —	$ 3,178	$ 2,120	$ 5,298
Liabilities:				
Servicing liabilities	—	—	2,248	2,248
Performance fee liability	—	—	1,242	1,242
Residual trust certificates	—	—	1,118	1,118
Contingent consideration	—	—	136,357	136,357
Profit share liability	—	—	2,185	2,185
Total liabilities	$ —	$ —	$ 143,150	$ 143,150

During the year ended June 30, 2020, we acquired a series of constant maturity swaps from an institutional bank for the purpose of offsetting variable cash flows related to loan sale pricing fluctuations with a third-party loan buyer. These derivatives have not been designated as hedging instruments. The constant maturity swaps are recorded at fair value, based on prices quoted for similar financial instruments in markets that are not active, and are presented within other assets or accrued expenses and other liabilities on the interim condensed consolidated balance sheets, together with the collateral amount required by the agreements. Any changes in the fair value of these financial instruments are reflected in other income, net, on the interim condensed consolidated statements of operations and comprehensive loss.

There were no transfers between levels during the year ended June 30, 2020 and the nine months ended March 31, 2021.

Assets and Liabilities Measured at Fair Value on a Recurring Basis using Significant Unobservable Inputs (Level 3)

We evaluate our financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level at which to classify them each reporting period. Since our servicing assets and liabilities, performance fee liability, residual trust certificates, contingent consideration, and profit share liability do

not trade in an active market with readily observable prices, we use significant unobservable inputs to measure fair value. This determination requires significant judgments to be made.

Servicing Assets and Liabilities

We sold loans with an unpaid balance of $630.3 million and $2,087.7 million for the three and nine months ended March 31, 2020, respectively, and $756.7 million and $2,013.2 million for the three and nine months ended March 31, 2021, respectively, for which we retained servicing rights.

As of June 30, 2020 and March 31, 2021, we serviced loans which we sold with a remaining unpaid principal balance of $1,365.6 million and $1,752.7 million, respectively.

We use discounted cash flow models to arrive at an estimate of fair value. Significant assumptions used in the valuation of our servicing rights are as follows:

Adequate Compensation

We estimate adequate compensation as the rate a willing market participant would require for servicing loans with similar characteristics as those in the serviced portfolio.

Discount Rate

Estimated future payments to be received under servicing agreements are discounted as a part of determining the fair value of the servicing rights. For servicing rights on loans, the discount rate reflects the time value of money and a risk premium intended to reflect the amount of compensation market participants would require.

Net Default Rate

We estimate the timing and probability of early loan payoffs, loan defaults and write-offs, thus affecting the projected unpaid principal balance and expected term of the loan, which are used to project future servicing revenue and expenses.

We earned $2.8 million and $10.1 million of servicing income for the three and nine months ended March 31, 2020, respectively, and $8.0 million and $17.2 million of servicing income for the three and nine months ended March 31, 2021, respectively.

As of June 30, 2020 and March 31, 2021, the aggregate fair value of the servicing assets was measured at $2.1 million and $2.1 million, respectively, and presented within other assets on the interim condensed consolidated balance sheets. As of June 30, 2020 and March 31, 2021, the aggregate fair value of the servicing liabilities was measured at $1.5 million and $2.2 million, respectively, and presented within accrued expenses and other liabilities on the interim condensed consolidated balance sheets.

The following table summarizes the activity related to the aggregate fair value of our servicing assets (in thousands):

	Servicing Assets			
	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
Fair value at beginning of period	$ 1,207	$ 1,923	$ 1,680	$ 2,132
Initial transfers of financial assets	895	202	915	1,732
Subsequent changes in fair value	(161)	(5)	(654)	(1,744)
Fair value at end of period	$ 1,941	$ 2,120	$ 1,941	$ 2,120

The following table summarizes the activity related to the aggregate fair value of our servicing liabilities (in thousands):

	Servicing Liabilities			
	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
Fair value at beginning of period	$ 2,532	$ 2,826	$ 1,130	$ 1,540
Initial transfers of financial assets	1,110	1,972	2,102	5,185
Subsequent changes in fair value	(1,770)	(2,550)	(1,360)	(4,477)
Fair value at end of period	$ 1,872	$ 2,248	$ 1,872	$ 2,248

The following table presents quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of servicing assets and liabilities as of June 30, 2020:

	Unobservable Input	Minimum	Maximum	Weighted Average
Servicing assets	Discount rate	30.00 %	30.00 %	30.00 %
	Adequate compensation[(1)]	0.73 %	0.89 %	0.76 %
	Net default rate	0.81 %	0.82 %	0.82 %
Servicing liabilities	Discount rate	30.00 %	30.00 %	30.00 %
	Adequate compensation[(1)]	2.00 %	3.18 %	2.55 %
	Net default rate	6.45 %	10.99 %	9.16 %

(1) Estimated cost of servicing a loan as a percentage of unpaid principal balance

The following table presents quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of servicing assets and liabilities as of March 31, 2021:

	Unobservable Input	Minimum	Maximum	Weighted Average
Servicing assets	Discount rate	30.00 %	30.00 %	30.00 %
	Adequate compensation [(1)]	0.70 %	1.64 %	0.91 %
	Net default rate	0.51 %	2.97 %	0.97 %
Servicing liabilities	Discount rate	30.00 %	30.00 %	30.00 %
	Adequate compensation [(1)]	1.16 %	3.61 %	2.66 %
	Net default rate	0.64 %	6.79 %	5.90 %

(1) Estimated cost of servicing a loan as a percentage of unpaid principal balance

The following table summarizes the effect that adverse changes in estimates would have on the fair value of the servicing assets and liabilities given hypothetical changes in significant unobservable inputs (in thousands):

	June 30, 2020	March 31, 2021
Servicing assets		
Net default rate assumption:		
Net default rate increase of 25%	$ (9)	$ (5)
Net default rate increase of 50%	$ (21)	$ (9)
Adequate compensation assumption:		
Adequate compensation increase of 25%	$ (1,338)	$ (1,775)
Adequate compensation increase of 50%	$ (2,675)	$ (3,550)
Discount rate assumption:		
Discount rate increase of 25%	$ (27)	$ (16)
Discount rate increase of 50%	$ (56)	$ (37)
Servicing liabilities		
Net default rate assumption:		
Net default rate increase of 25%	$ (8)	$ (9)
Net default rate increase of 50%	$ (12)	$ (18)
Adequate compensation assumption:		
Adequate compensation increase of 25%	$ 1,438	$ 1,724
Adequate compensation increase of 50%	$ 2,875	$ 3,448
Discount rate assumption:		
Discount rate increase of 25%	$ (48)	$ (83)
Discount rate increase of 50%	$ (91)	$ (159)

Performance Fee Liability

In accordance with our agreements with our originating bank partners, we pay a fee for each loan that is fully repaid by the consumer, due at the end of the period in which the loan is fully repaid. We recognize a liability upon the purchase of a loan for the expected future payment of the performance fee. This liability is measured using a discounted cash flow model and recorded at fair value and presented within accrued expenses and other liabilities on the interim condensed consolidated balance sheets. Any changes in the fair value of the liability are reflected in other income, net, on the interim condensed consolidated statements of operations and comprehensive loss.

The following table summarizes the activity related to the fair value of the performance fee liability (in thousands):

	Performance Fee Liability			
	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
Fair value at beginning of period	$ 211	$ 1,205	$ 488	$ 875
Purchases of loans	278	349	779	1,070
Subsequent changes in fair value	(278)	(312)	(1,056)	(703)
Fair value at end of period	$ 211	$ 1,242	$ 211	$ 1,242

Significant unobservable inputs used for our Level 3 fair value measurement of the performance fee liability are the discount rate, refund rate, and default rate. Significant increases or decreases in any of the inputs in isolation could result in a significantly lower or higher fair value measurement.

The following table presents quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the performance fee liability as of June 30, 2020:

Unobservable Input	Minimum	Maximum	Weighted Average
Discount rate	10.00 %	10.00 %	10.00 %
Refund rate	4.50 %	4.50 %	4.50 %
Default rate	2.17 %	3.71 %	2.72 %

The following table presents quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the performance fee liability as of March 31, 2021:

Unobservable Input	Minimum	Maximum	Weighted Average
Discount rate	10.00 %	10.00 %	10.00 %
Refund rate	4.50 %	4.50 %	4.50 %
Default rate	1.89 %	4.65 %	2.44 %

Convertible Debt Derivative

Refer to Note 12. Debt for a description of the convertible debt derivative liability. On September 11, 2020, the convertible notes were converted into 4,444,321 shares of Series G-1 redeemable convertible preferred stock. The conversion of the notes was accounted for as a debt extinguishment and as such the convertible debt derivative liability was extinguished.

Residual Trust Certificates

Refer to Note 11. Notes Issued by Securitization Trusts for a description of the 2020-Z2 securitization trust. The remaining 6.6% residual trust certificates held by third-party investor(s) is measured at fair value, using a discounted cash flow model, and presented within accrued expenses and other liabilities on the interim condensed consolidated balance sheets. Any changes in the fair value of the liability are reflected in other income, net, on the interim condensed consolidated statements of operations and comprehensive loss. The following table summarizes the activity related to the fair value of the residual trust certificates (in thousands):

	Three Months Ended March 31, 2021	Nine Months March 31, 2021
Fair value at beginning of period	$ 1,348	$
Initial transfer of financial assets	—	
Repayments	(154)	
Subsequent changes in fair value	(76)	
Fair value at end of period	$ 1,118	$

Significant unobservable inputs used for our Level 3 fair value measurement of the residual trust certificates are the discount rate, loss rate, and prepayment rate. Significant increases or decreases in any of the inputs in isolation could result in a significantly lower or higher fair value measurement.

The following table presents quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the residual trust certificates as of March 31, 2021:

Unobservable Input	Minimum	Maximum	Weighted Average
Discount rate	10.00 %	10.00 %	10.00 %
Loss rate	0.75 %	0.75 %	0.75 %
Prepayment rate	8.00 %	8.00 %	8.00 %

Contingent Consideration

Our acquisition of PayBright included consideration transferred and shares held in escrow, contingent upon the achievement of future milestones. We classified the contingent consideration as a liability and will remeasure the liability to its fair value at each reporting date until the contingency is resolved. The acquisition date fair value of the contingent consideration liability was estimated using a Monte Carlo simulation. The number of shares released from escrow is determined based on simulated revenues, and the acquisition date fair value of the contingent consideration is equal to the number of shares released from escrow multiplied by the simulated share price, discounted at the risk-free rate. The change in fair value of the contingent consideration at each reporting date is recognized as a component of other income, net in the interim condensed consolidated statements of operations and comprehensive loss for the respective period.

The following table summarizes the activity related to the fair value of the contingent consideration during the three and nine months ended March 31, 2021 (in thousands):

	Three Months Ended March 31, 2021	Nine Months Ended March 31, 2021
Fair value at beginning of period	$ —	$ —
Acquisition date fair value	57,275	57,275
Subsequent changes in fair value	78,499	78,499
Effect of foreign currency translation	583	583
Fair value at end of period	$ 136,357	$ 136,357

Significant unobservable inputs used for our Level 3 fair value measurement of the contingent consideration are the discount rate, equity volatility, and revenue volatility. Significant increases or decreases in any of the inputs in isolation could result in a significantly lower or higher fair value measurement.

The following table presents quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the contingent consideration as of March 31, 2021:

Unobservable Input	Minimum	Maximum	Weighted Average
Discount rate	12.00%	12.00%	12.00%
Equity volatility	48.00%	78.00%	64.00%
Revenue volatility	21.00%	47.00%	44.00%

Profit Share Liability

During the three months ended March 31, 2021, we entered into a commercial agreement with an enterprise partner, in which we are obligated to share in the profitability of transactions facilitated by our platform on their properties. Upon capture of a loan under this program, we record a liability associated with the estimated future profit to be shared over the life of the loan based on estimated program profitability levels. This liability is measured using a discounted cash flow model and recorded at fair value and presented within accrued expenses and other liabilities on the interim condensed consolidated balance sheets.

The following table summarizes the activity related to the fair value of the profit share liability during the three and nine months ended March 31, 2021 (in thousands):

	Three Months Ended March 31, 2021	Nine Months Ended March 31, 2021
Fair value at beginning of period	$ —	$ —
Facilitation of loans	2,185	2,185
Fair value at end of period	$ 2,185	$ 2,185

Significant unobservable inputs used for our Level 3 fair value measurement of the profit share liability are the discount rate and estimated program profitability. Significant increases or decreases in any of the inputs in isolation could result in a significantly lower or higher fair value measurement.

The following table presents quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the profit sharing liability as of March 31, 2021:

Unobservable Input	Minimum	Maximum	Weighted Average
Discount rate	30.00%	30.00%	30.00%
Program profitability	1.79%	3.75%	3.75%

Financial Assets and Liabilities Not Recorded at Fair Value

The following table presents the fair value hierarchy for financial assets and liabilities not recorded at fair value as of June 30, 2020 (in thousands):

	Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets:					
Cash and cash equivalents	$ 267,059	$ 267,059	$ —	$ —	$ 267,059
Restricted cash	61,069	61,069	—	—	61,069
Loans held for sale	4,459	—	4,459	—	4,459
Loans held for investment, net	939,175	—	—	922,919	922,919
Accounts receivable, net	59,001	—	59,001	—	59,001
Other assets	7,984	—	7,984	—	7,984
Total assets	$ 1,338,747	$ 328,128	$ 71,444	$ 922,919	$ 1,322,491
Liabilities:					
Accounts payable	$ 18,361	$ —	$ 18,361	$ —	$ 18,361
Payable to third-party loan owners	24,998	—	24,998	—	24,998
Accrued interest payable	1,860	—	1,860	—	1,860
Accrued expenses and other liabilities	25,395	—	25,395	—	25,395
Convertible debt	67,615	—	—	67,615	67,615
Funding debt	817,926	—	—	805,910	805,910
Total liabilities	$ 956,155	$ —	$ 70,614	$ 873,525	$ 944,139

The following table presents the fair value hierarchy for financial assets and liabilities not recorded at fair value as of March 31, 2021 (in thousands):

	Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets:					
Cash and cash equivalents	$ 1,623,672	$ 1,623,672	$ —	$ —	$ 1,623,672
Restricted cash	183,330	183,330	—	—	183,330
Loans held for sale	12,774	—	12,774	—	12,774
Loans held for investment, net	2,081,640	—	—	2,063,882	2,063,882
Accounts receivable, net	66,080	—	66,080	—	66,080
Other assets	141,877	—	141,877	—	141,877
Total assets	$ 4,109,373	$ 1,807,002	$ 220,731	$ 2,063,882	$ 4,091,615
Liabilities:					
Accounts payable	$ 29,005	$ —	$ 29,005	$ —	$ 29,005
Payable to third-party loan owners	36,523	—	36,523	—	36,523
Accrued interest payable	3,891	—	3,891	—	3,891
Accrued expenses and other liabilities	148,278	—	148,278	—	148,278
Notes issued by securitization trusts	1,241,126	—	—	1,250,285	1,250,285
Funding debt	769,250	—	—	769,250	769,250
Total liabilities	$ 2,228,073	$ —	$ 217,697	$ 2,019,535	$ 2,237,232

15. Redeemable Convertible Preferred Stock and Stockholders' Deficit

Redeemable Convertible Preferred Stock

On January 12, 2021, prior to our initial public offering, all outstanding shares of redeemable convertible preferred stock were converted into shares of our common stock on a one-to-one basis and their carrying value of $1.3 billion was reclassified into stockholders' deficit. Following this conversion, we amended and restated our certificate of incorporation to effect a reclassification of each share of our outstanding common stock into ½ share of Class A common stock and ½ share of Class B common stock, with cash paid for fractional shares. As of March 31, 2021, there were no shares of redeemable convertible preferred stock issued and outstanding.

A summary of the authorized, issued and outstanding redeemable convertible preferred stock as of June 30, 2020 is as follows:

Series	Shares		Carrying Value (in thousands)	Liquidation Preference (in thousands)
	Authorized	Issued and Outstanding		
A	21,428,572	21,428,572	$ 21,598	$ 21,616
B	19,788,417	19,788,417	25,941	26,000
C	15,129,141	13,802,530	72,661	72,905
D	22,705,526	22,318,532	137,471	137,614
E	21,391,882	21,391,882	242,435	242,597
F	24,009,471	23,386,038	304,064	308,300
Total	124,453,009	122,115,971	$ 804,170	$ 809,032

In September 2020 and October 2020, we issued 21,836,687 shares of Series G redeemable convertible preferred stock at $19.93 per share for an aggregate purchase amount of $434.9 million. These shares had a liquidation preference of $435.1 million. As part of this equity financing round, the convertible notes issued in April 2020 converted into 4,444,321 shares of Series G-1 redeemable convertible preferred stock. These shares had a liquidation preference of $75.3 million.

Common Stock

The Company had shares of common stock reserved for issuance as follows:

	June 30, 2020	March 31, 2021
Conversion of redeemable convertible preferred stock	122,115,971	—
Exercise of warrants	706,065	—
Available outstanding under stock option plan	50,771,657	59,814,412
Available for future grant under stock option plan	4,904,531	30,158,763
Total	178,498,224	89,973,175

The common stock is not redeemable. We have two classes of common stock: Class A common stock and Class B common stock. Each holder of Class A common stock has the right to one vote per share of common stock. Each holder of Class B common stock has the right to 15 votes and can be converted at any time into one share of Class A common stock. Holders of Class A and Class B common stock are entitled to notice of any stockholders' meeting in accordance with the bylaws of the corporation, and are entitled to vote upon such matters and in such manner as may be provided by law. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock are entitled to receive, when and as declared by the Board of Directors, out of any assets of the corporation legally available therefore, such dividends as may be declared from time to time by the Board of Directors.

Common Stock Warrants

Common stock warrants are included as a component of additional paid in capital within the interim condensed consolidated balance sheets.

During the nine months ended March 31, 2021, we granted warrants to purchase 20,297,595 shares of common stock in connection with a commercial agreement with Shopify Inc. The exercise price was $0.01 per share, and the term of the warrants was 10 years. We valued the warrants at the grant date using the Black-Scholes-Merton option pricing model with the following assumptions: a dividend yield of zero, years to maturity of 10 years, volatility of 52%, and a risk-free rate of 0.62%. In connection with these warrants, we recognized an asset of $270.6 million at March 31, 2021 associated with the fair value of the warrants, which were fully vested as of

March 31, 2021. This asset is recorded in our interim condensed consolidated balance sheets within other assets. Refer to Note 6. Balance Sheet Components for more information on the asset and related amortization.

The following table summarizes the warrant activity during the nine months ended March 31, 2021:

	Number of Shares	Weighted Average Exercise Price ($)	Weighted Average Remaining Life (years)
Warrants outstanding, June 30, 2020	706,065	$2.50	7.21
Granted	20,297,595	0.01	10.00
Exercised	(20,651,583)	0.04	9.18
Cancelled	(352,077)	3.80	8.52
Warrants outstanding, March 31, 2021	—	$—	0.00

16. Equity and Cash Incentive Plans

2012 Equity Incentive Plan

Under our 2012 Equity Incentive Plan (the "Plan"), we may grant incentive and nonqualified stock options, restricted stock, and RSUs to employees, officers, directors, and consultants. As of March 31, 2021, the maximum number of shares of common stock which may be issued under the Plan is 118,374,202 shares. As of June 30, 2020, and March 31, 2021, there were 4,904,531 and 30,158,763 shares of common stock, respectively, available for future grants under the Plan.

Stock Options

The following table summarizes our stock option activity for the nine months ended March 31, 2021:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Balance, June 30, 2020	42,536,487	$ 5.17	7.54	
Granted	16,009,746	49.10		
Exercised	(11,213,678)	4.07		
Forfeited, expired or cancelled	(1,541,557)	7.22		
Balance, March 31, 2021	45,790,998	20.73	7.97	
Vested and exercisable, March 31, 2021	19,592,979	$ 4.39	6.45	$ 1,283,101
Vested and exercisable, and expected to vest thereafter[(1)] March 31, 2021	42,645,938	$ 20.32	7.90	$ 2,263,965

(1) Options expected to vest reflect the application of an estimated forfeiture rate.

Value Creation Award

In connection with an overall review of the compensation of Max Levchin, our Chief Executive Officer, in advance of the IPO, and taking into account Mr. Levchin's leadership since the inception of the Company, the comparatively modest level of cash compensation he had received from the Company during his many years of service, and that he did not hold any unvested equity awards, the Company's Board of Directors approved a long-term, multi-year performance-based stock option grant providing Mr. Levchin with the opportunity to earn the right

to purchase up to 12,500,000 shares of the Company's Class A common stock (the “Value Creation Award”). As discussed below, the Value Creation Award will only be earned, if at all, in the event the price of our Class A common stock attains stock price hurdles that are significantly in excess of the Company's IPO price per share, over a period of five years, subject to Mr. Levchin’s continued service to the Company.

The Value Creation Award is divided into ten tranches, each of which Mr. Levchin may earn by satisfying a performance condition within a five-year period following the IPO. The performance condition for each tranche will be satisfied on the date the 90 average trading day volume weighted share price of the Company’s Class A common stock exceeds certain specified stock price hurdles, presented in the table below, which were determined based on a target percentage of share price appreciation from the IPO price. Once earned as a result of satisfying the performance condition, the options will vest and become exercisable over a five-year period that commenced at the time of the IPO, subject to Mr. Levchin’s continued service to the Company, in annual amounts equal to 15%, 15%, 20%, 25% and 25%, respectively. The per share exercise price of the Value Creation Award is $49.00, the price to the public in the IPO.

Tranche	Stock Price Hurdle	Number of Options
1	$ 65.66	1,000,000
2	$ 82.32	1,000,000
3	$ 98.98	1,000,000
4	$ 115.64	1,000,000
5	$ 132.30	1,000,000
6	$ 148.47	1,000,000
7	$ 165.13	1,000,000
8	$ 181.79	1,000,000
9	$ 247.94	2,250,000
10	$ 371.91	2,250,000
Total		12,500,000

We estimated the fair value of the Value Creation Award granted with market conditions on the grant date using a Monte Carlo simulation model. We recognize stock-based compensation on these awards on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable of being satisfied. During both the three and nine months ended March 31, 2021, we incurred stock-based compensation expense of $38.5 million associated with the Value Creation Award as a component of general and administrative expense within the interim condensed consolidated statements of operations and comprehensive loss.

Restricted Stock Units

During the nine months ended March 31, 2021, we awarded 10,185,952 RSUs to certain employees under the Plan. RSUs granted prior to the IPO were subject to two vesting conditions: a service-based vesting condition (i.e., employment over a period of time) and a performance-based vesting condition (i.e., a liquidity event in the form of either a change of control or an initial public offering, each as defined in the Plan), both of which must be met in order to vest. We record stock-based compensation expense for performance-based equity awards and stock on an accelerated attribution method over the requisite service period, which is generally four years, and only if performance-based conditions are considered probable of being satisfied. RSUs granted after IPO are subject to a service-based vesting condition. We record stock-based compensation expense for service-based RSUs on a straight-line basis over the requisite service period, which is generally four years.

The following table summarizes our RSU activity during the nine months ended March 31, 2021:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested at June 30, 2020	8,235,170	$ 7.95
Granted	10,185,952	35.25
Vested	(3,537,425)	98.55
Forfeited, expired or cancelled	(860,283)	9.95
Non-vested at March 31, 2021	14,023,414	$ 27.96

Stock-Based Compensation Expense

The following table presents the components and classification of stock-based compensation (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
General and administrative	$ 3,665	$ 82,421	$ 11,166	$ 88,722
Technology and data analytics	3,360	45,980	10,297	50,749
Sales and marketing	918	9,933	3,172	11,274
Processing and servicing	27	1,413	54	1,726
Total stock-based compensation in operating expenses	7,970	139,747	24,689	152,471
Capitalized into property, equipment and software, net	667	6,567	2,350	7,792
Total stock-based compensation expense	$ 8,637	$ 146,314	$ 27,039	$ 160,263

Upon our IPO, we recognized $65.1 million of stock-based compensation expense for awards with a performance-based vesting condition satisfied at IPO. Shares were then issued related to the vesting of the RSUs with such performance-based vesting conditions. To meet the related tax withholding requirements, we withheld approximately 1.0 million of the 2.6 million shares of common stock issued. Based on the closing trading market price on the day of IPO of $97.24 per share, the tax withholding obligation was approximately $102.5 million. As a result of stock-based compensation expense for vested and unvested RSUs upon the IPO, we recorded an additional deferred tax asset that is offset by a full valuation allowance.

Cash Incentive Plan

On March 4, 2021, the Compensation Committee of the Board of Directors approved the terms of a cash incentive plan (the “Fiscal 2021 Cash Incentive Plan”) for its senior executives who do not participate in a Company sales incentive plan. The Fiscal 2021 Cash Incentive Plan provides such individuals with the opportunity to earn cash incentive plan awards based upon the achievement of Company performance goals during the second half of the Company’s 2021 fiscal year (the “Performance Period”). The target incentive plan award for each senior executive is determined by multiplying the senior executive’s target percentage by the total amount of his or her base pay received during the Performance Period. We recorded expense related to the cash incentive plan of $0.9 million for the three and nine months ended March 31, 2021, respectively. As of March 31, 2021, we had accrued $0.9 million related to the cash incentive plan.

17. Income Taxes

For the three and nine months ended March 31, 2020, we recorded income tax expense (benefit) of $0.1 million and $0.3 million, which was primarily attributable to various state income taxes. For the three and nine months ended March 31, 2021, we recorded income tax expense (benefit) of $(0.1) million and $0.1 million, which was primarily attributable to the effects of foreign income taxes and various state income taxes.

As of March 31, 2021, we continue to recognize a full valuation allowance against net deferred tax assets. This determination was based on the assessment of the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. The amount of deferred tax assets considered realizable in future periods may change as management continues to reassess the underlying factors it uses in estimating future taxable income.

18. Net Loss per Share Attributable to Common Stockholders

On January 12, 2021, we amended and restated our certificate of incorporation to effect a reclassification of each share of our outstanding common stock into ½ share of Class A common stock and ½ share of Class B common stock, with cash paid for fractional shares. Therefore, we have two classes of common stock: Class A common stock and Class B common stock. The rights, including the dividends and distributions, of the holders of our Class A and Class B common stock are identical, except with respect to voting. Additionally, the conversion of all outstanding shares of redeemable convertible preferred stock into shares of our common stock occurred immediately prior to the reclassification.

The following table presents basic and diluted net loss per share attributable to common stockholders for Class A and Class B (in thousands, except share and per share data):

	Three Months Ended March 31, 2020	Nine Months Ended March 31, 2020
Numerator:		
Basic		
Net Loss	$ (85,620)	$ (147,411)
Excess return to preferred stockholders on repurchase	—	(13,205)
Net Loss Attributable to Common Stockholders	$ (85,620)	$ (160,616)
Diluted		
Net Loss	$ (85,620)	$ (147,411)
Excess return to preferred stockholders on repurchase	—	(13,205)
Net Loss Attributable to Common Stockholders	$ (85,620)	$ (160,616)
Denominator:		
Basic		
Weighted average shares outstanding, basic	47,435,554	47,974,768
Total-basic	47,435,554	47,974,768
Diluted		
Weighted average common shares outstanding, diluted	47,435,554	47,974,768
Total-diluted	47,435,554	47,974,768
Net loss per share attributable to common stockholders:		
Basic	$ (1.80)	$ (3.35)
Diluted	$ (1.80)	$ (3.35)

	Three Months Ended March 31, 2021		Nine Months Ended March 31, 2021	
	Class A	Class B	Class A	Class B
Numerator:				
Basic				
Net Loss	$ (129,975)	$ (117,184)	$ (133,038)	$ (144,677)
Net Loss Attributable to Common Stockholders	$ (129,975)	$ (117,184)	$ (133,038)	$ (144,677)
Diluted				
Net Loss	$ (129,975)	$ (117,184)	$ (133,038)	$ (144,677)
Excess return to preferred stockholders on repurchase	—	—	(14,428)	(15,677)
Gain on conversion of convertible debt	—	—	191	207
Interest on convertible debt prior to conversion	—	—	859	933
Net Loss Attributable to Common Stockholders	$ (129,975)	$ (117,184)	$ (146,416)	$ (159,214)
Denominator:				
Basic				
Weighted average shares outstanding, basic	122,691,770	110,617,820	58,520,980	63,640,528
Total-basic	122,691,770	110,617,820	58,520,980	63,640,528
Diluted				
Weighted average common shares outstanding, diluted	122,691,770	110,617,820	58,520,980	63,640,528
Weighted average common shares attributable to convertible debt prior to conversion	—	—	583,925	583,925
Total-diluted	122,691,770	110,617,820	59,104,905	64,224,453
Net loss per share attributable to common stockholders:				
Basic	$ (1.06)	$ (1.06)	$ (2.27)	$ (2.27)
Diluted	$ (1.06)	$ (1.06)	$ (2.48)	$ (2.48)

The following common stock equivalents, presented based on amounts outstanding, were excluded from the calculation of diluted net loss per share attributable to common stockholders because their inclusion would have been anti-dilutive:

	As of March 31, 2021	
	2020	2021
Redeemable convertible preferred stock	122,115,971	—
Stock options, including early exercise of options	43,224,565	33,342,527
Restricted stock units	5,916,547	13,975,457
Common stock warrants	706,065	350,000
Total	171,963,148	47,667,984

19. Segments and Geographical Information

We conduct our operations through a single operating segment and, therefore, one reportable segment.

Revenue

Revenue by geography is based on the billing addresses of the borrower or the location of the merchant's national headquarters. The following table sets forth revenue by geographic area (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
United States	$ 137,198	$ 224,863	$ 354,394	$ 603,048
Canada	1,075	5,802	1,802	5,636
Total	$ 138,273	$ 230,665	$ 356,196	$ 608,684

Long-Lived Assets

The following table sets forth our long-lived assets, consisting of property, equipment and software, net and operating lease right-of-use assets, by geographic area (in thousands):

	June 30, 2020	March 31, 2021
United States	$ 48,140	$ 111,416
Canada	—	1,668
Total	$ 48,140	$ 113,084

20. Subsequent Events

We have evaluated subsequent events through May 14, 2021, which is the date that these interim condensed consolidated financial statements were available to be issued. There were no significant subsequent events identified other than the matters described below.

Business Combination

On April 20, 2021, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") with certain subsidiaries of the Company, Returnly Technologies, Inc. ("Returnly"), a Delaware corporation, and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as the representative of the securityholders of Returnly.

The transaction closed on May 1, 2021. At the closing of the transaction, all of the issued and outstanding shares of capital stock and warrants to purchase capital stock of Returnly were cancelled in exchange for merger consideration consisting of (a) 3,319,115 shares of the Company's Class A common stock with an aggregate value of $238.1 million, and (b) $41.9 million in cash, subject to adjustment and escrows, in each case in the amounts and upon the terms and subject to the conditions as set forth in the Merger Agreement. In addition, issued and outstanding vested options to purchase Returnly common stock were cancelled in exchange for approximately $13.6 million in cash.

Due to the limited time since the acquisition date, the initial accounting for the business combination is incomplete. As a result, the Company is unable to provide the amounts recognized as of the acquisition date for the major classes of assets acquired and liabilities assumed.

2021-Z1 Securitization

On April 26, 2021, Affirm Asset Securitization Trust 2021-Z1 ("2021-Z1") entered into a note purchase agreement with Barclays Capital Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC, and Robert W. Baird & Co. Incorporated to issue $320.0 million of fixed rate asset-backed notes with a maturity date of August 15, 2025. The notes bear interest at a rate of 1.07% per year. On May 5, 2021, we contributed $351.0 million of loan receivables to the 2021-Z1 securitization.

On May 12, 2021, we entered into an agreement to sell residual certificates issued by 2021-Z1 to third-party investors representing 95% of the residual certificates issued. We hold the remaining residual certificates and all the risk retention interests.

Appointment of Libor Michalek to the Board of Directors

On May 8, 2021, the Board of Directors (the "Board") of the Company appointed Libor Michalek, the Company's President, Technology, to the Board as a Class I director, with a term expiring at the Company's 2021 annual meeting of stockholders.

Resignation of Chief Legal Officer

On May 10, 2021, Sharda Caro del Castillo notified the Company of her decision to resign as Chief Legal Officer of the Company effective as of June 30, 2021. In connection with Ms. Caro del Castillo's resignation, and in recognition of Ms. Caro del Castillo's prior service and contributions to the Company, the Company and Ms. Caro del Castillo entered into a Separation Agreement which provides that the vesting of 125,312 outstanding Company stock options and 26,428 outstanding Company restricted stock units held by Ms. Caro del Castillo will be accelerated to the effective date of her resignation. The Separation Agreement also provides for a customary release of claims in favor of the Company and certain other standard provisions.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the interim condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q ("Form 10-Q") and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the fiscal year ended June 30, 2020 included in the final prospectus for our initial public offering dated as of January 12, 2021 and filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4) on January 14, 2021. Some of the information contained in this discussion and analysis, including information with respect to our planned investments to drive future growth, includes forward-looking statements that involve risks and uncertainties. You should review the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. For the periods presented, references to originating bank partners are to Cross River Bank and Celtic Bank.

Overview

We are building the next generation platform for digital and mobile-first commerce. We believe that by using modern technology, the very best engineering talent, and a mission-driven approach, we can reinvent the payment experience. Our solutions, which are built on trust and transparency, make it easier for consumers to spend responsibly and with confidence, easier for merchants to convert sales and grow, and easier for commerce to thrive.

Our point-of-sale solution allows consumers to pay for purchases in fixed amounts without deferred interest, hidden fees, or penalties. We empower consumers to pay over time rather than paying for a purchase entirely upfront. This increases consumers' purchasing power and gives them more control and flexibility. Our platform facilitates both true 0% APR payment options and interest-bearing loans. On the merchant side, we offer commerce enablement, demand generation, and customer acquisition tools. Our solutions empower merchants to more efficiently promote and sell their products, optimize their customer acquisition strategies, and drive incremental sales. We also provide valuable product-level data and insights — information that merchants cannot easily get elsewhere — to better inform their marketing strategies. Finally, our consumer-focused app unlocks the full suite of Affirm products for a delightful end-to-end consumer experience. Consumers can use our app to manage payments, open a high-yield savings account, and access a personalized marketplace.

Our company is predicated on the principles of simplicity, transparency, and putting people first. By adhering to these principles, we have built enduring, trust-based relationships with consumers and merchants that we believe will set us up for long-term, sustainable success. We believe our innovative approach uniquely positions us to define the future of commerce and payments.

Technology and data are at the core of everything we do. Our expertise in sourcing, aggregating, and analyzing data has been what we believe to be the key competitive advantage of our platform since our founding. We believe our proprietary technology platform and data give us a unique advantage in pricing risk. We use data to inform our risk scoring in order to generate value for our consumers, merchants, and capital partners. We collect and store petabytes of information that we carefully structure and use to regularly recalibrate and revalidate our models, getting to risk scoring and pricing faster, more efficiently, and with a higher degree of confidence. We also prioritize building our own technology and investing in product and engineering talent as we believe these are enduring competitive advantages that are difficult to replicate. Our solutions use the latest in machine learning, artificial intelligence, cloud-based technologies, and other modern tools to create differentiated and scalable products.

We have achieved significant growth in recent periods. Our total revenue, net was approximately $138.3 million and $356.2 million for the three and nine months ended March 31, 2020, respectively, and $230.7 million and $608.7 million for the three and nine months ended March 31, 2021, respectively. We incurred net losses of

$86.5 million and $147.4 million for the three and nine ended March 31, 2020, respectively, and $247.2 million and $277.7 million for the three and nine months ended March 31, 2021, respectively.

The combination of our differentiated product offering, efficient go-to-market strategy, and strong monetization engine has resulted in fast growth.

- ***Rapid GMV growth.*** We grew our Gross Merchandise Volume ("GMV") by approximately 83% period-over-period from $1.2 billion during the three months ended March 31, 2020 to $2.3 billion during the three months ended March 31, 2021. During the nine months ended March 31, 2021, GMV was $5.8 billion, which represented 69% growth over the nine months ended March 31, 2020.

- ***Increased consumer engagement.*** The number of active consumers on our platform grew by 1.7 million consumers from June 30, 2020 to March 31, 2021 to a total of 5.4 million.

- ***Expanded merchant network.*** We have also continued to scale the breadth and reach of our platform. From June 30, 2020 to March 31, 2021, our merchant base expanded by 103% to approximately 11,513.

- ***Compelling network revenue growth.*** Network revenue, which combines merchant network revenue and virtual card network revenue, increased 53% and 71% compared to the three and nine months ended March 31, 2020. We believe that the continued growth of network revenue demonstrates the value of our platform to our merchants.

Our business was designed to scale efficiently. Our partnerships with banks and other funding relationships have allowed us to remain equity capital efficient. Since July 1, 2016, we have processed approximately $15.0 billion of GMV on our platform. As of March 31, 2021, we had over $5.8 billion in funding capacity from a diverse set of capital partners, including through our warehouse facilities, securitization trusts, and forward flow arrangements, an increase of $2.5 billion from $3.3 billion as of June 30, 2020.

Through the diversity of these funding relationships, the equity capital required to build our total platform portfolio has declined from approximately 9% of the total platform portfolio as of June 30, 2020, to approximately 5% as of March 31, 2021. We define our total platform portfolio as the unpaid principal balance outstanding of all loans facilitated through our platform as of the balance sheet date, including both those loans held for investment and those loans owned by third-parties. This amount totaled $2.5 billion and $4.2 billion as of June 30, 2020 and March 31, 2021, respectively. Additionally, we define the equity capital required as the balance of loans held for investment plus loans held for sale less funding debt and notes issued by securitization trusts, per our interim condensed consolidated balance sheet. This amount totaled $220.8 million and $206.6 million as of June 30, 2020 and March 31, 2021, respectively. Additionally, equity capital required as a percent of the last twelve months' GMV was 5% and 3% as of June 30, 2020 and March 31, 2021, respectively.

We have focused on growing our platform and plan to continue making investments to drive future growth, as evidenced by our strategic acquisitions of PayBright and, subsequent to the end of the period, Returnly Technologies, Inc. ("Returnly"). We believe that our continued success will depend on many factors, including our ability to expand and deepen our consumer and merchant relationships, help our merchants grow their revenue on our platform, and develop new innovative solutions to establish the ubiquity of our network and breadth of our platform.

Our Financial Model

Our Revenue Model

From merchants, we earn a fee when we help them convert a sale and power a payment. While merchant fees depend on the individual arrangement between us and each merchant and vary based on the terms of the product offering, we generally earn larger merchant fees on 0% APR financing products. For the three and nine months ended March 31, 2020, 0% APR financing represented 42% and 39%, respectively, of total GMV facilitated through our platform. For the three and nine months ended March 31, 2021, 0% APR financing represented 43% and 45%, respectively, of total GMV facilitated through our platform.

From consumers, we earn interest income on the simple interest loans that we purchase from our originating bank partners. Interest rates charged to our consumers vary depending on the transaction risk, creditworthiness of the consumer, the repayment term selected by the consumer, the amount of the loan, and the individual arrangement with a merchant. Because our consumers are never charged deferred or compounding interest, late fees, or penalties on the loans, we are not incentivized to profit from our consumers' hardships.

In order to accelerate our ubiquity, we facilitate the issuance of virtual cards directly to consumers through our app, allowing them to shop with merchants that may not yet be fully integrated with Affirm. When these virtual cards are used over established card networks, we earn a portion of the interchange fee from the transaction.

Our Loan Origination and Servicing Model

When a consumer applies for a loan through our platform, the loan is underwritten using our proprietary risk model. Once approved for the loan, the consumer then selects his/her preferred repayment option. The substantial majority of these loans are funded and issued by our originating bank partners.

A substantial majority of the loans facilitated through our platform are originated through our originating bank partners: Cross River Bank, an FDIC-insured New Jersey state chartered bank, and Celtic Bank, a Utah state-chartered industrial bank whose deposits are insured by the FDIC. These partnerships allow us to benefit from our partners' ability to originate loans under their banking licenses while complying with various federal, state, and other laws. Under this arrangement, we must comply with our originating bank partners' credit policies and underwriting procedures, and our originating bank partners maintain ultimate authority to decide whether to originate a loan. When an originating bank partner originates a loan, it funds the loan out of its own funds and may subsequently offer and sell the loan to us. Pursuant to our agreements with these partners, we are obligated to purchase the loans originated through our platform that our partner offers us and our obligation is secured by cash deposits. To date, we have purchased all of the loans facilitated through our platform and originated by our originating bank partners. When we purchase a loan from an originating bank partner, the purchase price is equal to the outstanding principal balance of the loan, plus a fee and any accrued interest. The originating bank partner also retains an interest in the loans purchased by us through a loan performance fee that is payable by us on the aggregate principal amount of a loan that is paid by a consumer. See Note 14. Fair Value of Financial Assets and Liabilities for more information on the performance fee liability.

We are also able to originate loans directly under our lending, servicing, and brokering licenses in Canada and across various states in the U.S. through our consolidated subsidiaries. We started originating loans directly in Canada in October 2019 and, through March 31, 2021, we had originated approximately $164.7 million of loans in Canada. As of March 31, 2021, we had directly originated $180.7 million of loans in the U.S. pursuant to our state licenses.

We act as the servicer on all loans that we originate directly or purchase from our originating bank partners and earn a servicing fee on loans we sell to our funding sources. We do not sell the servicing rights on any of the loans, allowing us to control the consumer experience end-to-end. To allow for flexible staffing to support overflow and seasonal traffic, we partner with several sub-servicers to manage customer care, first priority collections, and third-party collections in accordance with our policies and procedures.

Our Funding Sources

We maintain a capital-efficient model through a diverse set of funding sources. When we originate a loan directly or purchase a loan originated by our originating bank partners, we often utilize warehouse facilities with certain lenders to finance our lending activities or loan purchases. We sell the loans we originate or purchase from our originating bank partners to whole loan buyers and securitization investors through forward flow arrangements and securitization transactions, and earn servicing fees from continuing to act as the servicer on the loans.

Key Operating Metrics

We collect and analyze operating and financial data of our business to assess our performance, formulate financial projections, and make strategic decisions. In addition to revenue, net (loss) income, and other results under accounting principles generally accepted in the United States ("U.S. GAAP"), the following tables set forth key operating metrics we use to evaluate our business.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
	(in thousands)			
Gross Merchandise Volume (GMV)	$ 1,231,484	$ 2,257,374	$ 3,434,374	$ 5,808,415

GMV

We measure gross merchandise volume to assess the volume of transactions that take place on our platform. We define GMV as the total dollar amount of all transactions on the Affirm platform during the applicable period, net of refunds. GMV does not represent revenue earned by us. However, the GMV processed through our platform is an indicator of the success of our merchants and the strength of our platform. For the three months ended March 31, 2021, GMV was $2.3 billion, which represented an increase of approximately 83% as compared to $1.2 billion for the three months ended March 31, 2020. For the nine months ended March 31, 2021, GMV was $5.8 billion, which represented an increase of approximately 69% as compared to $3.4 billion for the nine months ended March 31, 2020.

	March 31, 2020	June 30, 2020	March 31, 2021
	(in thousands, except per consumer data)		
Active Consumers	3,346	3,618	5,364
Transactions per Active Consumer (x)	2.1	2.1	2.3

Active Consumers

We assess consumer adoption and engagement by the number of active consumers across our platform. Active consumers are the primary measure of the size of our network. We define an active consumer as a consumer who engages in at least one transaction on our platform during the 12 months prior to the measurement date. As of March 31, 2021, we had 5.4 million active consumers, representing an increase of approximately 48% compared to 3.6 million as of June 30, 2020, and approximately 60% compared to 3.3 million at March 31, 2020. Active consumers include consumers who engaged in at least one transaction on the PayBright platform during the 12 months prior to the measurement date and prior to the acquisition of PayBright by Affirm.

Transactions per Active Consumer

We believe the value of our network is amplified with greater consumer engagement and repeat usage, highlighted by increased transactions per active consumer. Transactions per active consumer is defined as the average number of transactions that an active consumer has conducted on our platform during the 12 months prior to the measurement date. As of March 31, 2021, we had approximately 2.3 transactions per active consumer,

representing an increase of 9% as compared to 2.1 as of June 30, 2020 and an increase of 10% compared to March 31, 2020. Transactions per active consumer includes transactions completed by active consumers on the PayBright platform during the 12 months prior to the measurement date and prior to the acquisition of PayBright by Affirm.

Factors Affecting Our Performance

Expanding our Network, Diversity, and Mix of Funding Relationships

Our capital efficient funding model is integral to the success of our platform. As we scale the number of transactions on our network and grow GMV, we maintain a variety of funding relationships in order to support our network. Our diversified funding relationships include warehouse facilities, securitization trusts, forward flow arrangements, and partnerships with banks. Given the short duration and strong performance of our assets, funding can be recycled quickly, resulting in a high-velocity, capital efficient funding model. We have continued to reduce the percentage of our equity capital required to fund our total platform portfolio from approximately 9% as of June 30, 2020, to approximately 5% as of March 31, 2021. The mix of on-balance sheet and off-balance sheet funding will also impact our results in any given period.

Mix of Business on Our Platform

The mix of products that our merchants offer and our consumers purchase in any period affects our operating results. The mix impacts GMV, revenue, and the financial results of that period. Differences in product mix relate to different loan durations, APR mix, and varying proportion of 0% APR versus interest-bearing financings. For example, our low AOV products generally benefit from shorter duration, but also have lower revenue as a percentage of GMV when compared to high AOV products. These mix shifts are driven in part by merchant-side activity relating to the marketing of their products, whether the merchant is fully integrated within our network, and general economic conditions affecting consumer demand. In addition, we expect that our commercial agreement with Shopify to offer Shop Pay Installments powered by Affirm and our recent Split Pay offering, a short-term payment plan for purchases under $250 with 0% APR, will increase the mix of our shorter duration, low AOV products. Differences in the mix of high versus low AOV will also impact our results. For example, we expect that transactions per active consumer may increase while revenue as a percentage of GMV may decline in the medium term to the extent that a greater portion of our GMV comes from Split Pay and other low-AOV offerings.

Sales and Marketing Investment

We have historically relied on the strength of our merchant relationships and positive user experience to develop our consumer brand and grow the ubiquity of our platform. During the three and nine months ended March 31, 2021, we increased our investment in sales and marketing channels that we believe will drive further brand awareness and preference among both consumers and merchants. Given the nature of our revenue, our investment in sales and marketing in a given period may not impact results until subsequent periods. Additionally, given the increasingly competitive nature of merchant acquisition, we expect that we may make significant investments in retaining and acquiring new merchants. We are focused on the effectiveness of sales and marketing spending and will continue to be strategic in maintaining efficient consumer and merchant acquisition.

Seasonality

We experience seasonal fluctuations in our revenue as a result of consumer spending patterns. Historically, our revenue has been the strongest during the second quarter of our fiscal year due to increases in retail commerce during the holiday season. Additionally, revenue associated with the purchase of home fitness equipment historically has been strongest in the third quarter of our fiscal year. Adverse events that occur during these months could have a disproportionate effect on our financial results for the fiscal year.

Timing of Merchant Transaction Recognition Change

The timing of our revenue recognition is tied to when a merchant captures payment and confirms a transaction financed through our platform, which we refer to as the merchant capture date. If a merchant recognizes the payment collection and confirms the transaction later in their transaction process, we expect that this change would delay the merchant capture date, which would delay our recognition of GMV and revenue related to that merchant's transactions by a corresponding amount. Such a delay would adversely affect the GMV and revenue that we recognize from such merchant's transactions in the quarterly period of such change, as the merchant capture date for a portion of such transactions would shift to a future quarterly period. We typically experience small timing differences between the consumer purchase date and the date when a merchant captures payment, however these differences have historically been immaterial.

In December 2020, the implementation of such a change began with respect to our largest merchant, Peloton, who delayed the merchant capture dates of certain transactions. This resulted in a delay in the recognition of GMV and revenue related to these transactions in the period ended December 31, 2020. As of December 31, 2020, we had approximately $83.9 million of transactions that had been facilitated by our platform but not yet confirmed by the merchant. Transactions from our merchant partnership with Peloton contributed $63.1 million of the $83.9 million balance.

In the three months ended March 31, 2021, we facilitated $23.4 million more transaction volume on our platform than was captured and confirmed by our merchants, an increase of $30.8 million from the three months ended March 31, 2020, in which we facilitated $7.4 million less transaction volume than was captured and confirmed by our merchants. As of March 31, 2021 and over the multi-year life of our merchant partnership with Peloton, we had facilitated approximately $65.7 million more transaction volume than had been captured and confirmed by the merchant. This is an increase of $65.7 million from March 31, 2020 and an increase of $2.6 million from December 31, 2020.

For more information on factors affecting our performance, see *"Item 1A. Risk Factors."*

Impact of COVID-19

The COVID-19 pandemic has had, and continues to have, a significant impact on the U.S. economy and the markets in which we operate. Our positive performance during this period demonstrates the value and effectiveness of our platform, the resiliency of our business model, and the capabilities of our risk management and underwriting approach. However, certain of the COVID-19 related trends underlying this positive performance, in particular the significant revenue generated from certain types of merchants, may not continue at current levels.

Diversified Mix of Merchant Partners

We have a diversified set of merchant partners across industries, which allows us to capitalize on industry tailwinds and changing consumer spending behavior, economic conditions, and other factors that may affect a particular type of merchant or industry. For example, following the onset of the COVID-19 pandemic, our revenue from merchant partners in the travel, hospitality, and entertainment industries declined significantly, but we saw a significant increase in revenue from merchant partners offering home fitness equipment, home office products, and home furnishings. While we have benefited as a result of such consumer spending trends, there can be no assurance that such trends will continue or that the levels of total revenue and merchant network revenue that we generate from merchants in fitness equipment, home office products, and home furnishings industries will continue. The decline of sales by our merchants for any reason will generally result in lower credit sales and, therefore, lower loan volume and associated fee income for us. However, the beginnings of economic reopening and recovery present new opportunities for growth in our diverse merchant base, including early indications of strong recovery in the travel and hospitality sectors in which we believe we are well positioned.

Dynamic Changes to Risk Model

As part of our risk mitigation platform, we closely track data and trends to measure risk and manage exposure, leveraging our flexibility to quickly adjust and adapt. In response to the macroeconomic impact of the

COVID-19 pandemic, we initiated a series of refinements to our risk model based on our real-time data observations and analysis. We were able to respond, implement, and test the updates to our model quickly due to the adaptability of our infrastructure, underwriting, and risk management models. This resulted in decreases across both charge-offs and delinquencies. Our proprietary risk model was not designed to take into account the longer-term impacts of social, economic, and financial disruptions caused by the COVID-19 pandemic, and while we continuously make refinements to our risk model as new information becomes available to us, any changes to our risk model may be ineffective and the performance of our risk model may decline.

Flexible Allowance Model

At the onset of the COVID-19 pandemic in March 2020, we factored in updated loss multiples using macroeconomic data to reflect stressed expected loss scenarios emerging from forecasted delinquencies and defaults. This stressing of the model resulted in an increase of the allowance for credit losses as a percentage of loans held for investment from 8.9% as of February 29, 2020 to 14.8% as of March 31, 2020. In the months subsequent to this, we have seen stronger than expected repayment history in the portfolio, resulting in a release of the allowance. As of June 30, 2020 and March 31, 2021, the allowance for credit losses as a percentage of loans held for investment was 9% and 5%, respectively. Our allowance for credit losses has declined as a percentage of loans held for investment as we have begun to retain a higher portion of longer-term, 0% APR loans on our balance sheet since completing our consolidated 2020-Z1 and 2020-Z2 securitizations during the nine months ended March 31, 2021. These longer-term, 0% APR loans tend to have lower expected losses than our interest bearing loans and generally carry lower loss reserves as a percentage of initial principal balance. Additionally, improved macroeconomic conditions have resulted in an overall improved credit outlook and reduced expected losses. Should macroeconomic factors or expected losses change, we may increase or decrease the allowance for credit losses.

For more information on the risks related to the COVID-19 pandemic, see *"Item 1A. Risk Factors — Risks Related to Our Business and Industry."*

Components of Results of Operations

Revenue

Merchant Network Revenue

Merchant partners are charged a fee on each transaction processed through the Affirm platform. The fees vary depending on the individual arrangement between us and each merchant and on the terms of the product offering. The fee is recognized at the point in time the terms of the executed merchant agreement have been fulfilled and the merchant successfully confirms the transaction. We may originate certain loans via our wholly-owned subsidiaries, with zero or below market interest rates. In these instances, the par value of the loans originated is in excess of the fair market value of such loans, resulting in a loss, which we record as a reduction to merchant network revenue. In order to continue to expand our consumer base, we may originate loans under certain merchant arrangements that we do not expect to achieve positive revenue. In these instances, the loss is recorded as sales and marketing expense. During the three and nine months ended March 31, 2020, we generated 49% and 48% of our revenue from merchant network fees, respectively. During the three and nine months ended March 31, 2021, we generated 42% and 48% of our revenue, respectively, from merchant network fees.

Virtual Card Network Revenue

A smaller portion of our revenue comes from our Virtual Card product. We have agreements with issuer processors to facilitate transactions through the issuance of virtual debit cards to be used by consumers at checkout. Consumers can apply for a virtual debit card through the Affirm app and, upon approval, receive a single-use virtual debit card to be used for their purchase online or offline at a non-integrated merchant. The non-integrated merchants are charged interchange fees by the issuer processor for virtual debit card transactions, as with all debit card purchases, and the issuer processor shares a portion of this revenue with us. We also leverage this issuer processor as a means of integrating certain merchants. Similarly, for these arrangements, the merchant is charged interchange fees by the issuer processor and the issuer processor shares a portion of this revenue with us. This revenue is

recognized as a percentage of both our loan volume transacted on the payment processor network and net interchange income, and this revenue is presented net of associated processing fees. We generated 4% and 5% of our revenue from virtual card network fees for the three and nine months ended March 31, 2020, respectively, and 6% and 5% of our revenue from virtual card network fees for the three and nine months ended March 31, 2021, respectively.

Interest Income

We also earn revenue through interest earned on the loans purchased from our originating bank partners. Interest income includes interest charged to consumers over the term of the consumers' loans based on the principal outstanding and is calculated using the effective interest method. In addition, interest income includes the amortization of any discounts or premiums on loan receivables created upon either the purchase of a loan from our originating bank partners or the origination of a loan. These discounts and premiums are accreted or amortized over the life of the loan using the effective interest method and represented 33% and 31% of total interest income for the three and nine months ended March 31, 2021, respectively, compared to 18% for both the three and nine months ended March 31, 2020. During the three and nine months ended March 31, 2020, we generated 38% and 39% of our revenue from interest income, respectively. During the three and nine months ended March 31, 2021, we generated 41% and 37% of our revenue from interest income, respectively.

Gain on Sales of Loans

We sell a portion of the loans we purchase from our originating bank partners to third-party investors. We recognize a gain or loss on sale of such loans as the difference between the proceeds received, adjusted for initial recognition of servicing assets and liabilities obtained at the date of sale, and the carrying value of the loan. During the three and nine months ended March 31, 2020, we generated 7% and 6% of our revenue from gain on sales of loans, respectively. During the three and nine months ended March 31, 2021, we generated 7% and 8% of our revenue from gain on sales of loans, respectively.

Servicing Income

We earn a specified fee from providing professional services to manage loan portfolios on behalf of our third-party loan owners. Under the servicing agreements with our capital markets partners, we are entitled to collect servicing fees on the loans that we service, which are paid monthly based upon an annual fixed percentage of the outstanding loan portfolio balance. During the three and nine months ended March 31, 2020, we generated 2% and 3% of our revenue from servicing fees, respectively. During both the three and nine months ended March 31, 2021, we generated 3% of our revenue from servicing fees.

We expect our revenue may vary from period to period based on, among other things, the timing and size of onboarding of new merchants, the mix of 0% APR loans versus interest-bearing loans with simple interest, type and mix of products that our merchants offer to their customers, the rate of repeat transactions, transaction volume, and seasonality of or fluctuations in usage of our platform.

Operating Expenses

Our operating expenses consist of the loss on loan purchase commitment made to our originating bank partners, the provision for credit losses, funding costs, processing and servicing, technology and data analytics, sales and marketing, and general and administrative expenses. Salaries and personnel-related costs, including benefits, bonuses, stock-based compensation expense and occupancy, comprise a significant component of several of these expense categories. An allocation of overhead, such as rent and other overhead, is based on employee headcount and included in processing and servicing, technology and data analytics, sales and marketing, and general and administrative expenses.

As of March 31, 2021, we had 1,342 employees, compared to 893 employees as of June 30, 2020. We increased our headcount and personnel related costs across our business in order to support our growth expansion

strategy. We expect headcount to continue to increase during fiscal year 2021 given our focus on growth and expansion.

Loss on Loan Purchase Commitment

We purchase loans from our originating bank partners that are processed through our platform and our originating bank partners put back to us. Under the terms of the agreement with our originating bank partners, we are generally required to pay the principal amount plus accrued interest for such loans and the loan origination fee. In certain instances, our originating bank partners originate loans with zero or below market interest rates that we are required to purchase. In these instances, we may be required to purchase the loan for a price in excess of the fair market value of such loans, which results in a loss. These losses are recognized as loss on loan purchase commitment in our interim condensed consolidated statements of operations and comprehensive loss. These costs are incurred on a per loan basis.

Provision for Credit Losses

Provision for credit losses consists of amounts charged against income during the period to maintain an allowance for credit losses. Our allowance for credit losses represents our estimate of the credit losses inherent in our loans held for investment and is based on a variety of factors, including the composition and quality of the portfolio, loan specific information gathered through our collection efforts, current economic conditions, and our historical net charge-off and loss experience. These costs are incurred on a per loan basis.

Funding Costs

Funding costs consist of the interest expense we incur on our borrowings and amortization of fees and other costs incurred in connection with funding the purchases and origination of loans. Excluding the amortization of debt issuance costs, which totaled $0.5 million and $1.7 million for the three and nine months ended March 31, 2020, respectively, and $1.3 million and $3.7 million for the three and nine months ended March 31, 2021, respectively, we incur an expense per loan pledged to our debt funding sources.

Processing and Servicing

Processing and servicing expense consists primarily of payment processing fees, third-party customer support and collection expense salaries and personnel-related costs of our customer care team, and allocated overhead. Payment processing costs are primarily driven by the number and dollar value of consumer repayments which grow as the number of transactions and GMV processed on our platform increases. Customer care loan servicing costs are primarily staffing costs related to third-party and in-house loan servicing agents, the demand for which generally increases with the number of transactions on our platform. Collection fees are fees paid to agencies as percentages of the dollars of repayment they recuperate from borrowers whose loans had previously been charged off. Processing and servicing expenses are predominantly per transaction processing fees and third-party staffing fees that generally increase with consumer contact.

Technology and Data Analytics

Technology and data analytics expense consists primarily of the salaries, stock-based compensation, and personnel-related costs of our engineering and product employees as well as our credit and analytics employees who develop our proprietary risk model, which totaled $20.0 million and $56.1 million for the three and nine months ended March 31, 2020, respectively, and $77.5 million and $123.5 million for the three and nine months ended March 31, 2021, respectively.

Additionally, for the three and nine months ended March 31, 2020, $4.1 million and $12.4 million, respectively, of salaries and personnel costs that relate to the creation of internally-developed software were capitalized into property, equipment and software, net on the interim condensed consolidated balance sheets, and amortized into technology and data analytics expense over the useful life of the developed software. This amortization expense totaled $1.6 million and $4.0 million for the three and nine months ended March 31, 2020, respectively. For the three and nine months ended March 31, 2021, $11.2 million and $18.8 million, respectively, of

salaries and personnel costs that relate to the creation of internally-developed software were capitalized into property, equipment and software, net on our interim condensed consolidated balance sheets, and we recorded amortization expense of $2.6 million and $7.4 million for the three and nine months ended March 31, 2021, respectively. Additional technology and data analytics expenses include platform infrastructure and hosting costs, third-party data acquisition expenses, and expenses related to the maintenance of existing technology assets and our technology platform as a whole.

Sales and Marketing

Sales and marketing expense consists primarily of salaries and personnel-related costs, as well as costs of general marketing and promotional activities, promotional event programs, sponsorships, and allocated overhead. In July 2020, we recognized an asset in connection with a commercial agreement with Shopify Inc. in which we granted warrants in exchange for the benefit of acquiring new merchant partners. This asset represents the probable future economic benefit to be realized over the four-year expected benefit period and is valued based on the fair value of the warrants at the grant date. This value is amortized on a straight-line basis over the four-year expected benefit period into sales and marketing expense, due to the nature of the expected benefit.

Additionally, in order to continue to expand our consumer base, we may originate certain loans via our wholly-owned subsidiaries with zero or below market interest rates under certain merchant arrangements that we do not expect to achieve positive revenue. In these instances, the par value of the loans originated is in excess of the fair market value of such loans, which results in a loss. These losses are recorded as sales and marketing expense. These losses totaled $3.1 million and $4.1 million during the three and nine months ended March 31, 2021. We expect that our sales and marketing expense will increase as a percentage of revenue as we expand our sales and marketing efforts to drive our growth, expansion, and diversification.

General and Administrative

General and administrative expenses consist primarily of expenses related to our finance, legal, risk operations, human resources, and administrative personnel. General and administrative expenses also include costs related to fees paid for professional services, including legal, tax and accounting services, and allocated overhead.

We expect to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, and increased expenses for insurance, investor relations, and professional services. We expect that our general and administrative expense will increase in absolute dollars as our business grows.

Other Income and Expenses

Other Income, Net

Other income, net consists of interest earned on our money market funds included in cash and cash equivalents and restricted cash, and gains and losses incurred on both our constant maturity swaps and as related to bifurcated derivatives associated with our convertible debt.

Income Tax Expense

Our income tax expense (benefit) consists of U.S. federal and state income taxes and Canadian federal and provincial income taxes. Through March 31, 2021, we had not been required to pay any material U.S. federal, state, or foreign income taxes due to accumulated net operating losses.

Results of Operations

The following tables set forth selected interim condensed consolidated statements of operations and comprehensive loss data for each of the periods presented in dollars:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
	(in thousands)			
Revenue				
Merchant network revenue	$ 67,350	$ 97,999	$ 171,503	$ 290,894
Virtual card network revenue	5,930	13,809	16,641	30,587
Total network revenue	73,280	111,808	188,144	321,481
Interest income [1]	52,372	94,530	137,613	222,624
Gain on sales of loans [1]	9,866	16,350	20,329	47,344
Servicing income	2,755	7,977	10,110	17,235
Total Revenue, net	**$ 138,273**	**$ 230,665**	**$ 356,196**	**$ 608,684**
Operating Expenses [2]				
Loss on loan purchase commitment	$ 43,519	$ 62,054	$ 106,141	$ 195,690
Provision for credit losses	82,216	(1,063)	137,238	40,389
Funding costs	8,204	14,665	24,499	37,077
Processing and servicing	13,678	21,335	35,025	51,635
Technology and data analytics	33,654	98,728	90,634	174,130
Sales and marketing	7,108	57,549	19,978	119,243
General and administrative	31,399	146,853	89,791	220,042
Total Operating Expenses	**219,778**	**400,121**	**503,306**	**838,206**
Operating Loss	**$ (81,505)**	**$ (169,456)**	**$ (147,110)**	**$ (229,522)**
Other income, net	(4,022)	(77,773)	(19)	(48,088)
Loss Before Income Taxes	**$ (85,527)**	**$ (247,229)**	**$ (147,129)**	**$ (277,610)**
Income tax expense (benefit)	93	(70)	282	105
Net Loss	**$ (85,620)**	**$ (247,159)**	**$ (147,411)**	**$ (277,715)**
Excess return to preferred stockholders on repurchase	—	—	(13,205)	—
Net Loss Attributable to Common Stockholders	**$ (85,620)**	**$ (247,159)**	**$ (160,616)**	**$ (277,715)**
Other Comprehensive Loss				
Foreign currency translation adjustments	$ (874)	$ 2,829	$ (864)	$ 5,048
Net Other Comprehensive Income (Loss)	**(874)**	**2,829**	**(864)**	**5,048**
Comprehensive Loss	**$ (86,494)**	**$ (244,330)**	**$ (148,275)**	**$ (272,667)**

[1] Upon purchase of a loan from our originating bank partners at a price above the fair market value of the loan or upon the origination of a loan with a par value in excess of the fair market value of the loan, a discount is included in the amortized cost basis of the loan. For loans held for investment, this discount is amortized over the life of the loan into interest income. When a loan is sold to a third-party loan buyer, the unamortized discount is released in full at the time of sale and recognized as part of the gain or loss on sales of loans. However, the cumulative value of the loss on loan purchase commitment or loss on origination, the interest income recognized over time from the amortization of discount while retained, and the release of discount into gain on sales of loans, together net to zero

over the life of the loan. The following table details activity for the discount, included in loans held for investment, for the periods indicated:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
	(in thousands)			
Balance at the beginning of the period	$ 17,057	$ 71,571	$ 13,068	$ 28,659
Additions from loans purchased, net of refunds	42,297	71,294	104,865	201,531
Amortization of discount	(9,175)	(31,625)	(24,904)	(68,843)
Unamortized discount released on loans sold	(32,542)	(29,357)	(75,392)	(79,464)
Balance at the end of the period	$ 17,637	$ 81,883	$ 17,637	$ 81,883

[(2)] Amounts include stock-based compensation as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
	(in thousands)			
General and administrative	$ 3,665	$ 82,421	$ 11,166	$ 88,722
Technology and data analytics	3,360	45,980	10,297	50,749
Sales and marketing	918	9,933	3,172	11,274
Processing and servicing	27	1,413	54	1,726
Total stock-based compensation in operating expenses	7,970	139,747	24,689	152,471
Capitalized into property, equipment and software, net	667	6,567	2,350	7,792
Total stock-based compensation expense	$ 8,637	$ 146,314	$ 27,039	$ 160,263

Comparison of the Three and Nine Months Ended March 31, 2020 and 2021

Total Revenue, net

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
			(in thousands, except percentage)					
Merchant network revenue	$ 67,350	$ 97,999	$ 30,649	46 %	$ 171,503	$ 290,894	$ 119,391	70 %
Virtual card network revenue	5,930	13,809	7,879	133 %	16,641	30,587	13,946	84 %
Total network revenue	73,280	111,808	38,528	53 %	188,144	321,481	133,337	71 %
Interest income	52,372	94,530	42,158	80 %	137,613	222,624	85,011	62 %
Gain on sales of loans	9,866	16,350	6,484	66 %	20,329	47,344	27,015	133 %
Servicing income	2,755	7,977	5,222	190 %	10,110	17,235	7,125	70 %
Total Revenue, net	138,273	230,665	92,392	67 %	356,196	608,684	252,488	71 %

Total Revenue, net for the three and nine months ended March 31, 2021 increased by $92.4 million or 67%, and $252.5 million or 71%, respectively, compared to the three and nine months ended March 31, 2020, primarily due to an increase of $1,025.9 million or 83% in GMV on our platform, from $1,231.5 million and $3,434.4 million for the three and nine months ended March 31, 2020, respectively, to $2,257.4 million and $5,808.4 million for the three and nine months ended March 31, 2021, respectively. This increase in GMV was driven by the strong network effects of the expansion of our active merchant base from 4,781 as of March 31, 2020 to 11,513 as of March 31, 2021, organic growth in active consumers from 3.3 million as of March 31, 2020 to 5.4 million as of March 31, 2021, and an increase in average transactions per consumer from 2.1 as of March 31, 2020 to 2.3 as of March 31, 2021.

Merchant network revenue for the three and nine months ended March 31, 2021 increased by $30.6 million or 46%, and $119.4 million or 70%, compared to the three and nine months ended March 31, 2020, respectively. This increase was primarily due to a 83% and 69% increase in GMV on our platform, compared to the three and nine months ended March 31, 2020, respectively, as well as a higher proportion of transactions that earn a higher merchant fee as a percentage of GMV, such as 0% APR loans. Merchant network revenue as a percentage of GMV for the three months ended March 31, 2021 decreased to 4% compared to 5% for the three months ended March 31, 2020, while remaining consistent at 5% for the nine months ended March 31, 2020 and March 31, 2021.

Merchant network revenue growth is generally correlated with both GMV growth and the mix of loans on our platform as different loan characteristics are positively or negatively correlated with merchant fee revenue as a percentage of GMV. In particular, merchant network revenue as a percentage of GMV typically increases with the term length and average order value of our loans, and typically decreases in higher APR loans. Specifically, 0% APR loans typically carry higher merchant fees as a percentage of GMV. The increases in merchant network revenue during the three and nine month periods were primarily driven by growth in GMV coupled with higher proportions of 0% APR loans, partially offset by reductions in average term length and average order value ("AOV"). For the three and nine months ended March 31, 2021, 0% APR loans accounted for 43% and 45%, respectively, of our total GMV, compared to 42% and 39% for the three and nine months ended March 31, 2020, respectively. For the three and nine months ended March 31, 2021, loans with a term length greater than 12 months accounted for 30% and 32%, respectively, of GMV, compared with 35% and 30% for the three and nine months ended March 31, 2020, respectively. AOV was lower at $564 and $577 for the three and nine months ended March 31, 2021, respectively, compared to $612 and $590 for the three and nine months ended March 31, 2020, respectively.

These increases were partially offset by a reduction of merchant network revenue of $5.4 million and $12.4 million for the three and nine months ended March 31, 2021, respectively, associated with the creation of discounts upon origination of loans with a par value in excess of the fair value of such loans. These discounts on certain self-originated loans are amortized into interest income over the life of the loan and were not incurred during the three and nine months ended March 31, 2020.

Additionally, during the three months ended March 31, 2021, we recorded a reduction of merchant network revenue of approximately $3.1 million, associated with estimated merchant fees previously earned on the facilitation of transactions related to products involved in a recall announced by our largest merchant partner, Peloton. This estimate was derived in part based on estimates of return rates provided by Peloton for the quarter ending June 30, 2021, in its most recent quarterly filing.

Virtual card network revenue for the three and nine months ended March 31, 2021 increased by $7.9 million or 133%, and $13.9 million or 84%, compared to the three and nine months ended March 31, 2020, respectively. This increase was driven by an increase in GMV processed through our issuer processor of 132% and 80% for the three and nine months March 31, 2021, respectively, due to increased activity on our virtual card-enabled mobile application as well as growth in existing and new merchants integrated using our virtual card platform.

Interest income for the three and nine months ended March 31, 2021 increased by $42.2 million or 80%, and $85.0 million or 62%, compared to the three and nine months ended March 31, 2020, respectively. Generally, interest income is correlated with the changes in the average balance of loans held for investment, as we recognize

interest on loans held for investment using the effective interest method over the life of the loan. The average balance of loans held for investment increased by 104% to $2,041.9 million, and by 51% to $1,633.1 million, for the three and nine months ended March 31, 2021, respectively, compared to the same periods in the prior fiscal year.

As an annualized percentage of average loans held for investment, total interest income decreased from approximately 21% during the three months ended March 31, 2020 to 19% during the three months ended March 31, 2021. This change was driven by an increase in the average proportion of 0% APR loans being held on our interim condensed consolidated balance sheet as a percentage of the total loans held for investment, which increased from 25% and 26% during the three and nine months ended March 31, 2020, compared to 51% and 47% during the three and nine months ended March 31, 2021. The shift was largely due to strong volume of longer-term 0% APR loans as well as short-term Split Pay loans being held for investment and the addition of our 0% APR 2020-Z1 and 2020-Z2 consolidated securitizations.

While we do recognize interest income on 0% APR loans via the amortization of the loan discount, this is generally earned at a lower rate than consumer interest on interest-bearing loans. The total amortization of discounts on loans held for investment increased by $22.5 million or 245%, and $43.9 million or 176%, for the three and nine months ended March 31, 2021, respectively, compared with the three and nine months ended March 31, 2020, and represented 33% and 31% of total interest income for the three and nine months ended March 31, 2021, respectively, compared to 18% for both the three and nine months ended March 31, 2020. This increase included the amortization of discounts arising from self-originated loans held for investment of $7.8 million and $9.7 million during the three and nine months ended March 31, 2021, respectively, which was nil for both the three and nine months ended March 31, 2020.

Additionally, during the three months ended March 31, 2021, we recorded a reduction of interest income of approximately $0.4 million, associated with the amortization of discounts recorded on loans for products related to a recall announced by our largest merchant partner, Peloton. This estimate was derived in part based on estimates of return rates provided by Peloton for the quarter ending June 30, 2021, in its most recent quarterly filing.

Gain on sales of loans for the three and nine months ended March 31, 2021 increased by $6.5 million or 66%, and $27.0 million or 133%, compared to the three and nine months ended March 31, 2020, respectively. We sold loans with an unpaid balance of $630.3 million and $2,087.7 million for the three and nine months ended March 31, 2020, respectively, and $756.7 million and $2,013.2 million for the three and nine months ended March 31, 2021, respectively, for which we retained servicing rights. This increase was primarily due to higher loan sale volume, favorable loan sale pricing terms, and optimizing the allocation of loans to loan buyers with higher pricing terms.

Servicing income for the three and nine months ended March 31, 2021 increased by $5.2 million or 190% and $7.1 million or 70%, respectively, compared to the three and nine months ended March 31, 2020. This increase was primarily due to an increase in the average unpaid principal balance of loans owned by third-party loan owners and increases in negotiated servicing rates with new and existing third-party loan owners. Additionally, during the three months ended March 31, 2020 we recognized a reduction of servicing income of $1.6 million related to the changes in fair value of servicing assets and liabilities compared with an addition to servicing income of $0.9 million during the three months ended March 31, 2021. Similarly, during the nine months ended March 31, 2020, we recognized a reduction of $0.7 million compared with a reduction of $0.2 million during the nine months ended March 31, 2021.

Operating Expenses

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2021	2020	2021
	(in thousands)			
Loss on loan purchase commitment	$ 43,519	$ 62,054	$ 106,141	$ 195,690
Provision for credit losses	82,216	(1,063)	137,238	40,389
Funding costs	8,204	14,665	24,499	37,077
Processing and servicing	13,678	21,335	35,025	51,635
Total transaction costs	147,617	96,991	302,903	324,791
Technology and data analytics	33,654	98,728	90,634	174,130
Sales and marketing	7,108	57,549	19,978	119,243
General and administrative	31,399	146,853	89,791	220,042
Total operating expenses	$ 219,778	$ 400,121	$ 503,306	$ 838,206

Loss on Loan Purchase Commitment

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
	(in thousands, except percentage)							
Loss on loan purchase commitment	$ 43,519	$ 62,054	$ 18,535	43 %	$ 106,141	$ 195,690	$ 89,549	84 %
Percentage of total revenue, net	31 %	27 %			30 %	32 %		

Loss on loan purchase commitment for the three and nine months ended March 31, 2021 increased by $18.5 million or 43%, and $89.5 million or 84%, compared to the three and nine months ended March 31, 2020, respectively. This increase was due to a significant increase in the volume of loans purchased above fair market value, primarily as a result of an increase in purchases of 0% APR loans from our originating bank partners during the periods. During the three and nine months ended March 31, 2021, we purchased $2.0 billion and $5.6 billion, respectively, of loan receivables from our originating bank partners, representing an increase of $791.3 million or 64%, and $2.2 billion or 62%, compared to the three and nine months ended March 31, 2020, respectively.

Provision for Credit Losses

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
	(in thousands, except percentage)							
Provision for credit losses	$ 82,216	$ (1,063)	$ (83,279)	(101)%	$ 137,238	$ 40,389	$ (96,849)	(71)%
Percentage of total revenue, net	59 %	— %			39 %	7 %		

Provision for credit losses generally represents the amount of expense required to maintain the allowance for credit losses on our interim condensed consolidated balance sheet, which represents management's estimate of future losses. In the event that our loans outperform expectation and/or we reduce our expectation of credit losses in future periods, we may release reserves and thereby reduce the allowance for credit losses, yielding income in the provision for credit losses. The provision is determined by the change in estimates for future losses and the net charge-offs incurred in the period. We record provision expense for each loan we retain as loans held for investment, whether we originate the loan or purchase it from one of our originating bank partners.

The allowance for credit losses for March 31, 2021 decreased by 22% compared to March 31, 2020, while the balance of loans held for investment increased 122%, compared to the prior year period. At the onset of the COVID-19 pandemic in March 2020, we factored in updated loss multiples using macroeconomic data to reflect stressed expected loss scenarios emerging from forecasted delinquencies and defaults. This stressing of the model resulted in an increase of the allowance for credit losses up to 14.6% as of March 31, 2020. In the months subsequent to this, we have seen stronger than expected repayment history in the portfolio, resulting in a release of the allowance over time. As of March 31, 2021, the allowance for credit losses as a percentage of loans held for investment decreased to 5.2%.

During the three months ended March 31, 2021, a combination of factors resulted in a decrease of $11.2 million from December 31, 2020 in the allowance for credit losses. Firstly, continued stronger than expected repayment performance of the portfolio resulted in a decrease of approximately $12.3 million. This strong credit performance was supported by a 75% decrease in our net charge-offs as a percentage of our average loans held for investment to 0.5%, compared with 2.0% for the three months ended March 31, 2020. Secondly, we began transitioning to a new underlying data model which incorporates internal improvements to our underwriting and collections processes while allowing for a more granular segmentation of the loan portfolio. This change in model resulted in a decrease of approximately $48.2 million. These decreases were largely offset by allowances recognized on new purchases and originations of loans held for investment in the period with generally higher credit quality and pledged to securitization trusts, however, this combination of factors, coupled with the in-period charge-offs and repayments, resulted in income recognized from the provision for credit losses of $1.1 million for the three months ended March 31, 2021.

These similar circumstances resulted in an increase in the allowance for credit losses during the nine months ended March 31, 2021 of 20% compared to June 30, 2020, while the balance of loans held for investment increased 112% compared to June 30, 2020. The corresponding provision for credit losses during the nine months ended March 31, 2021 decreased by $96.8 million, or 71%, compared to the nine months ended March 31, 2020. The smaller decrease in the provision for credit losses as compared to the respective increases in the allowance for credit losses and loans held for investment was driven by lower credit losses as compared to the expectation at the beginning of the period. These lower credit losses were evidenced by a 63% decrease in our net charge-offs as a percentage of our average loans held for investment to 1.9%, compared with 5.1% for the nine months ended March 31, 2020. This was partially offset by higher future expected losses on loans held for investment due to worsened economic outlook as a result of COVID-19 at the time.

Funding Costs

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
	(in thousands, except percentage)							
Funding costs	$ 8,204	$ 14,665	$ 6,461	79 %	$ 24,499	$ 37,077	$ 12,578	51 %
Percentage of total revenue, net	6 %	6 %			7 %	6 %		

Funding costs for the three and nine months ended March 31, 2021 increased by $6.5 million or 79%, and $12.6 million or 51%, compared to the three and nine months ended March 31, 2020, respectively. Funding costs for a given period are correlated with the sum of the average balance of funding debt and the average balance of notes issued by securitization trusts. This increase was primarily due to the introduction of notes issued by securitization trusts during the current fiscal year, which bear interest at fixed rates. The average balance of notes issued by securitization trusts during the three and nine months ended March 31, 2021 was $1,029.8 million and $639.6 million, respectively, which did not exist during the prior year periods. The average balance of funding debt for the three months ended March 31, 2021 decreased by $1.5 million or 0%, and increased by $108.7 million or 16%, compared to the three and nine months ended March 31, 2020, respectively, while the average reference interest rate decreased by 91% and 92% during each periods, respectively.

Processing and Servicing

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
			(in thousands, except percentage)					
Processing and servicing	$ 13,678	$ 21,335	$ 7,657	56 %	$ 35,025	$ 51,635	$ 16,610	47 %
Percentage of total revenue, net	10 %	9 %			10 %	8 %		

Processing and servicing expense for the three and nine months ended March 31, 2021 increased by $7.7 million or 56%, and $16.6 million or 47%, compared to the three and nine months ended March 31, 2020, respectively. This increase was primarily due to a $4.0 million or 66%, and $8.0 million or 52%, increase in payment processing fees due to increased servicing activity and payments volume for the three and nine months ended March 31, 2021, respectively. Additionally, processing fees paid to our customer referral partners, increased by $1.0 million or 250%, and $1.8 million or 150%, for the three and nine months ended March 31, 2021, respectively.

Technology and Data Analytics

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
			(in thousands, except percentage)					
Technology and data analytics	$ 33,654	$ 98,728	$ 65,074	193 %	$ 90,634	$ 174,130	$ 83,496	92 %
Percentage of total revenue, net	24 %	43 %			25 %	29 %		

Technology and data analytics expense for the three and nine months ended March 31, 2021 increased by $65.1 million or 193%, and $83.5 million or 92%, compared to the three and nine months ended March 31, 2020, respectively. This increase was primarily due to a $57.5 million or 288%, and $67.4 million or 120%, increase in engineering, product, and data science personnel costs, for the three and nine months ended March 31, 2021, respectively, compared to the three and nine months ended March 31, 2020, net of capitalized costs for internally developed software, to continue to support our growth and technology platform as a whole. The largest component of these personnel costs was stock-based compensation, which accounted for $42.6 million and $40.5 million of the increase compared to the three and nine months ended March 31, 2020, respectively, largely due to the vesting of RSUs for which the service-based condition had been met prior to the IPO and the performance-based condition was met on the IPO date.

Additionally, there was a $2.2 million or 30%, and $8.9 million or 50%, increase in data infrastructure and hosting costs for the three and nine months ended March 31, 2021, respectively, compared to the three and nine months ended March 31, 2020, due to increased capacity requirements of our technology platform. However, there was only a $0.2 million or 4%, increase and a $0.6 million or 5%, decrease in underwriting data provider costs for the three and nine months ended March 31, 2021, respectively, compared to the three and nine months ended March 31, 2020, due to cost improvements achieved as a result of contract renegotiations.

Sales and Marketing

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
			(in thousands, except percentage)					
Sales and marketing	$ 7,108	$ 57,549	$ 50,441	710 %	$ 19,978	$ 119,243	$ 99,265	497 %
Percentage of total revenue, net	5 %	25 %			6 %	20 %		

Sales and marketing expense for the three and nine months ended March 31, 2021 increased by $50.4 million or 710%, and $99.3 million or 497%, compared to the three and nine months ended March 31, 2020, respectively. This increase was primarily due to $16.7 million and $48.0 million of expense incurred during the three and nine months ended March 31, 2021, respectively, associated with the amortization of an asset associated with our commercial agreement with Shopify Inc., which was recognized in July 2020. This asset represents the probable future economic benefit to be realized over the four-year expected benefit period and is valued based on the fair value of the warrants granted to Shopify Inc. under such commercial agreement at the grant date. This value is amortized on a straight-line basis over the four-year expected benefit period. Additionally, stock-based compensation related to employees in the sales and marketing functions increased $9.0 million or 982%, and $8.1 million or 255%, compared to the three and nine months ended March 31, 2020, respectively, largely due to the vesting of RSUs for which the service-based condition had been met prior to the IPO and the performance-based condition was met on the IPO date.

Furthermore, there was a $4.7 million or 940%, and $15.9 million or 663%, increase in brand and consumer marketing spend during the three and nine months ended March 31, 2021, respectively, compared to the three and nine months ended March 31, 2020, associated with our holiday shopping and brand-activation marketing campaigns.

General and Administrative

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
			(in thousands, except percentage)					
General and administrative	$ 31,399	$ 146,853	$ 115,454	368 %	$ 89,791	$ 220,042	$ 130,251	145 %
Percentage of total revenue, net	23 %	64 %			25 %	36 %		

General and administrative expense for the three and nine months ended March 31, 2021 increased by $115.5 million or 368%, and $130.3 million or 145%, compared to the three and nine months ended March 31, 2020, respectively. This increase was primarily due to an increase of $91.4 million or 459%, and $98.7 million or 177%, in personnel costs during the three and nine months ended March 31, 2021, respectively, compared to the three and nine months ended March 31, 2020, as a result of increased headcount as we continue to grow our finance, legal, operations, and administrative organizations. The largest component of these personnel costs was stock-based compensation, which increased by $78.8 million and $77.6 million compared to the three and nine months ended March 31, 2020, respectively. This was primarily due to $38.5 million of expense recognized during both the three and nine months ended March 31, 2021 based on a long-term, multi-year performance-based stock option award granted to our Chief Executive Officer prior to our IPO, as well as due to the vesting of RSUs for which the service-based condition had been met prior to the IPO and the performance-based condition was met on the IPO date.

Additionally, professional fees increased by $4.9 million or 175%, and $10.0 million or 97%, during the three and nine months ended March 31, 2021, respectively, compared to the three and nine months ended March 31, 2020, to support our international expansion, initial public offering, and regulatory compliance programs.

Other Income, net

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2020	2021	$	%	2020	2021	$	%
			(in thousands, except percentage)					
Other income, net	$ (4,022)	$ (77,773)	$ (73,751)	1,834 %	$ (19)	$ (48,088)	$ (48,069)	252,995 %
Percentage of total revenue, net	(3)%	(34)%			— %	(8)%		

For the three months ended March 31, 2021, other income, net, was largely comprised of a loss of $78.5 million recognized based on the change in fair value of the contingent consideration liability associated with our

acquisition of PayBright, driven by changes in the value of our common stock. For the nine months ended March 31, 2021, other income, net was primarily comprised of a gain of $30.1 million recognized upon the conversion of convertible notes into shares of Series G-1 preferred stock, offset by the change in fair value of the contingent consideration liability mentioned above. The conversion of convertible notes was accounted for as a debt extinguishment and this gain represented the difference between the carrying value of the debt at the time of extinguishment and the allocated proceeds.

For the three and nine months ended March 31, 2020, other income, net was primarily comprised of interest earned on money market funds of $0.8 million and $3.8 million, respectively, as well as losses on our constant maturity swaps of $4.5 million and $3.7 million, respectively.

Liquidity and Capital Resources

Sources and Uses of Funds

We have incurred losses since our inception, accumulating a deficit of $447.2 million and $734.9 million as of June 30, 2020 and March 31, 2021, respectively. We have historically financed the majority of our operating and capital needs through the private sales of equity securities, borrowings from debt facilities and convertible debt, third-party loan sale arrangements, and cash flows from operations. In September and October 2020, we issued an aggregate of 21,836,687 shares of Series G preferred stock for aggregate cash proceeds of $435.1 million. On January 15, 2021, we closed an initial public offering of our Class A common stock with cash proceeds, before expenses, of $1.3 billion.

As of March 31, 2021, our principal sources of liquidity were cash and cash equivalents, available capacity from revolving debt facilities, revolving securitizations, forward flow loan sale arrangements, and certain cash flows from our operations. We believe that our existing cash balances, available capacity under our revolving debt facilities and off-balance sheet loan sale arrangements, and cash from operations, are sufficient to meet both our existing operating, working capital, and capital expenditure requirements and our currently planned growth for at least the next 12 months. We cannot provide assurance, however, that our business will generate sufficient cash flows from operations or that future borrowings will be available to us or from other sources in an amount sufficient to enable us to fund our liquidity needs. Our ability to do so depends on prevailing economic conditions and other factors, many of which are beyond our control. Our on- and off-balance sheet facilities provide funding subject to various constraining limits on the financed portfolios. These limits are generally tied to loan-level attributes such as loan term, credit quality, and interest rate, as well as borrower- and merchant-level attributes.

Cash and Cash Equivalents

As of March 31, 2021, we had approximately $1,623.7 million of cash to fund our future operations compared to approximately $267.1 million as of June 30, 2020. Our cash and cash equivalents were held primarily for continued investment in our business, for working capital purposes, and to facilitate a portion of our lending activities. Our policy is to invest cash in excess of our immediate working capital requirements in short-term investments and deposit accounts to preserve the principal balance and maintain adequate liquidity.

Restricted Cash

Restricted cash consists primarily of: (i) deposits restricted by standby letters of credit for office leases; (ii) funds held in accounts as collateral for an originating bank partner; and (iii) servicing funds held in accounts contractually restricted by agreements with warehouse credit facilities and third-party loan owners. We have no ability to draw on such funds as long as they remain restricted under the applicable arrangements. Our policy is to invest restricted cash held in debt facility related accounts and cash deposited as collateral for leases in investments designed to preserve the principal balance and provide liquidity. Accordingly, such cash is invested primarily in money market instruments that offer daily purchase and redemption and provide competitive returns consistent with our policies and market conditions.

Funding Debt

The following table summarizes our funding debt facilities as of March 31, 2021:

Maturity Fiscal Year	Borrowing Capacity	Principal Outstanding
	(in thousands)	
2021	$ 174,570	$ 81,064
2022	300,000	118,678
2023	1,075,000	295,956
2024	250,000	155,765
2025	—	—
2026	250,000	117,787
Total	$ 2,049,570	$ 769,250

Warehouse Credit Facilities

Through trusts, we entered into warehouse credit facilities with certain lenders to finance the purchase and origination of our loans. These trusts are consolidated variable interest entities ("VIE"), and each trust entered into a credit agreement and security agreement with a commercial bank as administrative agent and a national banking association as collateral trustee and paying agent. Borrowings under these agreements are referred to as funding debt. These credit agreements contain operating covenants, including limitations on the incurrence of certain indebtedness and liens, restrictions on certain intercompany transactions, and limitations on the amount of dividends and stock repurchases. Our funding debt facilities include concentration limits for various loan characteristics including credit quality, product mix, geography, and merchant concentration. As of March 31, 2021, we were in compliance with all applicable covenants in the agreements. Refer to Note 10. Funding Debt in the notes to the interim consolidated financial statements included elsewhere in this Form 10-Q for additional information.

These revolving facilities mature between 2022 and 2026, and subject to covenant compliance generally permit borrowings up to 12 months prior to the final maturity date. Borrowings under these facilities generally occur multiple times per week, and generally coincide with the purchase of loans from our originating bank partners. We manage liquidity by accessing diversified pools of capital and avoid concentration with any single counterparty; we are diversified across different types of investors including investment banks, asset managers, and insurance companies.

Borrowings under these facilities bear interest at an annual benchmark rate of LIBOR or at an alternative commercial paper rate (which is either (i) the per annum rate equivalent to the weighted-average of the per annum rates at which all commercial paper notes were issued by certain lenders to fund advances or maintain loans, or (ii) the daily weighted-average of LIBOR, as set forth in the applicable credit agreement), plus a spread ranging from 1.75% to 5.50%. Interest is payable monthly. In addition, these agreements require payment of a monthly unused commitment fee ranging from 0.20% to 0.75% per annum on the undrawn portion available.

Other Funding Facilities

Prior to our acquisition of PayBright on January 1, 2021, PayBright entered into various credit facilities utilized to finance the origination of loan receivables in Canada. Similar to our warehouse credit facilities, borrowings under these agreements are referred to as funding debt, and proceeds from the borrowings may only be used for the purposes of facilitating loan funding and origination. These facilities are secured by PayBright loan receivables pledged to the respective facility as collateral, mature in 2021, and bear interest based on a commercial paper rate plus a spread ranging from 1.25% to 4.25%.

Convertible Debt

On April 29, 2020, we entered into a note purchase agreement with various investors and issued convertible notes in an aggregate amount of $75.0 million with a maturity date of April 29, 2021 and bearing interest at a rate of 1.00% per annum.

On September 11, 2020, as part of our Series G equity financing round, the convertible notes issued in April 2020 were fully converted into 4,444,321 shares of Series G-1 preferred stock.

Securitizations

In connection with asset-backed securitizations, we sponsor and establish trusts to ultimately purchase loans facilitated by our platform. Securities issued from our asset-backed securitizations are senior or subordinated, based on the waterfall criteria of loan payments to each security class. The subordinated residual interests issued from these transactions are first to absorb credit losses in accordance with the waterfall criteria. The assets are transferred into a trust such that the assets are legally isolated from the creditors of Affirm and are not available to satisfy obligations of Affirm. These assets can only be used to settle obligations of the underlying trusts. Each securitization trust issued senior notes and residual certificates to finance the purchase of the loans facilitated by our platform. At the closing of each securitization, we contributed loans, facilitated through our technology platform and purchased from our originating bank partners, with an aggregate outstanding principal balance of $1,505.8 million. The 2020-Z1 and 2020-Z2 securitizations are secured by static pools of loans contributed at closing, whereas the 2020-A and 2021-A securitizations are revolving and we may contribute additional loans from time to time until the end of the revolving period. For the 2020-Z2 securitization, we purchased $27.9 million of loan receivables from our third-party loan buyers which were then contributed to the trust. For additional information on our securitization, refer to Note 11. Notes Issued by Securitization Trusts.

Affirm Asset Securitization Trust 2020-Z1, Affirm Asset Securitization Trust 2020-A, Affirm Asset Securitization Trust 2020-Z2, and Affirm Asset Securitization Trust 2021-A are deemed VIEs. We consolidated the VIEs as the primary beneficiary because we, through our role as the servicer, have both the power to direct the activities that most significantly affect the VIEs' economic performance and a variable interest that could potentially be significant to the VIEs through holding the retained residual certificates.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Nine Months Ended March 31,	
	2020	2021
	(in thousands)	
Net Cash Used in Operating Activities	$ (42,855)	$ (173,217)
Net Cash Used in Investing Activities	(232,400)	(1,106,378)
Net Cash Provided by Financing Activities[1]	174,015	2,753,959

(1) Amounts include net cash provided by issuance of redeemable convertible preferred stock and convertible debt as follows:

	Nine Months Ended March 31,	
	2020	2021
	(in thousands)	
Proceeds from initial public offering, net	$ —	$ 1,305,301
Proceeds from issuance of redeemable convertible preferred stock, net of repurchases and issuance costs	(7,110)	434,529
Proceeds from issuance of common stock, net of repurchases	(17,079)	43,029
Net cash (used in) provided by equity-related financing activities	$ (24,189)	$ 1,782,859
Net cash provided by debt-related financing activities	198,204	1,098,666
Payments of tax withholding for stock-based compensation	—	(127,566)
Net cash provided by financing activities	$ 174,015	$ 2,753,959

Operating Activities

Our largest sources of operating cash are fees charged to merchant partners on transactions processed through our platform and interest income from consumers' loans. Our primary uses of cash from operating activities are for general and administrative, technology and data analytics, funding costs, processing and servicing, and sales and marketing expenses.

Cash used in operating activities for the nine months ended March 31, 2021 was $173.2 million, an increase of $130.4 million from $42.9 million for the nine months ended March 31, 2020. This reflects our net loss of $277.7 million, adjusted for non-cash charges of $214.1 million, net cash outflows of $41.1 million from the purchase and sale of loans held for sale, and net cash outflows of $68.5 million provided by changes in our operating assets and liabilities.

Non-cash charges primarily consisted of: provision for credit losses, which decreased by $96.8 million or 71% due to lower than expected credit losses and improved credit quality of the portfolio; gain on sales of loans, which increased by $27.0 million from $20.3 million for the nine months ended March 31, 2020 due to improved loan sale economics and increased loan sales since the third quarter of the prior year; and amortization of premiums and discounts, which increased by $40.0 million or 194% due to increased amortization of discounts related to loans purchased from our originating bank partners at a price above fair market value. Additionally, during the nine months ended March 31, 2021, we recognized a gain of $30.1 million resulting from the conversion of the convertible notes into shares of Series G-1 redeemable convertible preferred stock in September 2020. This gain represented the difference between the carrying value of the debt at the time of extinguishment and the allocated proceeds. We also incurred $50.1 million of amortization expense associated with our commercial agreement assets None of these non-cash charges were earned or incurred during the three and nine months ended March 31, 2020. Furthermore, we incurred $152.5 million of stock-based compensation, up from $24.6 million due to accelerated vesting of RSUs due to our IPO in January 2021, and losses of $78.5 million due to the increase in the fair value of our contingent consideration liability, driven by changes in the value of our common stock.

Our net cash outflows resulting from changes in operating assets and liabilities increased to $68.5 million for the nine months ended March 31, 2021 compared to cash inflows of $36.1 million for the nine months ended March 31, 2020. This shift was primarily due to increases to other assets as a result of the recognition of our Shopify Inc. commercial agreement asset, which had a balance of $222.6 million at March 31, 2021, partially offset by increases to accrued expenses and other liabilities associated with our contingent consideration liability, which had a balance of $136.4 million at March 31, 2021.

Investing Activities

Cash used in investing activities for the nine months ended March 31, 2021 was $1,106.4 million, an increase of $874.0 million from $232.4 million for the nine months ended March 31, 2020. The main driver of this

was $4,007.9 million of purchases of loans, representing an increase of $1,974.6 million or 97% compared to the third quarter of the prior year, due partly to continued growth in GMV but also due to the establishment of four new securitization trusts during the period in which we purchased loans and contributed approximately $1,505.8 million of loan receivables to the trusts, rather than selling to third-party loan buyers which would be classified as an operating activity on the statement of cash flows. Additionally, we recorded cash outflows of approximately $104.8 million for cash consideration for the PayBright acquisition, net of cash and restricted cash acquired. These cash outflows were partially offset by $3,002.4 million of repayments of loans, representing an increase of $1,394.5 million, or 87%, compared to the third quarter of the prior year, due to a higher average balance of loans held for investment and generally increasing credit quality of the portfolio.

Financing Activities

Cash provided by financing activities for the nine months ended March 31, 2021 was $2,754.0 million, an increase of $2,579.9 million from $174.0 million during the nine months ended March 31, 2020. A main driver of this was the issuance of common stock upon our initial public offering in January 2021 for $1,305.3 million, net of issuance costs, and issuances of Series G redeemable convertible preferred stock in September 2020 and October 2020 for $434.5 million, net of issuance costs. Additionally, the issuance of notes by our newly formed securitization trusts during the nine months ended March 31, 2021 resulted in net cash inflows of $1,251.7 million, net of in-period principal repayments. Each of these cash inflows represented new financing activities compared to the nine months ended March 31, 2020 but were partially offset by $141.8 million of net cash outflows from funding debt as principal repayments on debt exceeded proceeds from draws on these revolving credit facilities. This net cash outflow from funding debt was in contrast to a net cash inflow from funding debt of $199.6 million during the nine months ended March 31, 2020. The shift between periods is largely due to the availability of new funding sources in our securitization trusts. Additionally, we recorded payments of approximately $127.6 million for tax withholding associated with stock-based compensation during the nine months ended March 31, 2021 which did not occur in the prior periods as the vesting of RSUs was triggered by the initial public offering in January 2021.

Liquidity and Capital Risks and Requirements

There are numerous risks to our financial results, liquidity, capital raising, and debt refinancing plans, some of which may not be quantified in our current liquidity forecasts. The principal factors that could impact our liquidity and capital needs are customer delinquencies and defaults, a prolonged inability to adequately access capital market funding, declines in loan purchases and therefore revenue, fluctuations in our financial performance, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced products, and the continuing market adoption of our platform. We intend to support our liquidity and capital position by pursuing diversified debt financings (including new securitizations and revolving debt facilities) and extending existing secured revolving facilities to provide committed liquidity in case of prolonged market fluctuations.

We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products, and technologies. We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. Additionally, as a result of any of these actions, we may be subject to restrictions and covenants in the agreements governing these transactions that may place limitations on us, and we may be required to pledge additional collateral as security. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, operations, and financial condition. It is also possible that the actual outcome of one or more of our plans could be materially different than expected or that one or more of our significant judgments or estimates could prove to be materially incorrect.

Concentrations of Revenue

For the three and nine months ended March 31, 2020, approximately 28% and 25% of total revenue, respectively, was driven by one merchant partner, Peloton Interactive, Inc. ("Peloton"). For the three and nine months ended March 31, 2021, approximately 20% and 31% of total revenue, respectively, was driven by

Peloton. We believe we have a strong relationship with Peloton and, in September 2020, we entered into a renewed merchant agreement with Peloton with an initial three-year term ending in September 2023, which automatically renews for additional and successive one-year terms until terminated. While we believe our growth will facilitate both revenue growth and merchant diversification as we continue to integrate with a wide range of merchants, our revenue concentration may cause our financial performance to fluctuate significantly from period to period based on the revenue from such merchant partner.

Contractual Obligations

The following table summarizes our contractual obligations as of March 31, 2021:

	Payments Due By Period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
			(in thousands)		
Funding debt	$ 769,250	$ 81,064	$ 570,399	$ 117,787	$ —
Notes issued by securitization trusts	1,250,275	—	—	1,250,275	—
Operating lease commitments[1]	90,777	3,408	45,617	33,360	8,392
Purchase commitments[2]	89,297	5,964	83,333	—	—
Contingent consideration liability[3]	136,357	—	136,357	—	—
Commercial agreement liability[3]	25,140	—	25,140	—	—
Total	$ 2,361,096	$ 90,436	$ 860,846	$ 1,401,422	$ 8,392

(1) Consists of payment obligations under our office leases.

(2) In May 2020, we entered into an addendum to our agreement with our cloud computing web services provider which included annual spending commitments, as further described below.

(3) Refer to Note 6. Balance Sheet Components for a description of the contingent consideration liability and commercial agreement liability, each recorded as a component of accrued expenses and other liabilities on the interim condensed consolidated balance sheets.

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts.

In February 2012, we entered into an agreement with a third-party cloud computing web services provider for our cloud computing and hosting services. In May 2020, we entered into an addendum to our agreement with our cloud computing web services provider which included annual spending commitments for the period between May 2020 and April 2023 with an aggregate committed spend of $120.0 million during such period. Our agreement with our cloud computing web services provider will continue indefinitely until terminated by either party. Our cloud-computing web services provider may terminate the customer agreement for convenience with 30 days prior written notice and may, in some cases, terminate the agreement immediately for cause upon notice. If we fail to meet the minimum purchase commitment during any year, we may be required to pay the difference. We pay our cloud-computing web services provider monthly, and we may pay more than the minimum purchase commitment to our cloud-computing web services provider based on usage.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of March 31, 2021.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our interim condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. U.S. GAAP requires us to make certain estimates and judgments that affect the amounts reported in our interim condensed consolidated financial statements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Because certain of these accounting policies require significant judgment, our actual results may differ materially from our estimates. To the extent that there are differences between our estimates and actual results, our future consolidated financial statement presentation, financial condition, results of operations, and cash flows will be affected.

Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates" in our final prospectus for our initial public offering dated as of January 12, 2021 and filed with the SEC pursuant to Rule 424(b)(4) on January 14, 2021.

For further information on all of our significant accounting policies, refer to Note 2. Summary of Significant Accounting Policies of the accompanying notes to our consolidated financial statements included in the final prospectus.

Recent Accounting Pronouncements

Refer to Note 2. Summary of Significant Accounting Policies within the notes to the interim condensed consolidated financial statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations both within the United States and Canada, and we are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and interest rates. Our market risk exposure is primarily the result of fluctuations in interest rates. Foreign currency exchange rates do not pose a material market risk exposure, as most of our revenue is earned in U.S. dollars.

Interest Rate Risk

Our cash and cash equivalents as of March 31, 2021 were held primarily in checking, money market, and savings accounts. As of March 31, 2021, we had $1.3 billion of cash equivalents invested in money market funds. Our cash and cash equivalents are held for working capital purposes. The fair value of our cash and cash equivalents would not be significantly affected by either an increase or decrease in interest rates due mainly to the short-term nature of a majority of these instruments. Any future borrowings incurred under our credit facilities would accrue interest at a floating rate based on a formula tied to certain market rates at the time of incurrence.

Interest rates may adversely impact our customers' spending levels and ability and willingness to pay outstanding amounts owed to us. Higher interest rates often lead to higher payment obligations by customers of our credit products to us, or to lenders under mortgage, credit card, and other consumer and merchant loans, which may reduce our customers' ability to remain current on their obligations to us. Therefore, higher interest rates may lead to increased delinquencies, charge-offs, and allowances for loans and interest receivable, which could have an adverse effect on our operating results.

Certain of our funding arrangements bear a variable interest rate. Given the fixed interest rates charged on the loans that we purchase from our originating bank partners, a rising variable interest rate would reduce our interest margin earned in these funding arrangements. Dramatic increases in interest rates may make these forms of funding nonviable. Additionally, certain of our loan sale agreements are repriced on a recurring basis using a mechanism tied to interest rates as well as loan performance. We maintain an interest rate hedging program which eliminates some, but not all, of the interest rate risk. As of March 31, 2021, a hypothetical 10% relative change in interest rates would not have a material impact on our interim condensed consolidated financial statements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Because of the material weakness in our internal control over financial reporting discussed below, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2021, our disclosure controls and procedures were not effective. In light of this fact, our management, including our Chief Executive Officer and Chief Financial Officer, has performed additional reconciliations, and other post-closing procedures and has concluded that, notwithstanding the material weakness in our internal control over financial reporting, the interim condensed consolidated financial statements for the periods covered by and included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Material Weakness in Internal Control Over Financial Reporting

As previously disclosed in the prospectus for our initial public offering, in connection with the audit of our financial statements for the fiscal year ended June 30, 2020, we and our independent registered public accounting firm identified certain control deficiencies in the design and implementation of our internal control over financial reporting that in the aggregate constituted a material weakness. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Our evaluation was based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control — Integrated Framework (2013). The material weakness relates to our general information technology controls, including design and implementation of access and change management controls. This material weakness means that it is possible that our business process controls that depend on the affected information technology systems, or that depend on data or financial reports generated from the affected information technology systems, could be adversely affected. Key components of the COSO framework have not been fully implemented, including control and monitoring activities, and information and communication relating to: (i) selecting and developing general control activities over technology to support the achievement of objectives; (ii) selecting, developing, and performing ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning; and (iii) generating and using relevant, quality information to support the functioning of internal control.

Remediation Efforts on Previously Identified Material Weakness

We have implemented measures designed to ensure that the control deficiencies contributing to the material weakness are remediated. These remediation actions include: (i) hiring additional employees with experience in the information technology and internal control areas of the Company; (ii) engaging a third-party to perform general ledger provisioning and de-provisioning and assisting in determining user access roles; (iii) performing a segregation

of duties assessment and redesigning and implementing roles in the information technology systems impacted; (iv) developing a formal process and controls around user access reviews, including the procedures, frequency and evidence required; (v) designing and implementing controls and reviews related to change management; and (vi) implementing new monitoring controls to help mitigate the risk that general information technology controls do not operate effectively. While we believe that these remediation actions will improve the effectiveness of our internal control over financial reporting, additional time is needed for us to be able to conclude through testing that the affected controls are operating effectively. We may conclude that additional measures may be required to remediate the material weakness in our internal control over financial reporting, which may necessitate additional evaluation and implementation time.

Changes in Internal Control Over Financial Reporting

Except for the remediation efforts described above, there were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2021 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

The effectiveness of any system of internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, no matter how well designed and operated, can only provide reasonable, not absolute assurance that its objectives will be met. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

From time to time, we are subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, we do not believe that the outcome of any of these matters, individually or in the aggregate, will have a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

Item 1A. RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes included elsewhere in this Form 10-Q before deciding whether to invest in shares of our Class A common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. If any of the following risks actually occur, our business, financial condition, operating results, and future prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Risk Factor Summary

The risks and uncertainties to which our business is subject, include, but are not limited to, the following:

- If we are unable to attract additional merchants and retain and grow our relationships with our existing merchant partners, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.
  - If we are unable to attract new consumers and retain and grow our relationships with our existing consumers, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.
- A large percentage of our revenue is concentrated with a single merchant partner, and the loss of this merchant partner or any other significant merchant relationships would materially and adversely affect our business, results of operations, financial condition, and future prospects.
- We operate in a highly competitive industry, and our inability to compete successfully would materially and adversely affect our business, results of operations, financial condition, and future prospects.
- Our agreement with one of our originating bank partners, Cross River Bank, which has originated the substantial majority of loans facilitated through our platform to date, is non-exclusive, short-term in duration and subject to termination by Cross River Bank upon the occurrence of certain events, including our failure to comply with applicable regulatory requirements. If that agreement is terminated, and we are unable to replace the commitments of Cross River Bank, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.
- We rely on a variety of funding sources to support our network. If our existing funding arrangements are not renewed or replaced or our existing funding sources are unwilling or unable to provide funding to us on terms acceptable to us, or at all, it could have a material adverse effect on our business, results of operations, financial condition, cash flows, and future prospects.
- The success of our business depends on our ability to work with an originating bank partner to enable effective underwriting of loans facilitated through our platform and accurately price credit risk.
- If loans facilitated through our platform do not perform, or significantly underperform, we may incur financial losses on the loans we purchase and we hold on our balance sheet, or lose the confidence of our funding sources.

- We may not be able to sustain our revenue growth rate, or our growth rate of related key operating metrics, in the future.
- The loss of the services of our Founder and Chief Executive Officer could materially and adversely affect our business, results of operations, financial condition, and future prospects.
- Our long term mission to deliver simple, transparent, and fair financial products may conflict with the short term interests of our stockholders.
- We have a history of operating losses and may not achieve or sustain profitability in the future.
- Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.
- Any significant disruption in, or errors in, service on our platform or relating to vendors, including events beyond our control, could prevent us from processing transactions on our platform or posting payments and have a material and adverse effect on our business, results of operations, financial condition, and future prospects.
- Litigation, regulatory actions and compliance issues could subject us to fines, penalties, judgments, remediation costs, and requirements resulting in increased expenses.
- Our revenue is impacted, to a significant extent, by the general economy and the financial performance of our merchants.
- If our collection efforts on delinquent loans are ineffective or unsuccessful, the performance of the loans would be adversely affected.
- Our ability to protect our confidential, proprietary or sensitive information, including the confidential information of consumers on our platform, may be adversely affected by cyber-attacks, employee or other internal misconduct, computer viruses, physical or electronic break-ins or similar disruptions.
- Our business is subject to extensive regulation, examination, and oversight in a variety of areas, all of which are subject to change and uncertain interpretation. Changing federal, state and local laws, as well as changing regulatory enforcement policies and priorities, including changes that may result from changes in the political landscape, may negatively impact our business, results of operations, financial condition, and future prospects.
- If our originating bank partner model is successfully challenged or deemed impermissible, we could be found to be in violation of licensing, interest rate limit, lending, or brokering laws and face penalties, fines, litigation, or regulatory enforcement.
- The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who hold shares of our Class B common stock, including our executive officers, employees and directors and their affiliates. This may limit or preclude your ability to influence corporate matters.

For a more complete discussion of the material risks facing our business, see below.

Risks Related to Our Business and Industry

If we are unable to attract additional merchants and retain and grow our relationships with our existing merchant partners, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

Our continued success is dependent on our ability to expand our merchant base and to grow our merchants' revenue on our platform. We derive revenue primarily from merchant network fees earned from our merchant partners. The network fees are generally charged as a percentage of the transaction volume on our platform. In addition, as more merchants are integrated into our network, there are more reasons for consumers to shop with us.

If we are not able to attract additional merchants and to expand revenue and volume of transactions from existing merchants, we will not be able to continue to attract consumers or grow our business. Our ability to retain and grow our relationships with our merchant partners depends on the willingness of merchants to partner with us. The attractiveness of our platform to merchants depends upon, among other things: the size of our consumer base; our brand and reputation; the amount of merchant fees that we charge; our ability to sustain our value proposition to merchants for customer acquisition by demonstrating higher conversion at checkout and increased AOV; the attractiveness to merchants of our technology and data-driven platform; services and products offered by competitors; and our ability to perform under, and maintain, our merchant agreements. Our agreements with our merchant partners have terms that range from approximately 12 months to 36 months, and our merchants can generally terminate these agreements without cause upon 30 to 90 days' prior written notice, although loans facilitated through our platform that are disbursed through single-use virtual cards do not involve a merchant partnership relationship. The termination of one or more of our merchant agreements would result in a reduction in transaction volume and merchant network revenue. In addition, having a diversified mix of merchant partners is important to mitigate risk associated with changing consumer spending behavior, economic conditions and other factors that may affect a particular type of merchant or industry. If we fail to retain any of our larger merchant partners or a substantial number of our smaller merchant partners, if we do not acquire new merchant partners, if we do not continually expand revenue and volume from the merchants on our platform, or if we do not attract and retain a diverse mix of merchant partners, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

If we are unable to attract new consumers and retain and grow our relationships with our existing consumers, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

Our success depends on our ability to generate repeat use and increased transaction volume from existing consumers and to attract new consumers to our platform. We generate revenue when consumers pay with Affirm at checkout. If we are not able to continue to grow our base of consumers, we will not be able to continue to grow our merchant network or our business. Our ability to retain and grow our relationships with consumers depends on the willingness of consumers to use our platform and products. The attractiveness of our platform to consumers depends upon, among other things: the number and variety of merchants and the mix of products available through our platform; our brand and reputation; consumer experience and satisfaction; consumer trust and perception of our solutions; technological innovation; and services and products offered by competitors. If we fail to retain our relationship with existing consumers, if we do not attract new consumers to our platform and products, or if we do not continually expand usage and volume from consumers on our platform, our business, results of operations, financial condition, and prospects would be materially and adversely affected.

If we fail to maintain a consistently high level of consumer satisfaction and trust in our brand, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

Offering a better way for consumers to pay is critical to our success. If consumers do not trust our brand or have a positive experience, they will not use our platform. If consumers do not use our platform, we cannot attract or retain merchants. As a result, we have invested heavily in both technology and our support team. If we are unable to maintain a consistently high level of positive consumer experience, we will lose existing consumers and merchants. In addition, our ability to attract new consumers and merchants is highly dependent on our reputation and on positive recommendations from our existing consumers and merchants. For example, our reputation and brand may be negatively affected by any actions of merchants that are deemed to be hostile, offensive, inappropriate or unlawful. While we have adopted policies regarding illegal or offensive use of our platform, merchants or their customers could nonetheless engage in these activities. The safeguards we have in place may not be sufficient to avoid harm to our reputation and brand, which could adversely affect our ability to expand our merchant subscription base, attract new consumers, and retain and grow our relationships with our existing consumers. In addition, any failure to maintain a consistently high level of customer service, or a market perception that we do not maintain high-quality customer service, would adversely affect our reputation and the number of positive consumer and merchant referrals that we receive. As a result, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

A large percentage of our revenue is concentrated with a single merchant partner, and the loss of this merchant partner or any other significant merchant relationships would materially and adversely affect our business, results of operations, financial condition, and future prospects.

Our top merchant partner, Peloton, represented approximately 20% and 31% of our total revenue for the three and nine months ended March 31, 2021, respectively, and approximately 28% and 25% of our total revenue for the three and nine months ended March 31, 2020, respectively. Our top ten merchants in the aggregate represented approximately 25% and 39% of our total revenue for the three and nine months ended March 31, 2021, respectively, and approximately 33% and 31% of our total revenue for the three and nine months ended March 31, 2020, respectively. The concentration of a significant portion of our business and transaction volume with a limited number of merchants, or type of merchant or industry, exposes us disproportionately to any of those merchants choosing to no longer partner with us or choosing to partner with a competitor, to the economic performance of those merchants or industry or to any events, circumstances, or risks affecting such merchants or industry. For example, the significance of Peloton in our portfolio increased during calendar year 2020 as a result of consumer spending trends on home fitness equipment, and there can be no assurance that such trends will continue or that the levels of total revenue and merchant network revenue that we generate from Peloton will continue. The loss of Peloton as a merchant partner, or the loss of any other significant merchant relationships, would materially and adversely affect our business, results of operations, financial condition, and future prospects.

Similarly, merchant product recalls, such as the Peloton Tread and Tread+ treadmill product recalls announced on May 5, 2021, or other events or circumstances resulting in an increase in the volume of consumer product returns experienced by our merchants and/or requiring that our merchants suspend sales of products to address actual or alleged product defects also may reduce our loan volume and associated fee income. This risk is particularly acute with respect to our largest merchants, such as Peloton.

In addition, a material modification in the financial operations of any significant merchant partner could affect the results of our operations, financial condition, and future prospects. For example, the timing of our revenue recognition is tied to when a merchant captures payment and confirms a transaction financed through our platform, which we refer to as the merchant capture date. If a merchant recognizes the payment collection and confirms the transaction later in their transaction process, we expect that this change would delay the merchant capture date, which would delay our recognition of GMV and revenue related to that merchant’s transactions by a corresponding amount. Such a delay would adversely affect the GMV and revenue that we recognize from such merchant’s transactions in the quarterly period of such change, as the merchant capture date for a portion of such transactions would shift to a subsequent quarterly period. The implementation of such a change began with respect to Peloton in

December 2020. This change has delayed the merchant capture dates of certain Peloton transactions, which has correspondingly delayed the GMV and revenue related to these transactions.

We may not be able to sustain our revenue growth rate, or our growth rate of related key operating metrics, in the future.

Although our revenue has increased in recent periods, there can be no assurances that revenue will continue to grow, and we expect our revenue growth rate to decline in future periods. In addition, we have grown our GMV by approximately 83% period-over-period compared to the three months ended March 31, 2020 and 69% period-over-period compared to the nine months ended March 31, 2020, and there can be no assurance that we will maintain our GMV growth rate in future periods. Many factors may contribute to declines in our revenue and GMV growth rates, including increased competition, slowing demand for our products from existing and new consumers, transaction volume and mix (particularly with our significant merchant partners), lower sales by our merchants (particularly those with whom we have significant relationships), general economic conditions, a failure by us to continue capitalizing on growth opportunities, changes in the regulatory environment and the maturation of our business, among others. The revenue or key operating metrics for any prior quarterly or annual period should not be relied on as an indication of our future performance. If our revenue growth rate declines, our business, financial condition, and results of operations would be adversely affected.

We operate in a highly competitive industry, and our inability to compete successfully would materially and adversely affect our business, results of operations, financial condition, and future prospects.

We operate in a highly competitive and dynamic industry. Our technology platform faces competition from a variety of players, including those who enable transactions and commerce via digital payments. Our primary competition consists of: legacy payment methods, such as credit and debit cards, including those provided by card issuing banks such as Synchrony, J.P. Morgan Chase, Citibank, Bank of America, Capital One, and American Express; technology solutions provided by payment companies such as Visa and MasterCard; mobile wallets such as PayPal; and other pay-over-time solutions offered by companies such as Afterpay and Klarna, as well as new pay-over-time offerings by legacy financial and payments companies, including those mentioned above. We expect competition to intensify in the future, both as emerging technologies continue to enter the marketplace and as large financial incumbents increasingly seek to innovate the services that they offer to compete with our platform. Technological advances and the continued growth of e-commerce activities have increased consumers' accessibility to products and services and led to the expansion of competition in digital payment options such as pay-over-time solutions. We face competition in areas such as: flexibility on payment options; duration, simplicity, and transparency of payment terms; reliability and speed in processing applications; underwriting effectiveness; compliance and security; promotional offerings; fees; approval rates; ease-of-use; marketing expertise; service levels; products and services; technological capabilities and integration; customer service; brand and reputation; and consumer and merchant satisfaction.

Some of our competitors, particularly the credit issuing banks set forth above, are substantially larger than we are, which gives those competitors advantages we do not have, such as a more diversified products, a broader consumer and merchant base, the ability to reach more consumers, the ability to cross sell their products, operational efficiencies, the ability to cross-subsidize their offerings through their other business lines, more versatile technology platforms, broad-based local distribution capabilities, and lower-cost funding. In addition, because many of our competitors are large financial institutions that fund themselves through low-cost insured deposits and continue to own the loans that they originate, they have certain revenue and funding opportunities not available to us. Our potential competitors may also have longer operating histories, more extensive and broader consumer and merchant relationships, and greater brand recognition and brand loyalty than we have. For example, more established companies that possess large, existing consumer and merchant bases, substantial financial resources, and established distribution channels could enter the market.

Increased competition could result in the need for us to alter the pricing we offer to merchants or consumers. If we are unable to successfully compete, the demand for our platform and products could stagnate or substantially decline, and we could fail to retain or grow the number of consumers or merchants using our platform,

which would reduce the attractiveness of our platform to other consumers and merchants, and which would materially and adversely affect our business, results of operations, financial condition, and future prospects.

Our agreement with one of our originating bank partners, Cross River Bank, which has originated the substantial majority of loans facilitated through our platform to date, is non-exclusive, short-term in duration and subject to termination by Cross River Bank upon the occurrence of certain events, including our failure to comply with applicable regulatory requirements. If that agreement is terminated, and we are unable to replace the commitments of Cross River Bank, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

We rely on Cross River Bank to originate a substantial majority of the loans facilitated through our platform and to comply with various federal, state, and other laws. Cross River Bank handles a variety of consumer and commercial financing programs. The Cross River Bank loan program agreements have initial three-year terms ending in November 2023, which automatically renew twice for successive one-year terms unless either party provides notice of non-renewal to the other party at least 90 days prior to the end of any such term. In addition, upon the occurrence of certain early termination events, either we or Cross River Bank may terminate the loan program agreements immediately upon written notice to the other party. Our Cross River Bank loan program agreements do not prohibit Cross River Bank from working with our competitors or from offering competing services, and Cross River Bank currently offers loan programs through other competing platforms. Cross River Bank could decide not to work with us for any reason, could make working with us cost-prohibitive, or could decide to enter into an exclusive or more favorable relationship with one or more of our competitors. In addition, Cross River Bank may not perform as expected under our loan program agreements. We could in the future have disagreements or disputes with Cross River Bank, which could negatively impact or threaten our relationship with other originating banks with whom we may seek to partner.

Cross River Bank is subject to oversight by the FDIC and the State of New Jersey Department of Banking and Insurance and must comply with applicable rules and regulations and examination requirements, including requirements to maintain a certain amount of regulatory capital relative to its outstanding loans. Cross River Bank has been subject to adverse regulatory orders. While such orders were unrelated to, and had no impact on, the loans Cross River Bank originates through our platform, any future adverse orders or regulatory enforcement actions, even if unrelated to our platform, could impose restrictions on Cross River Bank's ability to continue to originate consumer loans through our platform. We are a service provider to Cross River Bank, and as such, we are subject to audit by Cross River Bank in accordance with FDIC guidance related to management of vendors. We are also subject to the examination and enforcement authority of the FDIC under the Bank Service Company Act.

If Cross River Bank were to suspend, limit, or cease its operations, or if our relationship with Cross River Bank were to otherwise terminate for any reason (including, but not limited to, its failure to comply with regulatory actions), we would need to implement a substantially similar arrangement with another bank, obtain additional state licenses, or curtail our operations. If we need to enter into alternative arrangements with a different bank to replace our existing arrangements, we may not be able to negotiate a comparable alternative arrangement in a timely manner or at all. While we have an origination program agreement in place with Celtic Bank, a Utah state-chartered industrial bank whose deposits are insured by the FDIC, we do not expect that Celtic Bank would be able to increase its loan origination capacity to meet our needs under those circumstances. In addition, transitioning loan originations to a new bank is untested and may result in delays in the issuance of loans or, if our platform becomes inoperable, may result in the inability to facilitate loans through our platform. If we are unable to enter into an alternative arrangement with different banks to fully replace or supplement our relationship with Cross River Bank, we would potentially need to obtain additional state licenses to enable us to originate loans directly, as well as comply with other state and federal laws, which would be costly and time consuming, and there can be no assurances that any such licenses could be obtained in a timely manner or at all. In the event that our relationship with Cross River Bank were terminated, and we were not able to replace it with another originating bank in a timely manner, on comparable or more favorable terms, or at all, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

We rely on a variety of funding sources to support our network. If our existing funding arrangements are not renewed or replaced or our existing funding sources are unwilling or unable to provide funding to us on terms acceptable to us, or at all, it could have a material adverse effect on our business, results of operations, financial condition, cash flows, and future prospects.

Our high-velocity, capital efficient funding model is integral to the success of our commerce platform. To support this model and the growth of our business, we must maintain a variety of funding arrangements, including warehouse facilities, securitization trusts, and forward flow arrangements with a diverse set of funding sources. If we are unable to maintain access to, or to expand, our network and diversity of funding arrangements, our business, results of operations, financial condition, and future prospects could be materially and adversely affected.

We cannot guarantee that these funding arrangements will continue to be available on favorable terms or at all, and our funding strategy may change over time and depends on the availability of such funding arrangements. For example, disruptions in the credit markets or other factors, including the continued impact of the COVID-19 pandemic, could adversely affect the availability, diversity, cost, and terms of our funding arrangements. The broad impact of COVID-19 on the financial markets has created uncertainty and volatility in many funding markets and with many funding sources. In addition, our funding sources may reassess their exposure to our industry and either curtail access to uncommitted financing capacity, fail to renew or extend facilities, or impose higher costs to access our funding.

In addition, there can be no assurances that we would be able to extend or replace our existing funding arrangements at maturity, on reasonable terms or at all. Our debt financing and loan sale forward flow facilities are generally short-term in nature, with term lengths ranging between one to three years, during which we have access to committed capital pursuant to such facilities. If our existing funding arrangements are not renewed or replaced or our existing funding sources are unwilling or unable to provide funding to us on terms acceptable to us, or at all, we would need to secure additional sources of funding or reduce our operations significantly. Further, as the volume of loans facilitated through our platform increases, we may require the expansion of our funding capacity under our existing funding arrangements or the addition of new sources of capital. The availability and diversity of our funding arrangements depends on various factors and are subject to numerous risks, many of which are outside of our control.

The agreements governing our funding arrangements require us to comply with certain covenants. A breach of such covenants or other events of default under our funding agreements could result in the reduction or termination of our access to such funding, could increase our cost of such funding or, in some cases, could give our lenders the right to require repayment of the loans prior to their scheduled maturity. Certain of these covenants are tied to our consumer default rates, which may be significantly affected by factors, such as economic downturns or general economic conditions, that are beyond our control and beyond the control of individual consumers. In particular, loss rates on consumer loans may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer and business confidence, commercial real estate values, the value of the U.S. dollar, energy prices, changes in consumer and business spending, the number of personal bankruptcies, disruptions in the credit markets, the COVID-19 pandemic, and other factors. In addition, our revolving credit facility contains certain covenants and restrictions that limit our and our subsidiaries' ability to, among other things: incur additional debt; create liens on certain assets; pay dividends on or make distributions in respect of their capital stock or make other restricted payments; consolidate, merge, sell, or otherwise dispose of all or substantially all of their assets; and enter into certain transactions with their affiliates. The revolving credit facility also contains certain financial maintenance covenants that require us and our subsidiaries to not exceed a specified leverage ratio as of the last day of each fiscal quarter, to maintain a minimum tangible net worth as of the last day of each fiscal quarter, and to maintain a minimum level of unrestricted cash while any borrowings under the revolving credit facility are outstanding.

In the event of a sudden or unexpected shortage of funds in the financial system, we may not be able to maintain necessary levels of funding without incurring high funding costs, a reduction in the term or size of funding instruments, and/or the liquidation of certain assets. In such a case, if we are unable to arrange new or alternative

methods of financing on favorable terms, we would have to reduce our transaction volume, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, and future prospects.

In the future, we may seek to further access the capital markets to obtain capital to finance growth. However, our future access to the capital markets could be restricted due to a variety of factors, including a deterioration of our earnings, cash flows, balance sheet quality, or overall business or industry prospects, adverse regulatory changes, a disruption to or volatility or deterioration in the state of the capital markets, or a negative bias toward our industry by market participants. Due to the negative bias toward our industry, certain financial institutions have restricted access to available financing by participants in our industry, and we may have more limited access to institutional capital than other businesses. Future prevailing capital market conditions and potential disruptions in the capital markets may adversely affect our efforts to arrange additional financing on terms that are satisfactory to us, if at all. If adequate funds are not available, or are not available on acceptable terms, we may not have sufficient liquidity to fund our operations, make future investments, take advantage of acquisitions or other opportunities, or respond to competitive challenges and this, in turn, could adversely affect our ability to advance our strategic plans. In addition, if the capital and credit markets experience volatility, and the availability of funds is limited, third parties with whom we do business may incur increased costs or business disruption and this could adversely affect our business relationships with such third parties, which in turn could have a material adverse effect on our business, results of operations, financial condition, cash flows, and future prospects.

The success of our business depends on our ability to work with an originating bank partner to enable effective underwriting of loans facilitated through our platform and accurately price credit risk.

We believe that one of our core competitive advantages, and a core tenet of our platform, is our ability to work with an originating bank partner to use our data-driven risk model to enable the effective underwriting of loans facilitated through our platform and to accurately and effectively price credit risk. Any deterioration in the performance of the loans facilitated through our platform, or unexpected losses on such loans, would materially and adversely affect our business and results of operations. Loan repayment underperformance would impact our interest-related and gain-on-sale income generated from loans we purchase from our originating bank partners, which are underwritten in accordance with the bank's credit policy. Additionally, incremental charge-offs may affect future credit decisioning, growth of transaction volume, and the amount of provisions for underperforming loans we will need to take.

Traditional lenders rely on credit bureau scores and require large amounts of information to approve a loan. We believe that one of our competitive advantages is the ability of our risk model, deployed in accordance with our originating bank partners' credit model and its underwriting guidelines when loans are made, to efficiently score and price credit risk within seconds at point-of-sale based on five top-of-mind data inputs. However, these inputs may be inaccurate or may not accurately reflect a consumer's creditworthiness or credit risk. In addition, our ability to enable the effective underwriting of the loans we originate directly or purchase from our originating bank partners and accurately price credit risk (and, as a result, the performance of such loans) is significantly dependent on the ability of our proprietary, learning-based scoring system, and the underlying data, to quickly and accurately evaluate a customer's credit profile and risk of default. The information we use in developing the risk model and price risk may be inaccurate or incomplete as a result of error or fraud, both of which may be difficult to detect and avoid.

Numerous factors, many of which can be unexpected or beyond our control, can adversely affect a customer's credit risk and our risks. There may be risks that exist, or that develop in the future, including market risks, economic risks, and other external events, that we have not appropriately anticipated, identified, or mitigated, such as risks from inadequate or failed processes, people or systems, natural disasters, and compliance, reputational, or legal matters, both as they relate directly to us as well as that relate to third parties with whom we contract or otherwise do business. While we continuously update our risk model as new information becomes available to us, any changes to our risk model may be ineffective and the performance of our risk model may decline. Further, our proprietary risk model was built prior to the COVID-19 pandemic, and consequently was not designed to take into account the longer-term impacts of social, economic, and financial disruptions caused by the pandemic. If our risk model does not effectively and accurately model the credit risk of potential loans facilitated through our platform,

greater than expected losses may result on such loans and, as a result, our business, results of operations, financial condition, and future prospects could be materially and adversely affected.

In addition, if the risk model we use contains errors or is otherwise ineffective, our reputation and relationships with consumers, our funding sources, our originating bank partners, and our merchants could be harmed, we may be subject to liability, and our ability to access our funding sources may be inhibited. Our ability to attract consumers to our platform and to build trust in our platform and products is significantly dependent on our ability to effectively evaluate consumer credit profiles and likelihoods of default. If any of the credit risk or fraud models we use contain programming or other errors or is ineffective or the data provided by consumers or third parties is incorrect or stale, or if we are unable to obtain accurate data from consumers or third parties (such as credit reporting agencies), the loan pricing and approval process through our platform could be negatively affected, resulting in mispriced or misclassified loans or incorrect approvals or denials of loans. This could damage our reputation and relationships with consumers, our funding sources, our originating bank partners, and our merchants, which could have a material and adverse effect on our business, results of operations, financial condition, and future prospects.

Additionally, if we make errors in the development, validation, or implementation of any of the models or tools used in connection with the loans facilitated through our platform, and those that we purchase and securitize or sell to investors, those investors may experience higher delinquencies and losses. We may also be subject to liability to those investors if we misrepresented the characteristics of the loans sold because of those errors. Moreover, future performance of the loans facilitated through our platform could differ from past experience because of macroeconomic factors, policy actions by regulators, lending by other institutions, or reliability of data used in the underwriting process. To the extent that past experience has influenced the development of our risk model and proves to be inconsistent with future events, delinquency rates and losses on loans could increase. Errors in our models or tools and an inability to effectively forecast loss rates could also inhibit our ability to sell loans to investors or draw down on our funding arrangements, which could limit our ability to purchase (or directly originate) new loans and could have a material and adverse effect on our business, results of operations, financial condition, and future prospects.

If loans facilitated through our platform do not perform, or significantly underperform, we may incur financial losses on the loans we purchase and we hold on our balance sheet, or lose the confidence of our funding sources.

For certain loans facilitated through our platform that we purchase from our originating bank partners, we hold the loan receivables for investment on our balance sheet. We bear the entire credit risk in the event that these consumers default with respect to these loan receivables. In addition, non-performance, or even significant underperformance, of the loan receivables that we own could have an adverse effect on our business.

Additionally, our funding model relies on a variety of funding arrangements, including warehouse facilities, securitization trusts, and forward flow arrangements with a variety of funding sources. Any significant underperformance of the loans facilitated through our platform may adversely impact our relationship with such funding sources and result in their loss of confidence in us, which could lead to the termination of our existing funding arrangements, which would have a material adverse effect on our business, results of operations, financial condition, and future prospects.

The loss of the services of our Founder and Chief Executive Officer could materially and adversely affect our business, results of operations, financial condition, and future prospects.

Max Levchin, our Founder and Chief Executive Officer, is a valuable asset to us. Mr. Levchin has significant experience in the financial technology industry and would be difficult to replace. Competition for senior executives in our industry is intense, and we may not be able to attract and retain qualified personnel to replace or succeed Mr. Levchin. Failure to retain Mr. Levchin would have a material adverse effect on our business, results of operations, financial condition, and future prospects.

Our business depends on our ability to attract and retain highly skilled employees.

Our future success depends on our ability to identify, hire, develop, motivate, and retain highly qualified personnel for all areas of our organization, in particular, a highly experienced sales force, data scientists, and engineers. Competition for these types of highly skilled employees, particularly in the San Francisco Bay Area, is extremely intense. Trained and experienced personnel are in high demand and may be in short supply. Many of the companies with which we compete for experienced employees have greater resources than we do and may be able to offer more attractive terms of employment. In addition, we invest significant time and expense in training our employees, which increases their value to competitors that may seek to recruit them. We may not be able to attract, develop, and maintain the skilled workforce necessary to operate our business, and labor expenses may increase as a result of a shortage in the supply of qualified personnel. If we are unable to maintain and build our highly experienced sales force, or are unable to continue to attract experienced engineering and technology personnel, our business, results of operations, financial condition, and future prospects could be materially and adversely affected.

Our results depend on more prominent presentation, integration, and support of our platform by our merchants.

We depend on our merchants, which generally accept most major credit cards and other forms of payment (which may include pay-over-time solutions offered by our competitors), to present our platform as a payment option and to integrate our platform into their website or in their store, such as by prominently featuring our platform on their websites or in their stores and not just as an option at website checkout. We may not have any recourse against merchants if they do not prominently present our platform as a payment option or if they more prominently present solutions offered by our competitors. In addition, as we add new merchants, it could take a significant amount of time for these merchants to fully integrate our platform and for these merchants' customers to accept our pay-over-time solution. The failure by our merchants to effectively present, integrate, and support our platform would have a material and adverse effect on our business, results of operations, financial condition, and future prospects.

If we fail to promote, protect, and maintain our brand in a cost-effective manner, we may lose market share and our revenue may decrease.

We believe that developing, protecting, and maintaining awareness of our brand in a cost-effective manner is critical to attracting new and retaining existing merchants and consumers to our platform. Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and the experience of merchants and consumers. Our efforts to build our brand have involved significant expense, and we expect to increase our marketing spend in the near term. These brand promotion activities may not result in increased revenue and, even if they do, any increases may not offset the expenses incurred. Additionally, the successful protection and maintenance of our brand will depend on our ability to obtain, maintain, protect, and enforce trademark and other intellectual property protection for our brand. If we fail to successfully promote, protect, and maintain our brand or if we incur substantial expenses in an unsuccessful attempt to promote, protect, and maintain our brand, we may lose our existing merchants and consumers to our competitors or be unable to attract new merchants and consumers. Any such loss of existing merchants or consumers, or inability to attract new merchants or consumers, would have an adverse effect on our business and results of operations.

We have a history of operating losses and may not achieve or sustain profitability in the future.

We incurred net losses of approximately $247.2 million and $277.7 million for the three and nine months ended March 31, 2021, respectively, and $85.6 million and $147.4 million for the three and nine months ended March 31, 2020, respectively. As of June 30, 2020 and March 31, 2021, our accumulated deficit was approximately $447.2 million and $734.9 million, respectively. We anticipate that our operating expenses will increase in the foreseeable future as we seek to continue to grow our business, attract consumers, merchants, funding sources, and additional originating bank partners, and further enhance and develop our products and platform. As we expand our offerings to additional markets, our offerings in these markets may be less profitable than the markets in which we currently operate. Additionally, we may not realize the operating efficiencies we expect to achieve as a result of our acquisition of PayBright. These efforts may prove more expensive than we currently anticipate, and we may not

succeed in increasing our revenue sufficiently to offset these higher expenses. We expect to incur additional net losses in the future and may not achieve or maintain profitability on a quarterly or annual basis.

Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly results, including revenue, expenses, GMV, consumer metrics, and other key metrics, have fluctuated significantly in the past and are likely to do so in the future. Accordingly, the results for any one quarter are not necessarily an indication of future performance. Our quarterly results are likely to fluctuate due to a variety of factors, some of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. Fluctuations in quarterly results may adversely affect the price of our Class A common stock. In addition, many of the factors that affect our quarterly results are difficult for us to predict. If our revenue, expenses, or key metrics in future quarters fall short of the expectations of our investors and financial analysts, the price of our Class A common stock will be adversely affected.

The mix of products that our merchants offer and our consumers purchase in any period affects our operating results. The mix over any period of time impacts GMV, and margin profile of our results for that
period. Differences in product mix relate to different durations, APR mix, and varying proportion of 0% APR versus interest-bearing financings. For example, 0% APR loans that are facilitated through our platform are typically associated with higher merchant network revenue, but do not result in any interest income revenue. These mix shifts are primarily driven by merchant-side activity relating to the marketing of their products, whether the merchant is fully integrated within our network, and general economic conditions affecting consumers' demand. To the extent that our loan product mix changes to include fewer 0% APR loans that are characterized by higher merchant network revenue, or more shorter-duration, low AOV loans (for example, through our Split Pay offering), our operating results will be impacted. Other factors that may cause fluctuations in our quarterly results include:

- our ability to retain and attract new merchants, consumers, and funding sources and maintain existing relationships;

- transaction volume, merchandise volume, and mix;
- rates of repeat transaction and fluctuations in usage of our platform, including seasonality;
- loan volume and mix;
- changes to the merchant discount rates that we charge to our merchant partners;
- the amount and timing of our expenses related to acquiring merchants, consumers, and funding sources and the maintenance and expansion of our business, operations, and infrastructure;
- changes to our relationships with our merchant partners;
- changes in interest rates;
- general economic, industry, and market conditions, including the COVID-19 pandemic;
- actual or anticipated changes in loan performance and provision for credit losses;
- losses on loan purchase commitments;
- our emphasis on merchant and consumer experience instead of near-term growth;
- the availability, cost, and other terms of funding sources, including funding commitments;

- competitive dynamics in the industry in which we operate;
- the amount and timing of stock-based compensation expenses;
- network outages, cyber-attacks, or other actual or perceived security breaches or data privacy violations;
- changes in laws and regulations that impact our business;
- the cost of and potential outcomes of potential claims or litigation; and
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired technologies or businesses.

We have experienced in the past, and expect to continue to experience, seasonal fluctuations in our revenues.

We experience seasonality as a result of consumer spending patterns. Historically, our revenues have been strongest during the second quarter of our fiscal year as a result of higher commerce trends during the holiday retail season. Additionally, revenues associated with the purchase of home fitness equipment historically have been strongest in the third quarter of our fiscal year. Adverse events that occur during these months could have a disproportionate effect on our business, results of operations, financial condition, and future prospects.

The success and growth of our business depends upon our ability to continuously innovate and develop new products and technologies.

Our solution is a technology-driven platform that relies on innovation to remain competitive. The process of developing new technologies and products, such as the Affirm Card debit card with pay-over-time functionality, is complex, and we build our own technology, using the latest in artificial intelligence and machine learning ("AI/ML"), cloud-based technologies, and other tools to differentiate our products and technologies. In addition, our dedication to incorporating technological advancements into our platform requires significant financial and personnel resources and talent. Our development efforts with respect to these initiatives could distract management from current operations and could divert capital and other resources from other growth initiatives important to our business. We operate in an industry experiencing rapid technological change and frequent product introductions. We may not be able to make technological improvements as quickly as demanded by our consumers and merchants, which could harm our ability to attract consumers and merchants. In addition, we may not be able to effectively implement new technology-driven products and services, including the Affirm Card, as quickly as competitors or be successful in marketing these products and services to consumers and merchants. If we are unable to successfully and timely innovate and continue to deliver a superior merchant and consumer experience, the demand for our products and technologies may decrease and our growth, business, results of operations, financial condition, and future prospects could be materially and adversely affected.

Further, we use AI/ML in many aspects of our business, including fraud, credit risk analysis, and product personalization. The AI/ML models that we use are trained using various data sets. If the AI/ML models are incorrectly designed, the data we use to train them is incomplete, inadequate, or biased in some way, or we do not have sufficient rights to use the data on which our AI/ML models rely, the performance of our products, services, and business, as well as our reputation, could suffer or we could incur liability through the violation of laws, third-party privacy, or other rights, or contracts to which we are a party. For instance, in 2017 a discrepancy between a data signal used in the AI/ML model training data set and in our online decisioning environment for our risk model resulted in the risk model making incorrect decisions in certain specific cases. While the effect of this discrepancy was small and we are continuously taking steps to prevent any errors in the future, errors may arise in the future.

Our failure to accurately predict the demand or growth of our new products and technologies also could have a material and adverse effect on our business, results of operations, financial condition, and future prospects. New products and technologies are inherently risky, due to, among other things, risks associated with: the product or technology not working, or not working as expected; consumer and merchant acceptance; technological outages or

failures; and the failure to meet consumer and merchant expectations. As a result of these risks, we could experience increased claims, reputational damage, or other adverse effects, which could be material. The profile of potential consumers using our new products and technologies also may not be as attractive as the profile of the consumers that we currently serve, which may lead to higher levels of delinquencies or defaults than we have historically experienced. Additionally, we can provide no assurance that we will be able to develop, commercially market, and achieve acceptance of our new products and technologies. In addition, our investment of resources to develop new products and technologies and make changes or updates to our platform may either be insufficient or result in expenses that exceed the revenue actually generated from these new products. Failure to accurately predict demand or growth with respect to our new products and technologies could have a material and adverse effect on our business, results of operations, financial condition, and future prospects.

Negative publicity about us or our industry could adversely affect our business, results of operations, financial condition, and future prospects.

Negative publicity about us or our industry, including the transparency, fairness, user experience, quality, and reliability of our platform or point-of-sale lending platforms in general, effectiveness of our risk model, our ability to effectively manage and resolve complaints, our privacy and security practices, litigation, regulatory activity, misconduct by our employees, funding sources, originating bank partners, service providers, or others in our industry, the experience of consumers and investors with our platform or services or point-of-sale lending platforms in general, or use of loan proceeds by consumers that have obtained loans facilitated through our platform or other point-of-sale lending platforms for illegal purposes, even if inaccurate, could adversely affect our reputation and the confidence in, and the use of, our platform, which could harm our reputation and cause disruptions to our platform. Any such reputational harm could further affect the behavior of consumers, including their willingness to obtain loans facilitated through our platform or to make payments on their loans. As a result, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

If our merchants fail to fulfill their obligations to consumers or comply with applicable law, we may incur remediation costs.

Although our merchants are obligated to fulfill their contractual commitments to consumers and to comply with applicable law, including in marketing our products, from time to time, they might not, or a consumer might allege that they did not. This, in turn, can result in claims or defenses against our originating bank partners and us, or a loan purchaser, or in loans being uncollectible due to the Federal Trade Commission's Holder in Due Course Rule ("Holder Rule"), or equivalent state laws. The Holder Rule requires the inclusion of a specific notice in consumer credit contracts evidencing debts arising from purchase money loan transactions. The notice provides that the holder of the consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained with the proceeds of the consumer credit contract. In those cases, we may decide that it is beneficial to remediate the situation, either through assisting the consumers to get a refund, working with our originating bank partners to modify the terms of the loan or reducing the amount due, making a payment to the consumer, or otherwise. Historically, the cost of remediation has not been material to our business, but we make no assurance that it will not be in the future.

Our vendor relationships subject us to a variety of risks, and the failure of third parties to comply with legal or regulatory requirements or to provide various services that are important to our operations could have an adverse effect on our business, results of operations, financial condition, and future prospects.

We have significant vendors that, among other things, provide us with financial, technology, and other services to support our products and other activities, including, for example, credit ratings and reporting, cloud-based data storage and other IT solutions, and payment processing. The Consumer Financial Protection Bureau ("CFPB") has issued guidance stating that institutions under its supervision may be held responsible for the actions of the companies with which they contract. Accordingly, we could be adversely impacted to the extent our vendors fail to comply with the legal requirements applicable to the particular products or services being offered.

In some cases, vendors are the sole source, or one of a limited number of sources, of the services they provide to us. For example, we are solely reliant on our agreement with our cloud computing web services provider for the provision of cloud infrastructure services to support our platform. Most of our vendor agreements are terminable by the vendor on little or no notice, and if our current vendors were to terminate their agreements with us or otherwise stop providing services to us on acceptable terms, we may be unable to procure alternatives from other vendors in a timely and efficient manner and on acceptable terms (or at all). If any vendor fails to provide the services we require, fails to meet contractual requirements (including compliance with applicable laws and regulations), fails to maintain adequate data privacy controls and electronic security systems, or suffers a cyber-attack or other security breach, we could be subject to CFPB, Federal Trade Commission ("FTC") and other regulatory enforcement actions, claims from third parties, including our consumers, and suffer economic and reputational harm that could have an adverse effect on our business. Further, we may incur significant costs to resolve any such disruptions in service, which could adversely affect our business.

For example, certain installment loans are originated by our originating bank partners and then disbursed to merchants via single-use virtual cards facilitated through our partnership with an issuer processor. This issuer processor issues single-use virtual cards through its issuing bank partner which allow loans facilitated through our platform to be processed over the card network. Such loans facilitated through our platform can be used at merchants where we are not integrated at checkout, allowing consumers to complete purchases with virtual cards just as they would with a standard credit or debit card. In the event that our issuer processor became unable or unwilling to facilitate the disbursements to merchants and we are unable to reach an agreement with another vendor, such loans would no longer be able to be facilitated through our platform.

Litigation, regulatory actions, and compliance issues could subject us to fines, penalties, judgments, remediation costs, and requirements resulting in increased expenses.

Our business is subject to increased risks of litigation and regulatory actions as a result of a number of factors and from various sources, including as a result of the highly regulated nature of the financial services industry and the focus of state and federal enforcement agencies on the financial services industry in general and consumer financial services in particular.

In the ordinary course of business, we have been named as a defendant in various legal actions, including arbitrations and other litigation. From time to time, we may also be involved in, or the subject of, reviews, requests for information, investigations, and proceedings (both formal and informal) by state and federal governmental agencies, including banking regulators, the FTC, and the CFPB, regarding our business activities and our qualifications to conduct our business in certain jurisdictions, which could subject us to fines, penalties, obligations to change our business practices, and other requirements resulting in increased expenses and diminished earnings. Our involvement in any such matter also could cause harm to our reputation and divert management attention from the operation of our business, even if the matters are ultimately determined in our favor. Moreover, any settlement, or any consent order or adverse judgment, in connection with any formal or informal proceeding or investigation by a government agency, may prompt litigation or additional investigations or proceedings as other litigants or other government agencies begin independent reviews of the same or similar activities.

In addition, a number of participants in the consumer finance industry have been the subject of putative class action lawsuits; state attorney general actions and other state regulatory actions; federal regulatory enforcement actions, including actions relating to alleged unfair, deceptive, or abusive acts or practices; violations of state licensing and lending laws, including state interest rate limits; actions alleging discrimination on the basis of race, ethnicity, gender, or other prohibited bases; and allegations of noncompliance with various state and federal laws and regulations relating to originating and servicing consumer finance loans. The current regulatory environment, increased regulatory compliance efforts, and enhanced regulatory enforcement have resulted in significant operational and compliance costs and may prevent us from providing certain products and services. There is no assurance that these regulatory matters or other factors will not, in the future, affect how we conduct our business and, in turn, have an adverse effect on our business. In particular, legal proceedings brought under state consumer protection statutes or under several of the various federal consumer financial services statutes subject to the jurisdiction of the CFPB and FTC may result in a separate fine for each violation of the statute, which, particularly

in the case of class action lawsuits, could result in damages in excess of the amounts we earned from the underlying activities.

See "— Risks Related to Our Regulatory Environment."

We have experienced rapid growth, which may be difficult to sustain and which may place significant demands on our operational, administrative, and financial resources.

Since we launched our platform in 2014 we have experienced significant transaction volume growth. We have grown our GMV by approximately 83% period-over-period compared to the three months ended March 31, 2020 and 69% period-over-period compared to the nine months ended March 31, 2020. We have a relatively limited operating history at our current scale, and our growth in recent periods exposes us to increased risks, uncertainties, expenses, and difficulties. If we are unable to maintain at least our current level of operations using cash flow, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.
As a result of our growth, we face significant challenges in:

- increasing the number of consumers with, and the volume of, loans facilitated through our platform;
- maintaining and developing relationships with existing merchants and additional merchants;
- securing commitments from our existing and new originating bank partners to provide loans to customers of our merchants;
- securing funding to maintain our operations and future growth;
- maintaining adequate financial, business, and risk controls;
- implementing new or updated information and financial and risk controls and procedures;
- navigating complex and evolving regulatory and competitive environments;
- attracting, integrating and retaining an appropriate number and technological skill level of qualified employees;
- particularly in the post-COVID-19 environment, training, managing, and appropriately sizing our workforce and other components of our business on a timely and cost-effective basis;
- expanding within existing markets;
- entering into new markets and introducing new solutions;
- continuing to revise our proprietary risk model;
- continuing to develop, maintain, protect, and scale our platform;
- effectively using limited personnel and technology resources; and
- maintaining the security of our platform and the confidentiality of the information (including personally identifiable information) provided and utilized across our platform.

We may not be able to manage our expanding operations effectively, and any failure to do so could adversely affect our ability to generate revenue and control our expenses, and would materially and adversely affect our business, results of operations, financial condition, and future prospects.

Real or perceived inaccuracies in our key operating metrics may harm our reputation and negatively affect our business.

We track certain key operating metrics such as GMV, active consumers and transactions per active consumers with internal systems and tools that are not independently verified by any third party. While the metrics presented in this Quarterly Report on Form 10-Q are based on what we believe to be reasonable assumptions and estimates, our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If the internal systems and tools we use to track these metrics understate or overstate performance or contain algorithmic or other technical errors, the key operating metrics we report may not be accurate. If investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, and our results of operations and financial condition could be adversely affected.

Changes in market interest rates could have an adverse effect on our business.

Increased interest rates may adversely impact the spending levels of consumers and their ability and willingness to borrow money. Higher interest rates often lead to higher payment obligations, which may reduce the ability of consumers to remain current on their obligations and, therefore, lead to increased delinquencies, defaults, consumer bankruptcies and charge-offs, and decreasing recoveries, all of which could have an adverse effect on our business. Certain of our funding arrangements bear a variable interest rate. Given the fixed interest rates charged on the loans originated on our platform, in the event that variable interest rates rise across the market, our interest margin earned in these funding arrangements would be reduced. Dramatic increases in interest rates may make these forms of funding nonviable. In addition, certain of our loan sale agreements are repriced on a recurring basis using a mechanism tied to interest rates. To reduce our exposure to broad changes in prevailing interest rates, we maintain an interest rate hedging program which eliminates some, but not all, of the interest rate risk.

Borrowings under certain of our funding arrangements bear an interest rate based on certain tenors of the London interbank offered rate (“LIBOR”) plus a credit spread. In July 2017, the United Kingdom’s Financial Conduct Authority, which regulates LIBOR, announced that, after 2021, it will stop compelling banks to submit rates for the calculation of LIBOR. Some of our funding arrangements contemplate a mechanism for replacing LIBOR with a new benchmark rate (to be agreed upon by us and each applicable financial counterparty) for debt drawn under the arrangements. This mechanism is triggered in the event that LIBOR is no longer published or otherwise available as a benchmark for establishing interest rates for loans. Since the conditions for the implementation of this mechanism have not yet been triggered, we cannot determine with certainty what such replacement rate would be. As a result, we cannot reasonably predict the potential effect of a discontinuation or replacement of LIBOR, other reforms or the establishment of alternative reference rates on our business. The discontinuation, reform, or replacement of LIBOR could result in interest rate increases on our funding arrangements, which could adversely affect our cash flows and operating results.

Our business could be adversely affected by any unsoundness of our financial institution counterparties.

Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We routinely execute transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks and other institutions. Many of these transactions expose us to credit risk in the event of a default by a counterparty. In addition, our credit risk may be exacerbated when collateral cannot be foreclosed upon or is liquidated at prices not sufficient to recover the full amount of the credit or derivative exposure due. Any such losses could adversely affect our business, financial condition and results of operations.

In connection with our securitizations, warehouse credit facilities, and forward flow agreements, we make representations and warranties concerning the loans financed pursuant to such agreements. If those

representations and warranties are not correct, we could be required to repurchase certain of such loans. Any significant required repurchases would have an adverse effect on our ability to operate and fund our business.

In our asset-backed securitizations, warehouse credit facilities, and forward flow agreements, we make numerous representations and warranties concerning the characteristics of the loans we transfer and/or sell (depending on the type of facility), including representations and warranties that the loans meet certain eligibility requirements of those facilities and investors. If those representations and warranties are incorrect, we may be required to repurchase certain of the financed loans. Failure to repurchase so-called "ineligible loans" when required could constitute an event of default under our financing agreements and lead to the potential termination of the applicable facility. We can provide no assurance, however, that we would have adequate cash or other qualifying assets available to make such repurchases. Such repurchases could be limited in scope, relating to small pools of loans, or larger in scope, across multiple pools of loans. If we were required to make such repurchases and if we do not have adequate liquidity to fund such repurchases, it would have a material adverse effect on our business, results of operations, financial condition, and future prospects.

Our revenue is impacted, to a significant extent, by the general economy and the financial performance of our merchants.

Our business, the consumer financial services industry, and our merchants' businesses are sensitive to macroeconomic conditions. Economic factors such as interest rates, changes in monetary and related policies, market volatility, consumer confidence, and unemployment rates are among the most significant factors that impact consumer spending behavior. Weak economic conditions or a significant deterioration in economic conditions reduce the amount of disposable income consumers have, which in turn reduces consumer spending and the willingness of qualified consumers to take out loans. Such conditions are also likely to affect the ability and willingness of consumers to pay amounts owed under the loans facilitated through our platform, each of which would have an adverse effect on our business, results of operations, financial condition, and future prospects.

In addition, the COVID-19 pandemic has had, and continues to have, a significant impact on the national economy and the communities in which we operate. While the pandemic's effect on the macroeconomic environment has yet to be fully determined and could continue for months or years, any prolonged economic downturn with sustained high unemployment rates would lead to decreased retail consumption and may materially decrease our transaction volume or increase defaults and delinquencies. Such effects, if they continue for a prolonged period, would have a material adverse effect on our business, results of operations, financial condition, and future prospects.

The generation of new loans facilitated through our platform, and the transaction fees and other fee income due to us associated with such loans, depends upon sales of products and services by our merchants. Our merchants' sales may decrease or fail to increase as a result of factors outside of their control, such as the macroeconomic conditions referenced above, or business conditions affecting a particular merchant, industry vertical, or region. Weak economic conditions also could extend the length of our merchants' sales cycle and cause consumers to delay making (or not make) purchases of our merchants' products and services. Some of our merchants have experienced a decrease in sales, supply chain disruptions, inventory shortages, and other adverse effects as a result of the COVID-19 pandemic, and the future impact of the COVID-19 pandemic remains uncertain. The decline of sales by our merchants for any reason will generally result in lower credit sales and, therefore, lower loan volume and associated fee income for us. Similarly, merchant product recalls, such as the Peloton Tread and Tread+ treadmill product recalls announced on May 5, 2021, or other events or circumstances resulting in an increase in the volume of consumer product returns experienced by our merchants and/or requiring that our merchants suspend sales of products to address actual or alleged product defects also may reduce our loan volume and associated fee income. This risk is particularly acute with respect to our largest merchants, such as Peloton.

In addition, if a merchant closes some or all of its locations (including as a result of COVID-19 mandated closures) or becomes subject to a voluntary or involuntary bankruptcy proceeding (or if there is a perception that it may become subject to a bankruptcy proceeding), consumers may have less incentive to pay their outstanding balances on loans facilitated through our platform, which could result in higher charge-off rates than anticipated.

Moreover, if the financial condition of a merchant deteriorates significantly or a merchant becomes subject to a bankruptcy proceeding, we may not be able to recover amounts due to us from the merchant.

Our business is heavily concentrated in U.S. consumer credit, and therefore our results are more susceptible to fluctuations in that market than a more diversified company.

Our business is heavily concentrated in U.S. consumer credit. As a result, we are more susceptible to fluctuations and risks particular to U.S. consumer credit than a more diversified company. For example, our business is particularly sensitive to macroeconomic conditions that affect the U.S. economy and consumer spending and consumer credit. We are also more susceptible to the risks of increased regulations and legal and other regulatory actions that are targeted at consumer credit or the specific consumer credit products that we offer (including promotional financing). Our business concentration could have a material adverse effect on our business, results of operations, financial condition, and future prospects.

Our business is subject to the risks of earthquakes, fires, floods, and other natural catastrophic events and to interruption by man-made issues such as strikes.

Our systems and operations are vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, strikes, health pandemics, and similar events. For example, a significant natural disaster in the San Francisco Bay Area or any other location in which we have offices or facilities, such as an earthquake, fire, or flood, could have a material adverse effect on our business, results of operations, financial condition, and future prospects, and our insurance coverage may be insufficient to compensate us for losses that may occur. In addition, strikes, wars, terrorism, and other geopolitical unrest could cause disruptions in our business and lead to interruptions, delays, or loss of critical data. We may not have sufficient protection or recovery plans in certain circumstances, such as a significant natural disaster, and our business interruption insurance may be insufficient to compensate us for losses that may occur.

Borrowers may not view or treat their loans as having the same significance as other obligations, and the loans facilitated through our platform are not secured, guaranteed, or insured and involve a high degree of financial risk.

Borrowers may not view the loans facilitated through our platform as having the same significance as other credit obligations arising under more traditional circumstances. If a consumer neglects his or her payment obligations on a loan facilitated through our platform or chooses not to repay his or her loan entirely, it will have an adverse effect on our business, results of operations, financial condition, future prospects, and cash flows.

Personal loans facilitated through our platform are not secured by any collateral, not guaranteed or insured by any third-party, and not backed by any governmental authority in any way. Therefore, if we purchase the loans from our originating bank partners after they are originated, we are limited in our ability to collect on these loans if a consumer is unwilling or unable to repay them. A consumer’s ability to repay their loans can be negatively impacted by increases in their payment obligations to other lenders under mortgage, credit card, and other loans resulting from increases in base lending rates or structured increases in payment obligations. If a consumer defaults on a loan, we may be unsuccessful in our efforts to collect the amount of the loan. As such, our originating bank partners could decide to originate fewer loans through our platform. An increase in defaults precipitated by these risks and uncertainties could have a material adverse effect on our business, results of operations, financial condition, and future prospects.

If our collection efforts on delinquent loans are ineffective or unsuccessful, the performance of the loans would be adversely affected.

Our ability to collect on loans is dependent on the consumer’s continuing financial stability, and consequently, collections can be adversely affected by a number of factors, including job loss, divorce, death, illness, or personal bankruptcy. Furthermore, the application of various federal and state laws, including federal and state bankruptcy and debtor relief laws, may limit the amount that can be recovered on the loans. It is possible that a

higher percentage of consumers will seek protection under bankruptcy or debtor relief laws as a result of financial and economic disruptions related to the outbreak of the COVID-19 pandemic than is reflected in our historical experience. In addition, in response to the COVID-19 pandemic, federal and state regulatory agencies issued guidance encouraging leniency with respect to credit obligations and a few states took action to restrict collections activity during the COVID-19 pandemic. Federal, state, or other restrictions could impair our ability to collect amounts owed and due on the loans facilitated through our platform, reduce income received from the loans facilitated through our platform, or negatively affect our ability to comply with our current financing arrangements or obtain financing with respect to the loans facilitated through our platform.

In the event that initial attempts to contact a consumer are unsuccessful, certain delinquent loans may be referred to a collection agent that will service the loans using its own servicing platform. Further, if collection action must be taken in respect of a loan, the collection agent may charge additional amounts, which may reduce the amounts of collections that we receive.

In addition, because our servicing fees in connection with the services we provide depend on the collectability of the loans facilitated through our platform, if there is an unexpected significant increase in the number of consumers who fail to repay their loans or an increase in the principal amount of the loans that are not repaid, we will be unable to collect our entire servicing fee for the loans facilitated through our platform for which we act as servicer, and our business, results of operations, financial condition, future prospects, and cash flows could be materially and adversely affected.

The COVID-19 pandemic has impacted our working environment and diverted personnel resources and any prolonged effects of the pandemic may adversely impact our operations and employees.

We have had to expend, and expect to continue to expend, personnel resources to respond to the COVID-19 pandemic, including to develop and implement internal policies and procedures and track changes in laws. Any prolonged diversion of personnel resources may have an adverse effect on our operations. In addition, as a result of the COVID-19 pandemic, in March 2020, we transitioned our entire staff to a remote working environment. Over time such remote operations may decrease the cohesiveness of our teams and our ability to maintain our culture, both of which are critical to our success. Additionally, a remote working environment may impede our ability to undertake new business projects, to foster a creative environment, to hire new team members, and to retain existing team members. Such effects may adversely affect the productivity of our team members and overall operations, which could have a material adverse effect on our business, results of operations, financial condition, and future prospects.

While we take precautions to prevent consumer identity fraud, it is possible that identity fraud may still occur or has occurred, which may adversely affect the performance of the loans facilitated through our platform.

There is risk of fraudulent activity associated with our platform, originating bank partners, consumers, and third parties handling consumer information. Our resources, technologies, and fraud prevention tools may be insufficient to accurately detect and prevent fraud. We are obligated to repurchase the loans facilitated through our platform in certain cases of confirmed identity theft. The level of fraud related charge-offs on the loans facilitated through our platform could be adversely affected if fraudulent activity were to significantly increase.

We bear the risk of consumer fraud in a transaction involving us, a consumer, and a merchant, and we generally have no recourse to the merchant to collect the amount owed by the consumer. Significant amounts of fraudulent cancellations or chargebacks could adversely affect our business or financial condition. High profile fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, negative publicity, and the erosion of trust from our consumers and merchants, and could materially and adversely affect our business, results of operations, financial condition, future prospects, and cash flows.

Internet-based loan origination processes may give rise to greater risks than paper-based processes.

On behalf of our originating bank partners, we use the Internet to obtain application information and distribute certain legally required notices to applicants for loans, and to obtain electronically signed loan documents in lieu of paper documents with tangible consumer signatures. These processes entail additional risks relative to paper-based loan underwriting processes and procedures, including risks regarding the sufficiency of notice for compliance with consumer protection laws, risks that consumers may challenge the authenticity of loan documents or the validity of electronic signatures and records, and risks that, despite internal controls, unauthorized changes are made to the electronic loan documents.

Misconduct and errors by our employees, vendors, and service providers could harm our business and reputation.

We are exposed to many types of operational risk, including the risk of misconduct and errors by our employees, vendors, and other service providers. Our business depends on our employees, vendors, and service providers to process a large number of increasingly complex transactions, including transactions that involve significant dollar amounts and loan transactions that involve the use and disclosure of personal and business information. We could be adversely affected if transactions were redirected, misappropriated, or otherwise improperly executed, personal and business information was disclosed to unintended recipients, or an operational breakdown or failure in the processing of other transactions occurred, whether as a result of human error, a purposeful sabotage or a fraudulent manipulation of our operations or systems. In addition, the manner in which we store and use certain personal information and interact with consumers and merchants through our platform is governed by various federal and state laws. If any of our employees, vendors, or service providers take, convert, or misuse funds, documents, or data, or fail to follow protocol when interacting with consumers and merchants, we could be liable for damages and subject to regulatory actions and penalties. We could also be perceived to have facilitated or participated in the illegal misappropriation of funds, documents, or data, or the failure to follow protocol, and therefore be subject to civil or criminal liability. It is not always possible to identify and deter misconduct or errors by employees, vendors, or service providers, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. Any of these occurrences could result in our diminished ability to operate our business, potential liability to consumers and merchants, inability to attract future consumers and merchants, reputational damage, regulatory intervention, and financial harm, which could negatively impact our business, results of operations, financial condition, and future prospects.

Our mission to deliver simple, transparent, and fair financial products may conflict with the short term interests of our stockholders.

Our core principle, and the foundation on which we have built our company is to deliver simple, transparent, and fair financial products. Therefore, we have made in the past, and may make in the future, decisions that we believe will benefit our consumers and therefore provide long-term benefits for our business, even if our decision negatively impacts our short-term results of operations. For example, the loans facilitated through our platform do not have deferred or compounding interest and there are no hidden fees or penalties for a missed payment. At many merchants, consumers can qualify for 0% APR financing. Our decisions may negatively impact our short-term financial results or not provide the long-term benefits that we expect, in which case the success of our business and results of operations could be harmed.

To the extent that we seek to grow through future acquisitions, or other strategic investments or alliances, including the acquisitions of PayBright and Returnly, we may not be able to do so effectively.

We may in the future seek to grow our business by exploring potential acquisitions or other strategic investments or alliances. We may not be successful in identifying businesses or opportunities that meet our acquisition or expansion criteria. In addition, even if a potential acquisition target or other strategic investment is identified, we may not be successful in completing such acquisition or integrating such new business or other investment. We may face significant competition for acquisition and other strategic investment opportunities from other well-capitalized companies, many of which have greater financial resources and greater access to debt and equity capital to secure and complete acquisitions or other strategic investments, than we do. As a result of such

competition, we may be unable to acquire certain assets or businesses, or take advantage of other strategic investment opportunities that we deem attractive; the purchase price for a given strategic opportunity may be significantly elevated; or certain other terms or circumstances may be substantially more onerous.

For example, we may not be successful in completing the integration of the PayBright business or the Returnly business with our business. We expect that completing the integration process for each acquisition will require significant additional time and resources, and we may not be able to manage the process successfully. It is possible that we will experience disruption of ours, PayBright's and/or Returnly's ongoing businesses. We may also incur higher than expected costs as a result of these acquisitions or experience an overall post-completion processes that take longer than originally anticipated. In addition, at times the attention of certain members of our management and resources may be focused on the integration of these acquired businesses and diverted from day-to-day business operations, which may disrupt our ongoing business. Additionally, potential difficulties we may encounter as we proceed further through the integration process for both acquisitions include (i) the challenge of integrating complex systems, operating procedures, regulatory compliance programs, technology, networks and other assets of the acquired companies in a seamless manner that minimizes any adverse impact on our employees, consumers, merchants, and other business partners; and (ii) potential unknown liabilities, liabilities that are significantly larger than we currently anticipate and unforeseen increased expenses or delays associated with the acquisition, including integration costs that may exceed the costs that we currently anticipate. Moreover, the Returnly business conducts operations in Spain while Affirm has historically conducted operations only within the United States and Canada, which may increase the integration risks associated with that acquisition. Accordingly, the contemplated benefits of the PayBright and Returnly acquisitions may not be realized fully, or at all, or may take longer to realize than expected.

Any delay or failure on our part to identify, negotiate, finance on favorable terms, consummate, and integrate any acquisition or other strategic investment opportunity could impede our growth.

There is no assurance that we will be able to manage our expanding operations effectively or that we will be able to continue to grow, and any failure to do so could adversely affect our ability to generate revenue and control our expenses. Furthermore, we may be responsible for any legacy liabilities of businesses we acquire or be subject to additional liability in connection with other strategic investments. The existence or amount of these liabilities may not be known at the time of acquisition, or other strategic investment, and may have an adverse effect on our business, results of operations, financial condition, and future prospects.

Further expansion of our operations internationally will subject us to new challenges and risks.

We currently operate in the United States and Canada, and we recently acquired Returnly, which has operations in Spain. We also plan to seek to further expand our business internationally. Managing our new operations in Spain as well as further international expansion of our operations requires us to comply with new regulatory frameworks and additional resources and controls. International expansion subjects our business to risks associated with international operations, including:

- adjusting the proprietary risk algorithms that we use to account for the differences in information available in different jurisdictions on consumers;
- conformity of our platform with applicable business customs, including translation into foreign languages and associated expenses;

- potential changes to our established business model;
- the need to support and integrate with local vendors and service providers;
- competition with vendors and service providers that have greater experience in the local markets than we do or that have pre-existing relationships with potential consumers and investors in those markets;

- difficulties in staffing and managing foreign operations in an environment of diverse culture, laws, and consumers and merchants, and the increased travel, infrastructure, and legal and compliance costs associated with international operations;
- compliance with multiple, potentially conflicting, and changing governmental laws and regulations, including banking, anti-money laundering, securities, employment, tax, privacy, and data protection laws and regulations, such as the EU General Data Protection Regulation;
- compliance with U.S. and foreign anti-bribery laws, including the Foreign Corrupt Practices Act and the U.K. Anti-Bribery Act;
- difficulties in collecting payments in multiple foreign currencies and associated foreign currency exposure;
- potential restrictions on repatriation of earnings;
- expanded compliance with potentially conflicting and changing laws of taxing jurisdictions where we conduct business and applicable U.S. tax laws as they relate to international operations, the complexity and adverse consequences of such tax laws, and potentially adverse tax consequences due to changes in such tax laws; and
- regional economic and political conditions.

As a result of these risks, we may not be successful in managing our new operations in Spain, and our future international expansion efforts also may not be successful.

We identified a material weakness in our internal control over financial reporting in connection with the audit of our financial statements for the fiscal year ended June 30, 2020, and we may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements. If we fail to remediate any material weaknesses or if we otherwise fail to establish and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act," or "Section 404"), we will be required to conduct an assessment of, and to furnish a report by our management on, the effectiveness of our internal control over financial reporting beginning the year following our first annual report required to be filed with the SEC. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 beginning the year following our first annual report required to be filed with the SEC. We are engaged in a process to assess and document the effectiveness of our internal control over financial reporting, improve the design and operation of our internal controls, and validate through testing that our internal controls are effective. If our internal control over financial reporting is not effective, our independent registered public accounting firm may issue an adverse report.

In connection with the audit of our financial statements for the fiscal year ended June 30, 2020, we and our independent registered public accounting firm identified certain control deficiencies in the design and implementation of our internal control over financial reporting that in aggregate constituted a material weakness. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Our evaluation was based on the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) Internal Control — Integrated Framework (2013).

The material weakness relates to our general information technology controls, including design and implementation of access and change management controls. This material weakness means that it is possible that our business process controls that depend on the affected information technology systems, or that depend on data or financial reports generated from the affected information technology systems, could be adversely affected. Key

components of the COSO framework have not been fully implemented, including control and monitoring activities, and information and communication relating to: (i) electing and developing general control activities over technology to support the achievement of objectives; (ii) electing, developing, and performing ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning; and (iii) generating and using relevant, quality information to support the functioning of internal control.

As of the date of this Quarterly Report on Form 10-Q, this remains a material weakness. We have implemented measures designed to remediate the identified control deficiencies and enhance our systems access and change management controls. There is no assurance that the measures we have taken to remediate this material weakness will be effective or will be sufficient to prevent future material weaknesses from occurring. Similarly, there is no assurance that there are no other material weaknesses.

In light of the control deficiencies and the resulting material weakness that was identified, we believe that it is possible that, had we and our independent registered public accounting firm performed an assessment or audit, respectively, of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified.

When evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline for compliance with the requirements of Section 404. If the remediation is incomplete, if additional material weaknesses are identified and not remediated within the necessary timeframe, if we are unable to conclude that our internal control over financial reporting is effective when required, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common stock could be negatively affected. We also could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

If we discover a material weakness in our internal control over financial reporting that we are unable to remedy or otherwise fail to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to report our financial results on a timely and accurate basis and the market price of our Class A common stock may be adversely affected.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures. In addition to the material weakness in internal control over financial reporting identified in connection with the audit of our financial statements for the fiscal year ended June 30, 2020, subsequent testing by us or our independent registered public accounting firm, which has not performed an audit of our internal control over financial reporting, may reveal additional deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. To comply with Section 404, we expect to incur substantial cost, expend significant management time on compliance-related issues and hire additional accounting, financial, and internal audit staff with appropriate public company experience and technical accounting knowledge. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, we could be subject to sanctions or investigations by the SEC, or other regulatory authorities, which would require additional financial and management resources. Any failure to maintain effective disclosure controls and procedures or internal control over financial reporting could have an adverse effect on our business and operating results, and cause a decline in the price of our Class A common stock.

Determining our allowance for credit losses requires many assumptions and complex analyses. If our estimates prove incorrect, we may incur net charge-offs in excess of our reserves, or we may be required to increase our provision for credit losses, either of which would adversely affect our results of operations.

Our ability to measure and report our financial position and results of operations is influenced by the need to estimate the impact or outcome of future events on the basis of information available at the time of the issuance of the financial statements. An accounting estimate is considered critical if it requires that management make

assumptions about matters that were highly uncertain at the time the accounting estimate was made. If actual results differ from our judgments and assumptions, then it may have an adverse impact on the results of operations and cash flows. Management has processes in place to monitor these judgments and assumptions, including review by our credit committee and our asset-liability committee but these processes may not ensure that our judgments and assumptions are correct.

We maintain an allowance for credit losses at a level sufficient to provide for incurred credit losses based on evaluating known and inherent risks in our loan portfolio. This estimate is highly dependent upon the reasonableness of our assumptions and the predictability of the relationships that drive the results of our valuation methodologies. The method for calculating the best estimate of incurred losses takes into account our historical experience, adjusted for current conditions, and our judgment concerning the probable effects of relevant observable data, trends, and market factors. Changes in such estimates can significantly affect the allowance and provision for losses. It is possible that we will experience credit losses that are different from our current estimates. If our estimates and assumptions prove incorrect and our allowance for credit losses is insufficient, we may incur net charge-offs in excess of our reserves, or we could be required to increase our provision for credit losses, either of which would adversely affect our results of operations.

We may have to constrain our business activities to avoid being deemed an investment company under the Investment Company Act.

In general, a company that is or holds itself out as being engaged primarily in the business of investing, reinvesting, or trading in securities may be deemed to be an investment company under the Investment Company Act. The Investment Company Act contains substantive legal requirements that regulate the manner in which “investment companies” are permitted to conduct their business activities. We believe we have conducted, and intend to continue to conduct, our business in a manner that does not result in us being characterized as an investment company. To avoid being deemed an investment company, we may decide not to broaden our offerings, which could require us to forego attractive opportunities. We may also apply for formal exemptive relief to provide additional clarity on our status under the Investment Company Act. We may not receive such relief on a timely basis, if at all, and such relief may require us to modify or curtail our operations. If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, which would adversely affect our business, financial condition, and results of operations. In addition, we may be forced to make changes to our management team if we are required to register as an investment company under the Investment Company Act.

Risks Related to our Intellectual Property and Platform Development

Real or perceived software errors, failures, bugs, defects, or outages could adversely affect our business, results of operations, financial condition, and future prospects.

Our platform and our internal systems rely on software that is highly technical and complex. In addition, our platform and our internal systems depend on the ability of such software to store, retrieve, process, and manage immense amounts of data. As a result, undetected errors, failures, bugs, or defects may be present in such software or occur in the future in such software, including open source software and other software we license in from third parties, especially when updates or new products or services are released. For instance, in 2016 there was a discrepancy between a data signal used in the AI/ML training data set and in our online decisioning environment for our risk model, which resulted in our risk model making incorrect decisions in certain specific cases. While this discrepancy was remedied, and we are continuously taking steps to prevent any errors in the future, errors may arise in the future.

Any real or perceived errors, failures, bugs, or defects in the software may not be found until our consumers use our platform and could result in outages or degraded quality of service on our platform that could adversely impact our business (including through causing us not to meet contractually required service levels), as well as negative publicity, loss of or delay in market acceptance of our products and services, and harm to our brand or weakening of our competitive position. In such an event, we may be required, or may choose, to expend

significant additional resources in order to correct the problem. Any real or perceived errors, failures, bugs, or defects in the software we rely on could also subject us to liability claims, impair our ability to attract new consumers, retain existing consumers, or expand their use of our products and services, which would adversely affect our business, results of operations, financial condition, and future prospects.

Any significant disruption in, or errors in, service on our platform or relating to vendors, including events beyond our control, could prevent us from processing transactions on our platform or posting payments and have a material and adverse effect on our business, results of operations, financial condition, and future prospects.

We use vendors, such as our cloud computing web services provider, virtual card processing companies, and third-party software providers, in the operation of our platform. The satisfactory performance, reliability, and availability of our technology and our underlying network and infrastructure are critical to our operations and reputation and the ability of our platform to attract new and retain existing merchants and consumers. We rely on these vendors to protect their systems and facilities against damage or service interruptions from natural disasters, power or telecommunications failures, air quality issues, environmental conditions, computer viruses or attempts to harm these systems, criminal acts, and similar events. If our arrangement with a vendor is terminated or if there is a lapse of service or damage to its systems or facilities, we could experience interruptions in our ability to operate our platform. We also may experience increased costs and difficulties in replacing that vendor and replacement services may not be available on commercially reasonable terms, on a timely basis, or at all. Any interruptions or delays in our platform availability, whether as a result of a failure to perform on the part of a vendor, any damage to one of our vendor's systems or facilities, the termination of any of our third-party vendor agreement, software failures, our or our vendor's error, natural disasters, terrorism, other man-made problems, security breaches, whether accidental or willful, or other factors, could harm our relationships with our merchants and consumers and also harm our reputation.

In addition, we source certain information from third parties. For example, our risk scoring model is based on algorithms that evaluate a number of factors and currently depend on sourcing certain information from third parties, including consumer reporting agencies. In the event that any third-party from which we source information experiences a service disruption, whether as a result of maintenance, natural disasters, terrorism, or security breaches, whether accidental or willful, or other factors, the ability to score and decision loan applications through our platform may be adversely impacted. Additionally, there may be errors contained in the information provided by third parties. This may result in the inability to approve otherwise qualified applicants through our platform, which may adversely impact our business by negatively impacting our reputation and reducing our transaction volume.

To the extent we use or are dependent on any particular third-party data, technology, or software, we may also be harmed if such data, technology, or software becomes non-compliant with existing regulations or industry standards, becomes subject to third-party claims of intellectual property infringement, misappropriation, or other violation, or malfunctions or functions in a way we did not anticipate. Any loss of the right to use any of this data, technology, or software could result in delays in the provisioning of our products and services until equivalent or replacement data, technology, or software is either developed by us, or, if available, is identified, obtained, and integrated, and there is no guarantee that we would be successful in developing, identifying, obtaining, or integrating equivalent or similar data, technology, or software, which could result in the loss or limiting of our products, services, or features available in our products or services.

In addition, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that it may incur. Our disaster recovery plan has not been tested under actual disaster conditions, and we may not have sufficient capacity to recover all data and services in the event of an outage. These factors could prevent us from processing transactions or posting payments on our platform, damage our brand and reputation, divert the attention of our employees, reduce our revenue, subject us to liability, and cause consumers or merchants to abandon our platform, any of which could have a material and adverse effect on our business, results of operations, financial condition, and future prospects.

Our ability to protect our confidential, proprietary, or sensitive information, including the confidential information of consumers on our platform, may be adversely affected by cyber-attacks, employee or other

internal misconduct, computer viruses, physical or electronic break-ins, or similar disruptions.

Our business involves the collection, storage, use, disclosure, processing, transfer, and other handling (collectively, "processing") of a wide variety of information, including personally identifiable information, for various purposes in our business, including to help ensure the integrity of our services and to provide features and functionality to our consumers and merchants. The processing of the information we acquire in connection with our consumers' and merchants' use of our services is subject to numerous privacy, data protection, cybersecurity, and other laws and regulations in the United States and foreign jurisdictions. The automated nature of our business and our reliance on digital technologies may make us an attractive target for, and potentially vulnerable to, cyber-attacks, computer malware, computer viruses, social engineering (including phishing and ransomware attacks), general hacking, physical or electronic break-ins, or similar disruptions. While we and our vendors have taken steps to protect the confidential, proprietary, and sensitive information to which we have access and to prevent data loss, our security measures or those of our vendors could be breached resulting in the loss of, or unauthorized access to, our or our consumers' data, our intellectual property, or other confidential, proprietary, or sensitive business information. Any accidental or willful security breaches or other unauthorized access to our platform or servicing systems could cause confidential, proprietary, or sensitive information to be stolen and used for criminal or other unauthorized purposes. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation, and negative publicity. If security measures are breached because of employee theft, exfiltration, misuse or malfeasance, our actions, omissions, or errors, third-party actions, omissions, or errors, unintentional events, deliberate attacks by cyber criminals or otherwise, or if design flaws in our software or systems are exposed and exploited, our relationships with consumers could be damaged, and we could incur significant liability. Although we monitor our systems in order to detect security breaches or instances of unauthorized access to confidential information, there is no guarantee that our monitoring efforts will be effective.

The techniques used to obtain unauthorized, improper, or illegal access to our systems, our or our consumers' data, or to disable or degrade service or sabotage systems, are constantly evolving, may be difficult to detect quickly, and often are not recognized until after they have been launched against a target. We may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative or remedial measures. Unauthorized parties have in the past attempted and may in the future attempt to gain access to our systems or facilities through various means, including, among others, hacking into our or our partners' or consumers' systems or facilities, or attempting to fraudulently induce our employees, partners, consumers or others into disclosing usernames, passwords, or other sensitive information, which may in turn be used to access our information technology systems and gain access to our or our consumers' data or other confidential, proprietary, or sensitive information. Such efforts may be state-sponsored and supported by significant financial and technological resources, making them even more difficult to detect and prevent.

In addition, in certain circumstances we utilize vendors, including cloud service providers, to facilitate the servicing of consumer accounts. Under these arrangements, these vendors require access to certain consumer data for the purpose of servicing the accounts. Because we do not control our vendors, or the processing of data by our vendors, other than through our contractual relationships, our ability to monitor our vendors' data security may be very limited such that we cannot ensure the integrity or security of measures they take to protect and prevent the loss of our or our consumers' data. As a result, we are subject to the risk that cyber-attacks on, or other security incidents affecting, our vendors may adversely affect our business even if an attack or breach does not directly impact our systems. It is also possible that security breaches sustained by, or other security incidents affecting, our competitors could result in negative publicity for our entire industry that indirectly harms our reputation and diminishes demand for our products and services.

Any actual or perceived failure to comply with legal and regulatory requirements applicable to us, including those relating to information security, or any failure to protect the information that we collect from our consumers and merchants, including personally identifiable information, from cyber-attacks, or any such actual or perceived failure by our originating bank partners, may result in, among other things, revocation of required licenses or registrations, loss of approved status, private litigation, regulatory or governmental investigations, administrative enforcement actions, sanctions, civil and criminal liability, and constraints on our ability to continue to operate. Our

originating bank partners also operate in a highly regulated environment, and many laws and regulations that apply directly to our originating bank partners are indirectly applicable to us through our arrangements with our originating bank partners.

Furthermore, federal and state regulators and many federal and state laws and regulations require notice of any data security breaches that involve personal information. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause consumers to lose confidence in the effectiveness of our data security measures. Any security breach suffered by us or our vendors, any attack against our service availability, any unauthorized, accidental, or unlawful access or loss of data, or the perception that any such event has occurred, could result in a disruption to our service, litigation, an obligation to notify regulators and affected individuals, the triggering of indemnification and other contractual obligations, regulatory investigations, government fines and penalties, reputational damage, and loss of consumers and ecosystem partners, and our business and operations could be adversely affected. In addition, we may incur significant costs and operational consequences in connection with investigating, mitigating, remediating, eliminating, and putting in place additional tools and devices designed to prevent future actual or perceived security incidents, as well as in connection with complying with any notification or other obligations resulting from any security incidents. Our insurance policies carry retention and coverage limits, which may not be adequate to reimburse us for losses caused by security breaches, and we may not be able to collect fully, if at all, under these insurance policies. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business. Furthermore, we cannot be certain that insurance coverage will continue to be available on acceptable terms or at all, or that the insurer will not deny coverage as to any future claim. Reduced confidence and participation in our platform and our data security measures could also adversely affect a consumer's willingness to make payments on his or her loan, which could result in reduced collections.

We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.

Intellectual property and other proprietary rights are important to the success of our business. Our ability to compete effectively is dependent in part upon our ability to obtain, maintain, protect, and enforce our intellectual property and other proprietary rights, including with respect to our proprietary technology, and to obtain licenses to use the intellectual property and proprietary rights of others. We rely on a combination of patents, trademarks, service marks, copyrights, trade secrets, domain names, and agreements with employees and third parties to protect our intellectual property and other proprietary rights. We own the domain name rights for affirm.com, and, as of March 31, 2021, we owned eight registered trademarks and twenty trademark applications in the United States, seven registered trademarks and seven trademark applications in various foreign jurisdictions, and one issued patent and eight pending patent applications in the United States. Nonetheless, the steps we take to obtain, maintain, protect, and enforce our intellectual property and other proprietary rights may be inadequate and, despite our efforts to protect these rights, unauthorized third parties, including our competitors, may duplicate, mimic, reverse engineer, access, obtain, or use the proprietary aspects of our technology, processes, products, or services without our permission. Our competitors and other third parties may also design around or independently develop similar technology or otherwise duplicate or mimic our services or products such that we would not be able to successfully assert our intellectual property or other proprietary rights against them. We cannot assure that any future patent, trademark, or service mark registrations will be issued for our pending or future applications or that any of our current or future patents, copyrights, trademarks, or service marks (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, provide adequate protection of our intellectual property or other proprietary rights, or provide us with any competitive advantage.

Our trademarks, trade names, and service marks have significant value, and our brand is an important factor in the marketing of our services. We intend to rely on both registrations and common law protections for our trademarks. However, we may be unable to prevent competitors or other third parties from acquiring or using trademarks, service marks, or other intellectual property or other proprietary rights that are similar to, infringe upon, misappropriate, dilute, or otherwise violate or diminish the value of our trademarks and service marks and our other

intellectual property and proprietary rights. The value of our intellectual property and other proprietary rights could diminish if others assert rights in or ownership of our intellectual property or other proprietary rights, or in trademarks or service marks that are similar to our trademarks or service marks.

In addition, we cannot guarantee that we have entered into agreements containing obligations of confidentiality with each party that has or may have had access to proprietary information, know-how, or trade secrets owned or held by us. Moreover, our contractual arrangements may be breached or may otherwise not effectively prevent disclosure of, or control access to, our confidential or otherwise proprietary information or provide an adequate remedy in the event of an unauthorized disclosure. The measures we have put in place may not prevent misappropriation, infringement, or other violation of our intellectual property or other proprietary rights or information and any resulting loss of competitive advantage, and we may be required to litigate to protect our intellectual property or other proprietary rights or information from misappropriation, infringement, or other violation by others, which is expensive, could cause a diversion of resources, and may not be successful, even when our rights have been infringed, misappropriated, or otherwise violated. Our efforts to enforce our intellectual property and other proprietary rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property and other proprietary rights, and if such defenses, counterclaims, or countersuits are successful, it could diminish or we could otherwise lose valuable intellectual property and other proprietary rights. Additionally, the laws of some foreign countries may not be as protective of intellectual property and other proprietary rights as those in the United States, and the mechanisms for enforcement of intellectual property and other proprietary rights may be inadequate.

Furthermore, third parties may challenge, invalidate, or circumvent our intellectual property and proprietary rights, including through administrative processes or litigation. The legal standards relating to the validity, enforceability, and scope of protection of intellectual property and other proprietary rights are uncertain and still evolving. Our intellectual property and other proprietary rights may not be sufficient to provide us with a competitive advantage and the value of our intellectual property and other proprietary rights could also diminish if others assert rights therein or ownership thereof, and we may be unable to successfully resolve any such conflicts in our favor or to our satisfaction.

We may be subject to claims brought by third parties for alleged infringement, misappropriation, or other violation of their intellectual property or other proprietary rights.

Our success depends, in part, on our ability to develop and commercialize our products and services without infringing, misappropriating, or otherwise violating the intellectual property or other proprietary rights of third parties. We may receive claims or otherwise become involved in disputes from time to time concerning intellectual property or other proprietary rights of third parties, which may relate to our own proprietary technology, or to technology that we acquire or license from third parties, and we may not prevail in these disputes. Relatedly, competitors or other third parties may raise claims alleging that service providers or other third parties retained or indemnified by us, infringe on, misappropriate, or otherwise violate such competitors' or other third parties' intellectual property or other proprietary rights. These claims of infringement, misappropriation, or other violation may be extremely broad, and it may not be possible for us to conduct our operations in such a way as to avoid all such alleged violations of such intellectual property or other proprietary rights. We also may be unaware of third-party intellectual property or other proprietary rights that cover or otherwise relate to some or all of our products and services.

Given the complex, rapidly changing, and competitive technological and business environment in which we operate, and the potential risks and uncertainties of intellectual property-related litigation, a claim of infringement, misappropriation, or other violation against us may require us to spend significant amounts of time and other resources to defend against the claim (even if we ultimately prevail), pay significant money damages, lose significant revenues, be prohibited from using the relevant systems, processes, technologies, or other intellectual property (temporarily or permanently), cease offering certain products or services, obtain a license, which may not be available on commercially reasonable terms or at all, or redesign our products or services or functionality therein, which could be costly, time-consuming, or impossible.

Some of the aforementioned risks of infringement, misappropriation or other violation, in particular with respect to patents, are potentially increased due to the nature of our business, industry, and intellectual property portfolio. For instance, it has become common in recent years for certain third parties to purchase patents or other intellectual property assets for the sole purpose of making claims of infringement, misappropriation, or other violation in an attempt to extract settlements from companies such as ours. Relatedly, we do not currently have a large patent portfolio, which could otherwise assist us in deterring patent infringement claims from competitors, through our ability to bring patent infringement counterclaims using our own patent portfolio. In addition to the previously mentioned impacts of intellectual property-related litigation, while in some cases a third party may have agreed to indemnify us for costs associated with intellectual property-related litigation, such indemnifying third party may refuse or be unable to uphold its contractual obligations. In other cases, our insurance may not cover potential claims of this type adequately or at all, and we may be required to pay monetary damages, which may be significant.

Some aspects of our platform include open source software, and our use of open source software could negatively affect our business, results of operations, financial condition, and future prospects.

Aspects of our platform include software covered by open source licenses. The terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our platform. In such an event, we could be required to re-engineer all or a portion of our technologies, seek licenses from third parties in order to continue offering our products, discontinue the use of our platform in the event re-engineering cannot be accomplished, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and loan products. If portions of our proprietary software are determined to be subject to an open source license, we could also be required to, under certain circumstances, publicly release or license, at no cost, our products that incorporate the open source software or the affected portions of our source code, which could allow our competitors or other third parties to create similar products and services with lower development effort, time, and costs, and could ultimately result in a loss of transaction volume for us. We cannot ensure that we have not incorporated open source software in our software in a manner that is inconsistent with the terms of the applicable license or our current policies, and we may inadvertently use open source in a manner that we do not intend or that could expose us to claims for breach of contract or intellectual property infringement, misappropriation, or other violation. If we fail to comply, or are alleged to have failed to comply, with the terms and conditions of our open source licenses, we could be required to incur significant legal expenses defending such allegations, be subject to significant damages, be enjoined from the sale of our products and services, and be required to comply with onerous conditions or restrictions on our products and services, any of which could be materially disruptive to our business.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software because open source licensors generally do not provide warranties or other contractual protections regarding infringement, misappropriation, or other violations, the quality of code, or the origin of the software. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business, results of operations, financial condition, and future prospects. For instance, open source software is often developed by different groups of programmers outside of our control that collaborate with each other on projects. As a result, open source software may have security vulnerabilities, defects, or errors of which we are not aware. Even if we become aware of any security vulnerabilities, defects, or errors, it may take a significant amount of time for either us or the programmers who developed the open source software to address such vulnerabilities, defects, or errors, which could negatively impact our products and services, including by adversely affecting the market’s perception of our products and services, impairing the functionality of our products and services, delaying the launch of new products and services, or resulting in the failure of our products and services, any of which could result in liability to us, our vendors and service providers. Further, our adoption of certain policies with respect to the use of open source software may affect our ability to hire and retain employees, including engineers.

Risks Related to Our Regulatory Environment

We are subject to various federal and state consumer protection laws.

We must comply with various regulatory regimes, including those applicable to consumer credit transactions. The laws to which we are or may be subject include:

- state laws and regulations that impose requirements related to financial services related requirements, such as loan disclosures and terms, data privacy, credit discrimination, credit reporting, money transmission, recordkeeping, the arranging of loans made by third parties, debt servicing and collection, and unfair or deceptive business practices;

- the Truth-in-Lending Act and Regulation Z promulgated thereunder, which require certain disclosures to consumers regarding the terms and conditions of their loans and credit transactions;
- Section 5 of the Federal Trade Commission Act, which prohibits unfair and deceptive acts or practices in or affecting commerce, and Section 1031 of the Dodd-Frank Act, which prohibits unfair, deceptive, or abusive acts or practices ("UDAAP") in connection with any consumer financial product or service;
- the Equal Credit Opportunity Act (the "ECOA") and Regulation B promulgated thereunder, which prohibit creditors from discriminating against credit applicants on the basis of race, color, sex, age, religion, national origin, marital status, the fact that all or part of the applicant's income derives from any public assistance program, or the fact that the applicant has in good faith exercised any right under the Federal Consumer Credit Protection Act or any applicable state law;
- the Fair Credit Reporting Act (the "FCRA"), as amended by the Fair and Accurate Credit Transactions Act, which promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies;
- the Fair Debt Collection Practices Act and the Telephone Consumer Protection Act, each of which provide guidelines and limitations concerning the conduct of third-party debt collectors in connection with the collection of consumer debts;
- the Gramm-Leach-Bliley Act (the "GLBA"), which includes limitations on use and disclosure of nonpublic personal information about a consumer by a financial institution;
- the California Consumer Privacy Act (the "CCPA"), which includes limitations and requirements surrounding the use, disclosure, and other processing of certain personal information about California residents, and other data protection laws and regulations, such as the EU General Data Protection Regulation;
- the Bankruptcy Code, which limits the extent to which creditors may seek to enforce debts against parties who have filed for bankruptcy protection;
- the Holder Rule, and equivalent state laws, which make Affirm or any other holder of a consumer credit contract include the required notice and become subject to all claims and defenses that a borrower could assert against the seller of goods or services;
- the Electronic Fund Transfer Act and Regulation E promulgated thereunder, which provide disclosure requirements, guidelines, and restrictions on the electronic transfer of funds from consumers' bank accounts;

- the Electronic Signatures in Global and National Commerce Act and similar state laws, particularly the Uniform Electronic Transactions Act, which authorize the creation of legally binding and enforceable agreements utilizing electronic records and signatures;
- the Military Lending Act and similar state laws, which provide disclosure requirements, substantive conduct obligations, and prohibitions on certain behavior relating to loans made to covered borrowers, which include both servicemembers and their dependents;
- the Servicemembers Civil Relief Act, which allows active duty military members to suspend or postpone certain civil obligations so that the military member can devote his or her full attention to military duties; and
- new requirements pursuant to the CARES Act, including requirements relating to collection and credit reporting, though many of the implementing regulations under the CARES Act have not yet been issued.

While we have developed policies and procedures designed to assist in compliance with these laws and regulations, no assurance is given that our compliance policies and procedures will be effective. Failure to comply with these laws and with regulatory requirements applicable to our business could subject us to damages, revocation of licenses, class action lawsuits, administrative enforcement actions, and civil and criminal liability, which may harm our business.

Our business is subject to extensive regulation, examination, and oversight in a variety of areas, all of which are subject to change and uncertain interpretation. Changing federal, state, and local laws, as well as changing regulatory enforcement policies and priorities, including changes that may result from changes in the political landscape, may negatively impact our business, results of operations, financial condition, and future prospects.

We are subject to extensive regulation, supervision, and examination by federal and state governmental authorities under United States federal and state laws and regulations. We are required to comply with constantly changing federal, state, and local laws and regulations that regulate, among other things, the terms of the loans that we and our originating bank partners originate and the associated fees that may be charged. A change in these laws that enables our credit scoring and pricing model, including our ability to export interest rates across state lines, could have a material impact on our business model and financial position.

New laws or regulations could also require us to incur significant expenses and devote significant management attention to ensure compliance. In addition, our failure to comply (or to ensure that our agents and third-party service providers comply) with these laws or regulations may result in litigation or enforcement actions, the penalties for which could include: revocation of licenses; fines and other monetary penalties; civil and criminal liability; substantially reduced payments by borrowers; modification of the original terms of loans, permanent forgiveness of debt, or inability to, directly or indirectly, collect all or a part of the principal of or interest on loans; and increased purchases of loan receivables for loans originated by our originating bank partners and indemnification claims.

We are subject to the regulatory and enforcement authority of the CFPB as a facilitator, servicer, or acquirer of consumer credit. The CFPB previously announced that it intends to expand its supervisory authority through the use of “larger participant rules” to cover the markets for consumer installment loans and auto title loans. Were the CFPB to promulgate a rule for the direct supervision of nonbank installment lenders, it is possible that the CFPB could be permitted to conduct periodic examination of our business, which may increase our risk of regulatory or enforcement actions.

State attorneys general have indicated that they will take a more active role in enforcing consumer protection laws, including through use of Dodd-Frank Act provisions that authorize state attorneys general to enforce certain provisions of federal consumer financial laws and obtain civil money penalties and other relief available to the CFPB. Further, we are regulated by many state regulatory agencies through licensing and other supervisory or enforcement authority, which includes regular examination by state governmental authorities.

Such regulatory actions could result in penalties and reputational harm to us and a loss of consumers participating in our platform, and our compliance costs and litigation exposure could increase if the CFPB or other regulatory agencies enact new regulations, change regulations that were previously adopted, modify, through supervision or enforcement, past regulatory guidance, or interpret existing regulations in a manner different or stricter than have been previously interpreted, any of which could adversely affect our ability to perform. Further, in some cases, regardless of fault, it may be less time-consuming or costly to settle these matters, which may require us to implement certain changes to our business practices, provide remediation to certain individuals or make a settlement payment to a given party or regulatory body.

In addition, the Biden Administration is expected to bring an increased focus on enforcement of federal consumer protection laws and appoint consumer-oriented regulators at federal agencies such as the CFPB, the OCC and the FDIC. It is possible that regulators in the Biden Administration could promulgate rulemakings and bring enforcement actions that materially impact our business and the business of our originating bank partners. These regulators may augment requirements that apply to loans facilitated by our platform, or impose new programs and restrictions, including new forbearance initiatives related to the COVID-19 pandemic, and could otherwise revise or create new regulatory requirements that apply to us (or our bank partner), impacting our business, operations, and profitability.

Further, we may not be able to respond quickly or effectively to regulatory, legislative, and other developments, and these changes may in turn impair our ability to offer our existing or planned features, products, and services and/or increase our cost of doing business. In addition, if our practices are not consistent or viewed as not consistent with legal and regulatory requirements, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, or criminal or civil sanctions, all of which may have an adverse effect on our reputation, business, results of operations, and financial condition.

If our originating bank partner model is successfully challenged or deemed impermissible, we could be found to be in violation of licensing, interest rate limit, lending, or brokering laws and face penalties, fines, litigation, or regulatory enforcement.

A substantial majority of the loans facilitated through our platform are originated through Cross River Bank and we rely on our originating bank partner model to comply with various federal, state, and other laws. If the legal structure underlying our relationship with our originating bank partners was successfully challenged, we may be found to be in violation of state licensing requirements and state laws regulating interest rates. In the event of such a challenge or if our arrangements with our originating bank partners were to end for any reason, we would need to rely on an alternative bank relationship, find an alternative bank relationship, rely on existing state licenses, obtain new state licenses, pursue a federal charter, offer consumer loans, and/or be subject to the interest rate limitations of certain states.

There are two examples of claims that have been raised that could each, separately or jointly, result in this outcome in some or all states.

First, the FDIC stated that its Federal Interest Rate Authority Rule was promulgated in part to codify the “valid when made” doctrine due to court decisions such as the one in Madden v. Midland Funding, LLC, 786 F.3d 246 (2d Cir. 2015), cert. denied, 136 S.Ct. 2505 (June 27, 2016). In Madden v. Midland Funding, the Second Circuit ruled that federal preemption generally applicable to national banks did not apply to non-bank assignees if the assignee was not acting on behalf of the bank, if the bank no longer had an interest in the loan, or such determination did not significantly interfere with the bank’s exercise of its federal banking powers. Under this rationale, the Second Circuit did not preempt state interest rate limitations that might apply to the non-bank assignees. The Second Circuit’s holding in the Madden case is binding on federal courts in the states of New York, Connecticut, and Vermont. Following the Madden decision, there have been a number of lawsuits in other parts of the country making similar allegations . Under the Federal Interest Rate Authority Rule promulgated by the FDIC, which is the interest rate authority of state-chartered banks (such as our originating bank partners), the interest rate applicable to a loan originated by a state-chartered bank on the date of origination will carry with the commercial paper (loan) irrespective of ownership (i.e., the interest rate is “valid when made”). The OCC issued a similar rule on May 29,

2020 with respect to loans originated by national banks. State attorneys general of the states of California, New York and Illinois have filed a lawsuit against the OCC alleging that the OCC had no statutory authority to issue its May 29, 2020 rule regarding the permissibility of interest rates on loans purchased from a national bank and failed to follow required procedures in promulgating the rule. State attorneys general of the states of California, Illinois, Massachusetts, Minnesota, New Jersey, New York, and North Carolina, together with the District of Columbia, filed a similar lawsuit against the FDIC regarding the FDIC Federal Interest Rate Authority Rule. It is uncertain whether these lawsuits will be effective and whether these or other state attorneys general will file similar suits with respect to any other rule regarding the permissibility of interest rates by the FDIC, OCC or other regulators.

Second, there have also been both private litigation and governmental enforcement actions seeking to recharacterize a lending transaction, claiming that the named lender was not the true lender, and that instead another entity was the true lender or the de facto lender. These claims are traditionally based upon state lending laws, other statutory provisions, or state common law through which a private litigant or governmental agency could seek to license, regulate, or prohibit the activities of the entity they consider the true lender or de facto lender. Any such litigation or enforcement action with respect to a loan facilitated through our platform against us, any successor servicer, prior owners, or subsequent transferees of such loans (including our originating bank partners) could subject them to claims for damages, disgorgement, or other penalties or remedies. On October 27, 2020, the OCC promulgated a final rulemaking setting forth standards for determining the true lender of a loan issued by a national bank. Under this rule, a national bank that makes a loan is the "true lender" if, as of the date of origination, the bank (i) is named as the lender in the loan agreement or (ii) funds the loan. It is unclear whether the FDIC will promulgate a similar rule for state-chartered banks (such as our originating bank partners), and whether state attorneys general or regulatory agencies will challenge either the OCC's true lender rule or any potential rule issued by the FDIC on a similar basis. While a Congressional Review Act resolution of disapproval has been introduced in the U.S. Senate to invalidate the OCC's true lender rule, it is unclear whether that resolution will be approved by the U.S. Congress before the statutory deadline and signed into law by President Biden.

Further, it is unclear whether these rules will be given effect by courts and regulators in a manner that actually mitigates risks relating to state interest rate limits and related risks to us, our originating bank partner, any other program participant, or the loans facilitated through our platform. We could be subject to litigation, whether private or governmental, or administrative action regarding the above claims. The potential consequences of an adverse determination could include the inability to collect loans at the interest rates contracted for, licensing violations, the loans being found to be unenforceable or void, or the reduction of interest or principal, or other penalties or damages. Third party purchasers of loans facilitated through our platform also may be subject to scrutiny or similar litigation, whether based upon the inability to rely upon the "valid when made" doctrine or because a party other than the originating bank is deemed the true lender.

If we were found to be operating without having obtained necessary state or local licenses, it could adversely affect our business, results of operations, financial condition, and future prospects.

Certain states have adopted laws regulating and requiring licensing, registration, notice filing, or other approval by parties that engage in certain activity regarding consumer finance transactions, including facilitating and assisting such transactions in certain circumstances. Furthermore, certain states and localities have also adopted laws requiring licensing, registration, notice filing, or other approval for consumer debt collection or servicing, and/or purchasing or selling consumer loans. We have also received inquiries from state regulatory agencies regarding requirements to obtain licenses from or register with those states, including in states where we have determined that we are not required to obtain such a license or be registered with the state, and we expect to continue to receive such inquiries. The application of some consumer financial licensing laws to our platform and the related activities it performs is unclear. In addition, state licensing requirements may evolve over time, including, in particular, recent trends toward increased licensing requirements and regulation of parties engaged in loan solicitation activities. If determined to be applicable to us, some states' licensing restrictions and limitations may prevent certain Affirm products being offered in a state entirely. In addition, if we were found to be in violation of applicable state licensing requirements by a court or a state, federal, or local enforcement agency, or agree to resolve such concerns by voluntary agreement, we could be subject to or agree to pay fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas), criminal penalties, and other penalties or

consequences, and the loans facilitated through our platform could be rendered void or unenforceable in whole or in part, any of which could have an adverse effect on the enforceability or collectability of the loans facilitated through our platform. For example, in July 2020, we entered into a consent agreement with the Massachusetts Department of Banking to resolve potential concerns regarding state law applicability in connection with a license application submitted by us and obtained certain licenses. We also entered into a settlement agreement with the West Virginia's Attorney General's office in July 2020 regarding state law applicability with respect to licensing requirements and interest rates.

If loans made by us under our state lending licenses are found to violate applicable state interest rate limits or other provisions of applicable state lending and other laws, it could adversely affect our business, results of operations, financial condition, and future prospects.

The loans originated by our originating bank partners may not be subject to state licensing and interest rate restrictions. However the loans we may originate on our platform pursuant to our state licenses are subject to state licensing and interest rate restrictions, as well as numerous state requirements regarding consumer protection, interest rate, disclosure, prohibitions on certain activities, and loan term lengths. If the loans we originate pursuant to our state licenses were deemed subject to and in violation of certain state consumer finance or other laws, we could be subject to fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas), and other penalties or consequences, and the loans could be rendered void or unenforceable in whole or in part, any of which could have an adverse effect on our business, results of operations, financial condition, and future prospects.

We partially rely on card issuers or payment processors. If we fail to comply with the applicable requirements of Visa or other payment processors, those payment processors could seek to fine us, suspend us or terminate our registrations, which could have a material adverse effect on our business, results of operations, financial condition, and future prospects.

We partially rely on card issuers or payment processors, and must pay a fee for this service. From time to time, payment processors such as Visa may increase the interchange fees that they charge for each transaction using one of their cards. The payment processors routinely update and modify their requirements. Changes in the requirements, including changes to risk management and collateral requirements, may impact our ongoing cost of doing business and we may not, in every circumstance, be able to pass through such costs to our merchants or associated participants. Furthermore, if we do not comply with the payment processors' requirements (e.g., their rules, bylaws, and charter documentation), the payment processors could seek to fine us, suspend us or terminate our registrations that allow us to process transactions on their networks. The termination of our registration due to failure to comply with the applicable requirements of Visa or other payment processors, or any changes in the payment processors' rules that would impair our registration, could require us to stop providing payment services to Visa or other payment processors, which could have a material adverse effect on our business, results of operations, financial condition, and future prospects.

The highly regulated environment in which our originating bank partners operate could have an adverse effect on our business, results of operations, financial condition, and future prospects.

Our originating bank partners are subject to federal and state supervision and regulation. Federal regulation of the banking industry, along with tax and accounting laws, regulations, rules, and standards, may limit their operations significantly and control the methods by which it conducts business. In addition, compliance with laws and regulations can be difficult and costly, and changes to laws and regulations can impose additional compliance requirements. Regulatory requirements affect our originating bank partners' lending practices and investment practices, among other aspects of their businesses, and restrict transactions between us and our originating bank partners. These requirements may constrain the operations of our originating bank partners, and the adoption of new laws and changes to, or repeal of, existing laws may have a further impact on our business.

In choosing whether and how to conduct business with us, current and prospective bank partners can be expected to take into account the legal, regulatory, and supervisory regime that applies to them, including potential

changes in the application or interpretation of regulatory standards, licensing requirements, or supervisory expectations. Regulators may elect to alter standards or the interpretation of the standards used to measure regulatory compliance or to determine the adequacy of liquidity, certain risk management, or other operational practices for financial services companies in a manner that impacts our current and prospective bank partners.

Furthermore, the regulatory agencies have extremely broad discretion in their interpretation of the regulations and laws and their interpretation of the quality of our originating bank partners' loan portfolios and other assets. If any regulatory agency's assessment of the quality of our originating bank partners' assets, operations, lending practices, investment practices, or other aspects of their business changes, it may reduce our originating bank partners' earnings, capital ratios, and share price in such a way that affects our business.

Bank holding companies and financial institutions are extensively regulated and currently face an uncertain regulatory environment. Applicable state and federal laws, regulations, interpretations, including licensing laws and regulations, enforcement policies, and accounting principles have been subject to significant changes in recent years, and may be subject to significant future changes. We cannot predict with any degree of certainty the substance or effect of pending or future legislation or regulation or the application of laws and regulations to our current and prospective bank partners. Future changes may have an adverse effect on our current and prospective bank partners and, therefore, on us.

Our use of vendors and our other ongoing third-party business relationships are subject to increasing regulatory requirements and attention.

We regularly use vendors and subcontractors as part of our business. We also depend on our substantial ongoing business relationships with our originating bank partners, merchants, and other third parties. These types of third-party relationships, particularly with our originating bank partners, are subject to increasingly demanding regulatory requirements and oversight by federal bank regulators (such as the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation) and the CFPB. The CFPB has enforcement authority with respect to the conduct of third parties that provide services to financial institutions. The CFPB has made it clear that it expects non-bank entities to maintain an effective process for managing risks associated with vendor relationships, including compliance-related risks. In connection with this vendor risk management process, we are expected to perform due diligence reviews of potential vendors, review their policies and procedures and internal training materials to confirm compliance-related focus, include enforceable consequences in contracts with vendors regarding failure to comply with consumer protection requirements, and take prompt action, including terminating the relationship, in the event that vendors fail to meet our expectations.

It is expected that regulators will hold us responsible for deficiencies in our oversight and control of third-party relationships and in the performance of the parties with which we have these relationships. As a result, if our regulators conclude that we have not exercised adequate oversight and control over vendors and subcontractors or other ongoing third-party business relationships or that such third parties have not performed appropriately, we could be subject to enforcement actions, including civil money penalties or other administrative or judicial penalties or fines, as well as requirements for consumer remediation.

Stringent and changing laws and regulations relating to privacy and data protection could result in claims, harm our results of operations, financial condition, and future prospects, or otherwise harm our business.

We are subject to a variety of laws, rules, directives, and regulations, as well as contractual obligations, relating to the processing of personal information, including personally identifiable information. The regulatory framework for privacy and data protection worldwide is rapidly evolving and, as a result, implementation standards and enforcement practices are likely to continue to evolve for the foreseeable future. Legislators and regulators are increasingly adopting or revising privacy and data protection laws, rules, directives, and regulations that could have a significant impact on our current and planned privacy and data protection-related practices; our processing of consumer or employee information; and our current or planned business activities.

Compliance with current or future privacy and data protection laws (including those regarding security breach notification) affecting consumer and/or employee data to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services (such as products or services that involve us sharing information with third parties or storing sensitive information), which could materially and adversely affect our profitability and could reduce income from certain business initiatives.

We publicly post policies and documentation regarding our practices concerning the processing of data. This publication of our privacy policy and other documentation that provide promises and assurances about privacy and security is required by applicable law and can subject us to proceedings and actions brought by data protection authorities, government entities, or others (including, potentially, in class action proceedings brought by individuals) if our policies are alleged to be deceptive, unfair, or misrepresentative of our actual practices. Although we endeavor to comply with our published policies and documentation, we may at times fail to do so or be alleged to have failed to do so.

We are subject to the GLBA and implementing regulations and guidance. Among other things, the GLBA (i) imposes certain limitations on the ability to share consumers' nonpublic personal information with nonaffiliated third parties and (ii) requires certain disclosures to consumers about information collection, sharing, and security practices and their right to "opt out" of the institution's disclosure of their personal financial information to nonaffiliated third parties (with certain exceptions). Privacy requirements, including notice and opt out requirements, under the GLBA and the FCRA are enforced by the FTC and by the CFPB through UDAAP laws and regulations, and are a standard component of CFPB examinations. State entities also may initiate actions for alleged violations of privacy or security requirements under state law.

Furthermore, an increasing number of state, federal, and international jurisdictions have enacted, or are considering enacting, privacy laws, such as the CCPA, which became effective on January 1, 2020, and the General Data Protection Regulation ("GDPR"), which regulates the collection and use of personal information of data subjects in the EU and the European Economic Area. The CCPA gives residents of California expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used, and also provides for civil penalties for violations and private rights of action for data breaches. Meanwhile, the GDPR provides data subjects with greater control over the collection and use of their personal information (such as the "right to be forgotten") and has specific requirements relating to cross-border transfers of personal information to certain jurisdictions, including to the United States, with fines for noncompliance of up to the greater of 20 million euros or up to 4% of the annual global revenue of the noncompliant company. In addition, on November 3, 2020, California voters approved a new privacy law, the California Privacy Rights Act ("CPRA"), which significantly modifies the CCPA, including by expanding consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts. Many of the CPRA's provisions will become effective on January 1, 2023. The CCPA, CPRA, GDPR, and any other applicable state, federal, and international privacy laws, may increase our compliance costs and potential liability.

Our failure, or the failure of any third party with whom we work, to comply with privacy and data protection laws could result in potentially significant regulatory investigations and government actions, litigations, fines, or sanctions, consumer, funding source, bank partner, or merchant actions, and damage to our reputation and brand, all of which could have a material adverse effect on our business. Complying with privacy and data protection laws and regulations may cause us to incur substantial operational costs or require us to change our business practices. We may not be successful in our efforts to achieve compliance either due to internal or external factors, such as resource allocation limitations or a lack of vendor cooperation. We have in the past, and may in the future, receive complaints or notifications from third parties alleging that we have violated applicable privacy and data protection laws and regulations. Non-compliance could result in proceedings against us by governmental entities, consumers, data subjects, or others. We may also experience difficulty retaining or obtaining new consumers in these jurisdictions due to the legal requirements, compliance cost, potential risk exposure, and uncertainty for these entities, and we may experience significantly increased liability with respect to these consumers pursuant to the terms set forth in our engagements with them.

As we continue to expand our operations internationally, we may become subject to various foreign privacy and data protection laws and regulations, which may in some cases be more stringent than the requirements in the jurisdictions in which we currently operate. Because the interpretation and application of many privacy and data protection laws are uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our products and services. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, and other claims and penalties, we could be required to change our business activities and practices or modify our products or services, any of which could have an adverse effect on our business. Any claims regarding our inability to adequately address privacy and security concerns, even if unfounded, or to comply with applicable privacy and data security laws, regulations, contractual requirements, and policies, could result in additional cost and liability to us, damage our reputation, and adversely affect our business. Privacy and data security concerns, whether valid or not, may inhibit market adoption of our products and services, particularly in certain industries and jurisdictions. If we are not able to quickly adjust to changing laws, regulations, and standards related to the internet, our business may be harmed.

We have a pass-through federal obligation to comply with anti-money laundering and anti-terrorism financing laws, and failure to comply with this obligation could have significant adverse consequences for us.

We maintain an enterprise-wide program designed to enable us to comply with all applicable anti-money laundering and anti-terrorism financing laws and regulations, including the Bank Secrecy Act and the Patriot Act. This program includes policies, procedures, processes, and other internal controls designed to identify, monitor, manage, and mitigate the risk of money laundering and terrorist financing. These controls include procedures and processes to detect and report potentially suspicious transactions, perform consumer due diligence, respond to requests from law enforcement, and meet all recordkeeping and reporting requirements related to particular transactions involving currency or monetary instruments. We are required to maintain this program under our agreements with our originating bank partners, and certain state regulatory agencies have intimated they expect the program to be in place and followed. We cannot provide any assurance that our programs and controls will be effective to ensure compliance with all applicable anti-money laundering and anti-terrorism financing laws and regulations we are required to comply with, and our failure to comply with these laws and regulations could result in a breach and termination of our agreements with our originating bank partners or criticism by state governmental agencies, which would have a material adverse effect on our business, results of operations, financial condition, and future prospects.

If we fail to comply with applicable requirements for our high-yield savings account product, our customers' deposits may not qualify for FDIC insurance and they may withdraw their funds, which could adversely affect our brand, business, results of operations, financial condition, and future prospects.

We offer an FDIC-insured, interest-bearing savings account, which is provided by Cross River Bank, on the Affirm app. Under the terms of our program agreement with Cross River Bank as well as the deposit account agreements between participating consumers and Cross River Bank, the savings account is opened and maintained by Cross River Bank. We act as the service provider to, among other things, facilitate communication between consumers and Cross River Bank via the Affirm app. We believe our savings account program, including applicable records maintained by us and Cross River Bank, complies with all applicable requirements for each participating consumer's deposits to be covered by FDIC insurance, up to the applicable maximum deposit insurance amount. However, if the FDIC were to disagree (e.g., because we and Cross River Bank have not adequately evidenced participating consumers' ownership of each account), the FDIC might not recognize consumers' claims as covered by deposit insurance in the event Cross River Bank fails and enters receivership proceedings under the Federal Deposit Insurance Act ("FDIA"). If the FDIC were to determine that consumers' claims as covered by deposit insurance, or if Cross River Bank were to actually fail and enter receivership proceedings under the FDIA (regardless of whether the deposits are covered by FDIC insurance), participating consumers may withdraw their funds, which could adversely affect our brand, business, results of operations, financial condition, and future prospects.

We also must abide by the terms of the deposit account program agreement with Cross River Bank, failure of which could lead Cross River Bank to terminate the savings account program. If Cross River Bank terminated our

savings account program and we were unable to find another bank partner, we may have to close our savings account program, which could adversely affect our brand, business, results of operations, financial condition, and future prospects.

We have been in the past and may in the future be subject to federal and state regulatory inquiries and general litigation regarding our business.

We have, from time to time in the normal course of our business, received, and may in the future receive or be subject to, inquiries or investigations by state and federal regulatory agencies and bodies such as the CFPB, state attorneys general, state financial regulatory agencies, and other state or federal agencies or bodies regarding our platform, including the origination and servicing of consumer loans, practices by merchants or other third parties, and licensing and registration requirements. Any such inquiries or investigations could involve substantial time and expense to analyze and respond to, could divert management's attention and other resources from running our business, and could lead to public enforcement actions or lawsuits, or result in fines, penalties, injunctive relief, consumer remediation, increased compliance costs, limit the ability to offer certain products or services or engage in certain business practices, damage our reputation, or result in the need to obtain additional licenses that we do not currently possess. Our involvement in any such matters, whether tangential or otherwise and even if the matters are ultimately determined in our favor, could also cause significant harm to our reputation, lead to additional investigations and enforcement actions from other agencies or litigants, and further divert management attention and resources from the operation of our business. As a result, the outcome of legal and regulatory actions arising out of any state or federal inquiries we receive could be material to and/or have an adverse effect on our business, results of operations, financial condition, future prospects, and cash flows.

While certain of our consumer agreements contain arbitration provisions with class action waiver provisions that may limit our exposure to consumer class action litigation, there can be no assurance that we will be successful in enforcing these arbitration provisions, including the class action waiver provisions, in the future or in any given case. Legislative, administrative, or regulatory developments may directly or indirectly prohibit or limit the use of pre-dispute arbitration clauses and class action waiver provisions. Any such prohibitions or limitations on or discontinuation of the use of, such arbitration or class action waiver provisions could subject us to additional lawsuits, including additional consumer class action litigation, and significantly limit our ability to avoid exposure from consumer class action litigation.

Regulatory agencies and consumer advocacy groups are becoming more aggressive in asserting "disparate impact" claims, particularly with respect to credit models that utilize machine learning or other automated underwriting.

Antidiscrimination statutes, such as the ECOA, prohibit creditors from discriminating against loan applicants and consumers on the basis of race, color, religion, national origin, sex, marital status or age or because an applicant receives income from a public assistance program or has in good faith exercised any right under the Consumer Credit Protection Act.

We face the risk that one or more of the variables included in our loan decisioning model may be invalidated under the disparate impact test, which would require us to revise the loan decisioning model in a manner that might generate lower approval rates or higher credit losses. In addition, our use of machine learning in our models could inadvertently result in a "disparate impact" on protected groups. Although we proactively monitor and test our models for such a disparate impact, we may be unable to identify and eliminate all practices or variables causing the disparate impact.

Risks Related to our Class A Common Stock

The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who hold shares of our Class B common stock, including our executive officers, employees and directors and their affiliates. This limits or precludes your ability to influence corporate matters.

Our Class B common stock has 15 votes per share, whereas our Class A common stock has one vote per share. Because of the 15-to-1 voting ratio between our Class B common stock and our Class A common stock, as of the completion of our initial public offering in January 2021, the holders of our outstanding Class B common stock beneficially owned, in the aggregate, shares representing approximately 93.7% of the voting power of our outstanding capital stock, and our executive officers, directors, holders of more than 5% of our outstanding capital stock and their affiliates beneficially owned, in the aggregate, shares representing approximately 66.7% of the voting power of our outstanding capital stock. Because the holders of our Class B common stock collectively hold significantly more than a majority of the combined voting power of our capital stock, such holders, acting together, control all matters submitted to our stockholders for approval.

As a result, for the foreseeable future, holders of our Class B common stock will continue to have significant influence over the management and affairs of our company and over the outcome of all matters submitted to our stockholders for approval, including the election of directors and significant corporate transactions, such as a merger, consolidation or sale of substantially all of our assets, even if their stock holdings represent less than 50% of the outstanding shares of our capital stock. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders. These holders of our Class B common stock may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This control may adversely affect the trading price of our Class A common stock.

Further, as of the completion of our initial public offering in January 2021, Max Levchin, our Founder, Chairman and Chief Executive Officer, had voting control over approximately 19.8% of the voting power of our outstanding capital stock. As a stockholder, Mr. Levchin is entitled to vote his shares, and shares over which he has voting control, in his own interests, which may not always be in the interests of our stockholders generally.

Transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, except certain transfers to entities, to the extent the transferor retains sole dispositive power and exclusive voting control with respect to the shares of Class B common stock, and certain other transfers described in our amended and restated certificate of incorporation. In addition, all shares of Class B common stock will automatically convert into shares of Class A common stock on the earliest of (i) the seven-year anniversary of January 15, 2021, (ii) the date immediately following an annual meeting of our stockholders if neither Max Levchin, our Founder, Chairman and Chief Executive Officer, nor Nellie Levchin, Mr. Levchin's spouse, is then serving as one of our officers, employees, directors or consultants, and neither Mr. Levchin or Mrs. Levchin has served in such capacities in the six months prior to such date, (iii) the date on which Mr. Levchin and Mrs. Levchin, together with their permitted transferees, cease to beneficially own in the aggregate at least 50% of the number of shares of capital stock beneficially owned by such holders in the aggregate on January 15, 2021, or (iv) the death or incapacity of the last to die or become incapacitated of Mr. Levchin or Mrs. Levchin, subject to extension for a total period of no longer than nine months from such incapacitation or death if approved by a majority of the independent directors then in office. Conversions of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. If, for example, one or more of our existing stockholders retains a significant portion of their holdings of Class B common stock for an extended period of time, they could, in the future, control a majority of the combined voting power of our outstanding capital stock.

Our dual class structure may depress the trading price of our Class A common stock.

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index

providers have announced restrictions on including companies with multiple-class share structures in certain of their indexes. S&P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500. These changes exclude companies with multiple classes of shares of common stock from being added to these indices. In addition, several stockholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our common stock may prevent the inclusion of our Class A common stock in these indices and may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A common stock. Any actions or publications by stockholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock.

The market price of our Class A common stock may be volatile, which could cause the value of your investment to decline.

The market price of our Class A common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our Class A common stock may fluctuate and cause significant price variations to occur. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market, and political conditions, could reduce the market price of shares of our Class A common stock in spite of our operating performance. In addition, our results of operations could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly or annual results of operations, additions or departures of key management personnel, the loss of Cross River Bank as an originating bank partner or key funding sources or merchants, and changes in our earnings estimates (if provided). Also, the publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or the investment community with respect to us or our industry, adverse announcements by us or others and developments affecting us, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, actions by institutional stockholders, and increases in market interest rates that may lead investors in our shares to demand a higher yield, could result in the significant decrease of the market price of shares of our Class A common stock.

These broad market and industry factors may decrease the market price of our Class A common stock, regardless of our actual operating performance. The stock market in general has, from time to time, experienced extreme price and volume fluctuations. In addition, in the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

We incur increased costs and have become subject to additional regulations and requirements as a result of becoming a public company, and our management is required to devote substantial time to new compliance matters, which could lower profits and make it more difficult to run our business.

We completed our initial public offering of shares of our Class A common stock on January 15, 2021. As a public company, we incur significant legal, accounting, reporting, and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements and costs of recruiting and retaining non-employee directors. We also have incurred, and will continue to incur, costs associated with compliance with the rules and regulations of the SEC, the listing requirements of Nasdaq, and various other costs of a public company. These rules and regulations have increased our legal and financial compliance costs and may make some activities more time-consuming and costly. Our management devotes a substantial amount of time to ensure that we comply with all of these requirements. These laws and regulations also could make it more difficult and costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or

similar coverage. These laws and regulations could also make it more difficult to attract and retain qualified persons to serve on our board of directors and board committees and serve as executive officers.

Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our Class A common stock, fines, sanctions, and other regulatory action and potentially civil litigation.

Failure to comply with the requirements to design, implement, and maintain effective internal controls could have an adverse effect on our business and stock price of our Class A common stock.

As a public company, we have significant requirements for enhanced financial reporting and internal controls. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environment and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company.

If we are unable to establish and maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our operating results. In addition, beginning with our second annual report following our initial public offering, we will be required pursuant to SEC rules to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment will need to include disclosure of any material weaknesses identified by our management in internal control over financial reporting. In addition, our independent registered public accounting firm will be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to the SEC rules commencing the year following our first annual report required to be filed with the SEC. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business. We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with the SEC rules or our independent registered public accounting firm may not issue an unqualified opinion. If either we are unable to conclude that we have effective internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified report, investors could lose confidence in our reported financial information, which could cause the price of our Class A common stock to decline and could subject us to investigation or sanctions by the SEC.

Sales, directly or indirectly, of a substantial amount of our Class A common stock in the public markets by our existing security holders may cause the price of our Class A common stock to decline.

The price of our Class A common stock could decline if there are substantial sales of our Class A common stock, particularly sales by our directors, executive officers, and significant stockholders, or if there is the perception that these sales could occur. Many of our existing security holders have substantial unrecognized gains on the value of the equity they hold, and may take, or attempt to take, steps to sell, directly or indirectly, their shares or otherwise secure, or limit the risk to, the value of their unrecognized gains on those shares.

Prior to our initial public offering, substantially all of the holders of our securities entered into market standoff agreements with us restricting the sale of any shares of our common stock or entered into lock-up agreements under which they agreed, subject to certain exceptions, not to sell any shares of our common stock until up to the tenth trading day after the date on which we announce our results of operations for the three months ending March 31, 2021. However, a portion of the shares held by our non-officer current and former employees, consultants and independent contractors were automatically released from those lockup agreements and market standoff restrictions on February 16, 2021. In addition, a portion of the shares held by our directors, officers, greater than 1% stockholders and other stockholders were automatically released from those lockup agreements and market standoff restrictions on March 3, 2021. Certain of the underwriters for our initial public offering may, in their discretion, permit our stockholders to sell shares prior to the expiration of the restrictive provisions contained in these lockup agreements and market standoff restrictions.

Certain of our stockholders have rights, subject to some conditions, including the terms of the lock-up agreements with the underwriters, to require us to file registration statements covering their shares that we may file for ourselves or our stockholders. In addition, as of March 31, 2021, we had stock options and restricted stock units outstanding that, if fully exercised or settled, would result in the issuance of an aggregate of 59,814,412 shares of our Class A common stock. All of the shares of our Class A common stock issuable upon the exercise of stock options and settlement of restricted stock units, and the shares reserved for future issuance under our equity incentive plans, are registered for public resale under the Securities Act.

The issuance by us of additional equity securities may dilute your ownership and adversely affect the market price of our Class A common stock.

Our amended and restated certificate of incorporation authorizes us to issue additional shares of Class A common stock and rights relating to Class A common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise. Any Class A common stock that we issue, including under any equity incentive plans that we may adopt in the future, will dilute your percentage ownership.

In the future, we may attempt to obtain financing or to further increase our capital resources by issuing additional shares of our Class A common stock or securities convertible into shares of our Class A common stock or offering debt or other securities. We could also issue shares of our Class A common stock or securities convertible into our Class A common stock or debt or other securities in connection with acquisitions or other strategic transactions. Issuing additional shares of our Class A common stock or securities convertible into shares of our Class A common stock or debt or other securities may dilute the economic and voting rights of our existing stockholders and would likely reduce the market price of our Class A common stock. Upon liquidation, holders of debt securities and preferred shares, if issued, and lenders with respect to other borrowings would receive a distribution on our distributable assets prior to the holders of our common stock. Debt securities convertible into equity securities could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares, if issued, could have a preference with respect to liquidating distribution or preferences with respect to dividend payments that could limit our ability to pay dividends to the holders of our common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing, and nature of our future offerings. As a result, holders of our Class A common stock bear the risk that our future offerings may reduce the market price of our Class A common stock and dilute their stockholdings in us.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends for the foreseeable future.

Delaware law and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby adversely affecting the market price of our common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law (the "DGCL") may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- our dual class common stock structure, which provides holders of our Class B common stock with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding common stock;

- our board of directors is classified into three classes of directors with staggered three-year terms and directors may only able to be removed from office for cause;
- certain amendments to our amended and restated certificate of incorporation require the approval of 66 2/3% of the then-outstanding voting power of our capital stock;
- our amended and restated bylaws provide that the affirmative vote of 66 2/3% of the then-outstanding voting power of our capital stock, voting as a single class, is required for stockholders to amend or adopt any provision of our bylaws;
- our stockholders may only take action at a meeting of stockholders and not by written consent;
- vacancies on our board of directors may be filled only by our board of directors and not by stockholders;
- no provision in our amended and restated certificate of incorporation or amended and restated bylaws provides for cumulative voting, which limits the ability of minority stockholders to elect director candidates;
- only our chairman of the board of directors, our chief executive officer, or a majority of the board of directors are authorized to call a special meeting of stockholders;
- our amended and restated bylaws provide that certain litigation against us can only be brought in Delaware;
- nothing in our amended and restated certificate of incorporation precludes future issuances without stockholder approval of the authorized but unissued shares of our Class A common stock;
- our amended and restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued, without the approval of the holders of our capital stock; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These anti-takeover defenses could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Our amended and restated bylaws contain exclusive forum provisions for certain claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated bylaws, to the fullest extent permitted by law, provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any of our current or former directors, officers, stockholders, employees or agents to us or our stockholders, (iii) any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents arising out of or relating to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws, or (iv) any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents governed by the internal affairs doctrine of the State of Delaware. As described below, this provision does not

apply to suits brought to enforce any duty or liability created by the Securities Act or Exchange Act, or rules and regulations thereunder.

Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our amended and restated bylaws provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Our decision to adopt such a federal forum provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that our federal forum provision should be enforced in a particular case, application of our federal forum provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and our amended and restated bylaws provide that neither the exclusive forum provision nor our federal forum provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities is deemed to have notice of and consented to our exclusive forum provisions, including the federal forum provision. Additionally, our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. These provisions may limit our stockholders' ability to bring a claim in a judicial forum they find favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees and agents. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

If securities and industry analysts publish inaccurate or unfavorable research about our business, the stock price and trading volume of our Class A common stock could decline.

The market price and trading volume of our Class A common stock depends, in part, on the research and reports that securities and industry analysts publish about us and our business. We do not have control over these analysts. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, the stock price of our Class A common stock would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause the stock price and trading volume of our Class A common stock to decline.

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

During the fiscal quarter ended March 31, 2021, we issued an aggregate of 7,788,592 shares of Class A common stock and 7,788,592 shares of Class B common stock to three accredited investors in connection with the exercise of outstanding warrants.

In connection with the closing of the transaction contemplated by the Stock Purchase Agreement entered into with PayBright and the shareholders of PayBright on January 1, 2021, we issued an aggregate of 3,622,445 shares of our common stock to the shareholders of PayBright at closing plus an aggregate of 2,587,362 shares of our common stock into escrow and subject to forfeiture if certain post-closing revenue milestones are not met. On January 12, 2021, these shares were reclassified into an aggregate of 1,811,222 shares of our Class A common stock and 1,811,222 shares of our Class B common stock issued to the shareholders of PayBright at closing and an aggregate of 1,293,681 shares of our Class A common stock and 1,293,681 shares of our Class B common stock issued into escrow.

We believe these transactions were exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof. All recipients had adequate access, through their relationships with us, to information about us.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.1	Revolving Credit Agreement, dated as of January 19, 2021, among Affirm, Inc., Affirm Holdings, Inc., certain lenders identified therein, and Morgan Stanley Senior Funding, Inc.	8-K	001-39888	10.1	January 25, 2021	
10.2	First Amendment to Revolving Credit Agreement dated as of April 6, 2021, among Affirm, Inc., Affirm Holdings, Inc., certain lenders identified therein, and Morgan Stanley Senior Funding, Inc.					X
10.3*	Amendment No. 1 to Customer Installment Program Agreement, effective as of February 26, 2021, between Shopify Inc. and Affirm, Inc.					X
10.4+	Cash Incentive Plan					X
31.1	Certification of 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					X
31.2	Certification of 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					X
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

+ Denotes management contract or compensatory plan or arrangement

* Portions of the exhibit have been omitted as the Company has determined that: (i) the omitted information is not material; and (ii) the omitted information would likely cause competitive harm to the Company if publicly disclosed.

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,

AFFIRM HOLDINGS, INC.

Date: May 14, 2021

By: /s/ Max Levchin
Max Levchin
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Michael Linford
Michael Linford
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.2

FIRST AMENDMENT, dated as of April 6, 2021 (this "**Amendment**") to the Credit Agreement, dated as of January 19, 2021, among Affirm, Inc., a Delaware corporation (the "**Borrower**"), Affirm Holdings, Inc., a Delaware corporation, the Lenders party thereto, and Morgan Stanley Senior Funding, Inc., as Administrative Agent (the "**Administrative Agent**") (as amended, restated, modified and supplemented from time to time, the "**Credit Agreement**"); capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

A. The Borrower has requested that the Administrative Agent and the Lenders agree to certain amendments to the Credit Agreement in the manner provided for herein.

B. The Lenders party hereto constitute Required Lenders under the Credit Agreement, and pursuant to Section 9.02 of the Credit Agreement, the Administrative Agent and the Required Lenders are willing to agree to the terms of this First Amendment and the amendments to the Credit Agreement effected hereby.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

ARTICLE I.

Amendments

The Borrower, the Required Lenders and the Administrative Agent hereby agree that the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Exhibit A hereto.

ARTICLE II.

Representations and Warranties

The Borrower represents and warrants, as of the First Amendment Effective Date (as defined below), to the Administrative Agent that:

i. This Amendment has been duly executed and delivered by the Borrower and constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except to the extent that the enforceability thereof may be limited by Debtor Relief Laws and by general principles of equity.

ii. The representations and warranties of the Borrower set forth in the Loan Documents (including, for the avoidance of doubt, this Amendment as a Loan Document) are

true and correct in all material respects (except that any such representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" are true and correct in all respects as so qualified) on and as of the date such representation and warranty is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties were true and correct in all material respects as of such earlier date).

iii. As of the First Amendment Effective Date, no Default or Event of Default has occurred and is continuing.

ARTICLE III.

Conditions to Effectiveness

This Amendment shall become effective on the date (the "**First Amendment Effective Date**") on which each of the following conditions is satisfied:

i. The Administrative Agent (or its counsel) shall have received a counterpart of this Amendment from (i) each Required Lender and (ii) the Borrower and each Guarantor signed on behalf of such party; and

ii. The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the First Amendment Effective Date, including, to the extent invoiced, reimbursement or payment of all out of pocket expenses and fees of counsel to the Administrative Agent and the Lenders required to be reimbursed or paid by the Borrower.

ARTICLE IV.

Further Acknowledgments

i. Each Guarantor acknowledges and agrees to each of the provisions of this Amendment. Each Guarantor acknowledges and agrees that, after giving effect to this Amendment, the Guaranty continues to be in full force and effect and affirms and confirms its guarantee of the Obligations, which continue in full force and effect.

ii. The Required Lenders hereby direct and authorize the Administrative Agent (in its capacity as such) to execute and deliver this Amendment.

ARTICLE V.

Miscellaneous

i. Credit Agreement. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Borrower or any other Loan Party under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any

way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document or any exhibits or schedules thereto, all of which are ratified and affirmed in all respects and shall continue in full force and effect after giving effect to this Amendment. After the First Amendment Effective Date, any reference to the Credit Agreement shall mean the Credit Agreement as modified hereby. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

ii. No Novation. This Amendment shall not extinguish the Obligations for the payment of money outstanding under the Credit Agreement or discharge or release any guarantee of any Loan Document. Except as expressly provided, nothing herein contained shall be construed as a substitution or novation, or a payment and reborrowing, or a termination, of the Obligations outstanding under the Credit Agreement or instruments guaranteeing the same, which shall remain in full force and effect, except as modified hereby or by instruments executed concurrently herewith. Nothing expressed or implied in this Amendment or any other document contemplated hereby shall be construed as a release or other discharge of any Loan Party under the Credit Agreement or any Loan Document from any of its obligations and liabilities thereunder, and except as expressly provided, such obligations are in all respects continuing with only the terms being modified as provided in this Amendment.

iii. Successors and Assigns. This Amendment shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of the Lenders (it being understood that rights of assignment of the parties hereto are subject to the further provisions of Section 9.04 of the Credit Agreement).

iv. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH OF THE LENDERS AND THE ADMINISTRATIVE AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY CLAIMS BROUGHT AGAINST THE ADMINISTRATIVE AGENT BY ANY LENDER RELATING TO THIS AMENDMENT OR THE CONSUMMATION OR ADMINISTRATION OF THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN (OR IF SUCH COURT LACKS SUBJECT MATTER JURISDICTION, THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN), AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS RELATING HERETO, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY

(AND ANY SUCH CLAIMS, CROSS-CLAIMS OR THIRD PARTY CLAIMS BROUGHT AGAINST THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES MAY ONLY) BE HEARD AND DETERMINED IN SUCH FEDERAL (TO THE EXTENT PERMITTED BY LAW) OR NEW YORK STATE COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AMENDMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AMENDMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT IN ANY COURT REFERRED TO IN THIS SECTION D. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT. EACH PARTY TO THIS AMENDMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.01 OF THE CREDIT AGREEMENT. NOTHING IN THIS AMENDMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AMENDMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

v. WAIVER OF RIGHT TO JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

vi. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. The words “execution,” “signed,” “signature,” and words of like import in this Amendment shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may

be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

vii. Headings. The headings of the several sections and subsections of this Amendment are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Amendment.

viii. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first written above.

AFFIRM, INC.,
as Borrower

By: /s/ Geoff Kott
Name: Geoff Kott
Title: Chief Capital Officer

AFFIRM LOAN SERVICES LLC,
as Guarantor

By: /s/ Michael Linford
Name: Michael Linford
Title: Treasurer

AFFIRM OPPORTUNITY FUND I LLC,
as Guarantor

By: /s/ Michael Linford
Name: Michael Linford
Title: Chief Financial Officer of Affirm, Inc., as Sole Member

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent and a Lender

By: /s/ Jake Dowden
Name: Jake Dowden
Title: Authorized Signatory

GOLDMAN SACHS LENDING PARTNERS LLC,
as a Lender

By: /s/ Dan Martis
Name: Dan Martis
Title: Authorized Signatory

BARCLAYS BANK PLC,
as a Lender

By: /s/ Sean Duggan
Name: Sean Duggan
Title: Vice President

TRUIST BANK,
as a Lender

By: /s/ Andrew Johnson
Name: Andrew Johnson
Title: Managing Director

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By: /s/ Doreen Barr

Name: Doreen Barr

Title: Authorized Signatory

By: /s/ Komal Shah

Name: Komal Shah

Title: Authorized Signatory

SILICON VALLEY BANK,
as a Lender

By: /s/ Ben Goodkind

Name: Ben Goodkind

Title: Vice President

REVOLVING CREDIT AGREEMENT

dated as of

January 19, 2021

among

AFFIRM, INC.,
as Borrower,

AFFIRM HOLDINGS, INC.,
as Holdings,

The Lenders Party Hereto

and

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent

_____

MORGAN STANLEY SENIOR FUNDING, INC.
and
GOLDMAN SACHS LENDING PARTNERS LLC.,
as Joint Lead Arrangers

MORGAN STANLEY SENIOR FUNDING, INC.
and
GOLDMAN SACHS LENDING PARTNERS LLC,
as Joint Bookrunners
GOLDMAN SACHS LENDING PARTNERS LLC,
as Syndication Agent

TABLE OF CONTENTS

Page

REVOLVING CREDIT AGREEMENT (this "Agreement"), dated as of January 19, 2021, among AFFIRM, INC., a Delaware corporation, AFFIRM HOLDINGS, INC., a Delaware corporation, the LENDERS party hereto, and MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

ON i..Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"3-Month Rolling Average Delinquent Receivable Ratio" means, with respect to any Due Period, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Delinquent Receivable Ratio for such Due Period and the Delinquent Receivable Ratios for the preceding two Due Periods, and (y) the denominator of which is three (3).

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Alternate Base Rate.

"Account Debtor" means any Person or Persons that are an obligor in respect of any loan or other financial accommodation.

"Account Debtor Interest Rate" means, with respect to any Receivable, the contractual interest rate per annum payable by the Account Debtor under the terms of such Receivable.

"Acquired Debt" means, in connection with an acquisition, Indebtedness of a Person operating a Permitted Business existing at the time the Person becomes a Subsidiary and not incurred in connection with, or in contemplation of, the Person becoming a Subsidiary.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided* that Adjusted LIBO Rate as determined pursuant to the foregoing would be less than 0.00%, such rate shall be deemed to be 0.00% for purposes of this Agreement.

"Administrative Agent" means Morgan Stanley Senior Funding, Inc. in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent-Related Person" has the meaning assigned to it in Section 9.03(d).

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; *provided* that for the purpose of this definition, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Ancillary Document" has the meaning assigned to it in Section 9.06(b).

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to Holdings or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Law" means any and all federal, state, local and applicable foreign law, statutes, ordinances, rules, regulations, court orders and decrees, administrative orders and decrees, and other legal requirements applicable to the Loans, the Loan Documents, the Borrower or Originator.

"Applicable Party" has the meaning assigned to it in Section 8.03(c).

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment; *provided* that, in the case of Section 2.20 when a Defaulting Lender shall exist, "Applicable Percentage" shall mean the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"Applicable Rate" means, for any day, with respect to any ABR Loan, 1.50% per annum, and with respect to any Eurodollar Revolving Loan, 2.50% per annum.

"Approved Electronic Platform" has the meaning assigned to it in Section 8.03(a).

"APR" means, with respect to any Receivable, the annual percentage rate required to be disclosed on the truth-in-lending statement delivered to the Account Debtor with respect to such Receivable.

"Arrangers" means, individually or collectively, Morgan Stanley Senior Funding, Inc. and Goldman Sachs Lending Partners LLC, in their capacities as joint lead arrangers hereunder.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and, for the avoidance of doubt, shall exclude any tenor for such Benchmark that is removed from the definition of "Interest Period" pursuant to clause (e) of Section 2.14.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a voluntary or involuntary bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar

Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment or has had any order for relief in such proceeding entered in respect thereof; *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Benchmark" means, initially, LIBO Rate; provided that, if a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and the Benchmark Replacement Date with respect thereto have occurred with respect to LIBO Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.14.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

a. the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment with respect thereto;

b. the sum of: (a) Daily Simple SOFR and (b) the Benchmark Replacement Adjustment with respect thereto;

c. the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the Benchmark Replacement Adjustment with respect thereto;

provided that, in the case of clause (1) of this definition, such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion.

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above of this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Administrative Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of

borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or

indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Bookrunners" means Morgan Stanley Senior Funding, Inc. and Goldman Sachs Lending Partners LLC., in their capacities as joint bookrunners hereunder.

"Borrower" means Affirm, Inc., a Delaware corporation.

"Borrowing" means a Revolving Borrowing.

"Borrowing Request" means a request by the Borrower for a Revolving Borrowing in accordance with Section 2.03, which shall be substantially in the form of Exhibit B or any other form approved by the Administrative Agent.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; *provided* that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or financing leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Equivalents" means any of the following: (a) marketable direct obligations issued by, or unconditionally guaranteed or insured by, the United States Government or issued by any agency thereof, in each case maturing within ninety (90) days or less after the date of the applicable financial statement reporting such amounts, (b) certificates of deposit, time deposits or Eurodollar time deposits having maturities of ninety (90) days or less after the date of the applicable financial statement reporting such amounts, or overnight bank deposits, issued by any well-capitalized commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000, (c) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than seven (7) days with respect to securities issued or fully guaranteed or insured by the United States Government, (d) commercial paper of a domestic issuer rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's and in either case maturing within ninety (90) days after the day of acquisition, (e) securities with maturities of ninety (90) days or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's, (f) securities with maturities of ninety (90) days or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this definition, (g) shares of money market mutual or similar funds or (h) 70% of the unencumbered marketable securities in the Borrower or its Subsidiaries' accounts.

"Change in Control" means (a) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of Holdings and its Subsidiaries, taken as a whole, to a person other than any of the Permitted Holders, (b) Holdings ceases to own directly or indirectly 100% of the issued and outstanding equity interests of the Borrower or (c) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the date hereof) other than any of the Permitted Holders, of Equity Interests representing more than 45% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of Holdings, unless the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the members of the board of directors or equivalent governing body of Holdings. For purposes of determining Equity Interests of Holdings owned by the Permitted Holders under the preceding clause (b), all amounts indirectly or beneficially owned by the Permitted Holders shall be included in the determination thereof.

Notwithstanding the foregoing: (i) the transfer of assets between or among Holdings and its Subsidiaries shall not itself constitute a Change in Control and (ii) a Person or group shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement (or voting or option agreement related thereto) prior to the consummation of the transactions contemplated by such agreement.

In addition, notwithstanding the foregoing, a transaction in which Holdings or a parent entity of Holdings becomes a Subsidiary of another Person (such Person, the "New Parent") shall not constitute a Change in Control if the equityholders of Holdings or such parent entity immediately prior to such transaction beneficially own, directly or indirectly through one or more intermediaries, at least a majority of the total voting power of the equity interests of Holdings or such New Parent immediately following the consummation of such transaction.

"Change in Law" means the occurrence after the date of this Agreement of (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided* that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted, issued or implemented.

"Charged-Off Receivable" means a Receivable that has been (a) specifically and separately reserved against by the Borrower or any of its Subsidiaries (other than Specified

Subsidiaries) or (b) deemed charged-off or non-collectible by the Borrower or any of its Subsidiaries (other than Specified Subsidiaries) or that should have been charged off consistent with the Underwriting/Servicing Policies.

"Charges" has the meaning assigned to it in Section 9.14.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" means, with respect to each Lender, the amount set forth on Schedule 2.01 opposite such Lender's name, or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9-102(a)(70) of the New York Uniform Commercial Code) as provided in Section 9.04(b)(ii)(C), pursuant to which such Lender shall have assumed its Commitment, as applicable, and giving effect to (a) any reduction in such amount from time to time pursuant to Section 2.09, (b) any increases from time to time pursuant to an Increased Commitment Supplement and (c) any reduction or increase in such amount from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04; *provided* that, at no time shall the Revolving Credit Exposure of any Lender exceed its Commitment. The initial aggregate amount of the Lenders' Commitments is $185,000,000.

"Communications" has the meaning assigned to it in Section 8.03(c).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Total Assets" means the total assets of Holdings and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the balance sheet as of the end of the most recent fiscal quarter for which financial statements have been delivered, adjusted on a pro forma basis to reflect any acquisition or dispositions of assets.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Credit Party" means the Administrative Agent or any Lender.

"Cumulative Default Amount" means, for any Quarterly Vintage, the aggregate of the Default Amounts of all Past/Present Financed Receivables in such Quarterly Vintage that became Defaulted Receivables at any time after the Effective Date.

"Cumulative Default Ratio" means, for any Quarterly Vintage, the ratio expressed as a percentage of (i) the Cumulative Default Amount for such Quarterly Vintage to (ii) the sum of

the initial Receivable Balances of all Past/Present Financed Receivables in such Quarterly Vintage. The Cumulative Default Ratio for each Quarterly Vintage shall be calculated as of the last day of the most recently ended calendar quarter and shall be reported on each quarterly report delivered pursuant to Section 5.01(e)(ii).

"Customary" means that in the good faith judgment of the Borrower's senior management, (a) the terms are customary in the market or (b) such terms are not customary but are not materially worse for the Lenders than customary terms.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"Debtor Relief Law" means, collectively, the Bankruptcy Code and all other United States federal, State or foreign applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws from time to time in effect affecting the rights of creditors generally, as amended from time to time.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Amount" means, for any Defaulted Receivable, the outstanding Receivable Balance of such Receivable at the time such Receivable became a Defaulted Receivable.

"Defaulted Receivable" means, as of any date of determination, a Receivable (i) for which the related Account Debtor is more than 120 calendar days past due on all or any portion of any payment required to be made thereunder in an amount greater than $1.00, (ii) for which the related Account Debtor is the subject of a proceeding under a Debtor Relief Law and the Borrower or any of its Subsidiaries has knowledge of such proceeding, or (iii) which constitutes a Charged-Off Receivable and has an outstanding principal balance of more than $1.00.

"Defaulting Lender" means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under

other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations as of the date of certification) to fund prospective Loans under this Agreement, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

"Delinquent Receivable" means, as of any date of determination, a Receivable (other than any Defaulted Receivable, any Fraudulent Receivable that has been repurchased or substituted for by the Borrower and any Designated Receivable that has been sold to a Designated Receivable Purchaser pursuant to the related Designated Receivable Sale Agreement) for which the related Account Debtor is more than 30 calendar days past due on all or any portion of any payment required to be made thereunder in an amount greater than $1.00.

"Delinquent Receivable Ratio" means, for any Due Period, the percentage equivalent of a fraction, (x) the numerator of which is equal to the sum of the Receivable Balances of each Past/Present Financed Receivable that is a Delinquent Receivable, and (y) the denominator of which is the sum of the Receivable Balances of each Past/Present Financed Receivable, in each case determined as of the end of such Due Period.

"Designated Receivable" means any Receivable (a) where if the Account Debtor of such Receivable was a resident of the State of New York, Vermont or Connecticut as of the related Origination Date, such Receivable's APR exceeds the applicable maximum rate of interest prescribed in the usury statute(s) of such State for consumer loans, including any rate that solely gives rise to civil remedies, notwithstanding the fact that (i) such Receivable may not have been subject to the Applicable Law of such State on the applicable Origination Date or (ii) the Applicable Law of such State did not, or does not, apply to Originator or the Borrower, and (b) which Receivable's APR or Account Debtor Interest Rate, as applicable, exceeds the then applicable maximum rate of interest prescribed for consumer loans in the usury statute(s) of the State in which the Account Debtor was a resident as of the related Origination Date, excluding any rate that solely gives rise to civil remedies.

"Designated Receivable Purchaser" means an entity designated by the Borrower in writing to the Administrative Agent and the Lenders and for which the Borrower has provided the Administrative Agent and the Lenders reasonable comfort (including, if requested, an opinion of outside counsel) that neither the Borrower nor any of its Subsidiaries would be substantively consolidated into such entity in the event of a bankruptcy or other insolvency proceeding where such entity is the debtor.

"Designated Receivable Sale Agreement" means, with respect to a Designated Receivable Purchaser, a transfer agreement to be entered into among the Borrower, such Designated Receivable Purchaser and others pursuant to which the Borrower may sell, from time to time, Designated Receivables to such Designated Receivable Purchaser, in form and substance reasonably satisfactory to the Administrative Agent (including as it relates to matters of true

sale), as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Disclosed Matters" has the meaning assigned to it in Section 3.06(a).

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a division or otherwise) of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Equity Interests" means Equity Interests that by their terms or upon the happening of any event are (a) required to be redeemed or redeemable at the option of the holder prior to the Maturity Date for consideration other than Qualified Equity Interests or (b) convertible at the option of the holder into Disqualified Equity Interests or exchangeable for Indebtedness; *provided* that Equity Interests will not constitute Disqualified Equity Interests solely because of provisions giving holders thereof the right to require repurchase or redemption upon an "asset sale" or "change in control" occurring prior to the Maturity Date if those provisions (i) are no more favorable to the holders thereof than to the Lenders under this Agreement and (ii) specifically state that repurchase or redemption pursuant thereto will not be required prior to any required prepayments under this Agreement.

"Dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any political subdivision of the United States, excluding (x) any such Subsidiary substantially all of the assets of which consist of Equity Interests in one or more Subsidiaries that are "controlled foreign corporations" within the meaning of Section 957 of the Code and (y) any such Subsidiary that is owned (directly or indirectly) by a Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Due Period" means (i) the period from and including the Effective Date to and including the last day of the first calendar month ending after the Effective Date and (ii) each subsequent calendar month.

"Early Opt-in Election" means, if the then-current Benchmark is LIBO Rate, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding U. S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to (i) the environment, (ii) preservation or reclamation of natural resources, (iii) the management, release or threatened release of any Hazardous Material or (iv) health and safety matters as they relate to exposure to Hazardous Materials.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding any debt securities convertible into any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or Section 4001(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the failure to satisfy the "minimum funding standard" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in endangered or critical status, within the meaning of Title IV of ERISA.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Eurodollar" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Subsidiary" means (a) any Subsidiary that is prohibited by applicable law, rule or regulation (including in respect of any self-regulatory organization) or by any contractual obligation to which such Subsidiary is a party or by which it or any of its property or assets is bound from guaranteeing the Obligations; *provided* that any such agreement, instrument or other undertaking (i) is in existence on the Effective Date (or, with respect to a Subsidiary acquired after the Effective Date, as of the date such acquisition) and (ii) in the case of a Subsidiary acquired after the Effective Date, was not entered into in connection with, or in contemplation of, such acquisition, (b) any Subsidiary with respect to which guaranteeing the Obligations would require consent, approval, license or authorization from any Governmental Authority or self-

regulatory organization, unless such consent, approval, license or authorization has been obtained, (c) any other Subsidiary with respect to which the Administrative Agent, in consultation with the Borrower, consents to the exclusion thereof either because the burden or cost or other consequences is excessive in view of the benefits to be obtained by the Lenders or otherwise, (d) any Subsidiary that is a broker-dealer, (e) an Immaterial Subsidiary, (f) a Securitization Subsidiary and (g) a Specified Subsidiary. Excluded Subsidiaries as of the Effective Date are set forth on Schedule 5.09.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any withholding Taxes imposed under FATCA.

"Experimental or Exploratory Receivable" means any Receivable designated as such by Borrower at the time of origination of such Receivable; *provided* that no Receivable may be designated as an Experimental or Exploratory Receivable if after giving effect thereto, the aggregate Receivable Balance of all Experimental or Exploratory Receivables would exceed 2% of the Receivable Balance of all Receivables.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; *provided* that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Bank of New York's Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Financeable Assets" means (a) Receivables, (b) Residual Interests and (c) any assets related to the foregoing that are of the type transferred in connection with securitization transactions involving assets such as, or similar to, such Receivables or Residual Interests, as the case may be or other similar assets, interests in any of the foregoing and any collections or proceeds of any of the foregoing.

"Financial Covenant" has the meaning assigned to it in Section 6.10.

"Financial Covenant Compliance" means compliance with the Financial Covenants levels set forth in Section 6.10 as of the last day of the most recent fiscal quarter for which financial statements have been delivered, whether or not any such Financial Covenant is required to be tested on such date, and on the proposed Borrowing date or on a Transaction Date, as applicable, if such compliance were determined on such date; *provided* that, with respect to a proposed Borrowing or a Restricted Payment, Tangible Net Worth may be calculated as of the last day of the most recent fiscal quarter for which financial statements have been delivered (or as of the last day of the most recent fiscal month for which financial statements are internally available) but adjusted on a pro forma basis to reflect any Restricted Payments made after such quarter end or month end and the Borrower's good faith estimate of net income after such quarter end or month end.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Fitch" means Fitch Ratings Inc. (or any successor thereto).

"Floor" means, for the Loans or any tranche thereof, as applicable, the benchmark rate floor (which may be zero), if any, provided for in this Agreement with respect to LIBO Rate as determined for the Loans or such tranche thereof, as applicable.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Fraudulent Receivable" means any Receivable that was fraudulently obtained by the related Account Debtor.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency,

authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantor" means Holdings and any Domestic Subsidiary of Holdings (other than the Borrower) that has delivered a Guaranty or a joinder agreement to a Guaranty pursuant to Section 4.01(a)(ii) or 5.09 hereof.

"Guaranty" means a guaranty agreement in substantially the form of Exhibit D hereto.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, per- and polyfluoroalkyl substances, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreement" means (i) any interest rate swap agreement, interest rate cap agreement or other agreement designed to protect against fluctuations in interest rates or (ii) any foreign exchange forward contract, currency swap agreement or other agreement designed to protect against fluctuations in foreign exchange rates.

"Holdings" means Affirm Holdings, Inc., a Delaware corporation.

"IBA" means ICE Benchmark Administration together with any successor thereto.

"Immaterial Subsidiary" means, at any date of determination, any Subsidiary of the Borrower (a) whose Consolidated Total Assets as of the most recent available quarterly or year-end financial statements do not exceed 2.5% of the Consolidated Total Assets of Holdings and its Subsidiaries at such date and (b) whose revenues for the most recently ended four-quarter period for which financial statements are available do not exceed 2.5% of the consolidated revenues of Holdings and its Subsidiaries for such period, in each case determined in accordance with GAAP; *provided* that (i) the Consolidated Total Assets of all such Subsidiaries as of the most

recent available quarterly or year-end financial statements shall not exceed 5.0% of the Consolidated Total Assets of Holdings and its Subsidiaries at such date and (ii) the total revenues of all such Subsidiaries for the most recently ended four-quarter period for which financial statements are available shall not exceed 5.0% of the consolidated revenues of Holdings and its Subsidiaries for such period, in each case determined in accordance with GAAP. For any determination made as of or prior to the time any Person becomes an indirect or direct Subsidiary of the Borrower, such determination and designation shall be made based on financial statements provided by or on behalf of such Person in connection with the acquisition of such Person or such Person's assets.

"Impacted Interest Period" has the meaning assigned to it in the definition of "LIBO Rate."

"Increased Commitment Supplement" means a supplement to this Agreement executed pursuant to the terms of Section 2.21.

"Incremental Revolving Commitment" has the meaning assigned to such term in Section 2.21(a).

"Incremental Revolving Facility" has the meaning assigned to such term in Section 2.21(a).

"Incremental Revolving Loans" has the meaning assigned to such term in Section 2.21(a).

"Indebtedness" means, with respect to any Person, without duplication, (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person), (b) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) within 90 days of the date the related goods are delivered or services are rendered, arising in the ordinary course of business, and other than to pay accrued expenses incurred in the ordinary course of business, (c) indebtedness of others secured by a lien on the property of such Person, whether or not the respective indebtedness so secured has been assumed by such Person, (d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for account of such Person, (e) Capital Lease Obligations of such Person, (f) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements, (g) indebtedness of others Guaranteed by such Person, (h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person, (i) indebtedness of general partnerships of which such Person is a general partner and (j) any other indebtedness of such Person evidenced by a note, bond, debenture or similar instrument.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a) hereof, Other Taxes.

"Indemnitee" has the meaning assigned to it in Section 9.03(c).

"Ineligible Institution" means (a) a natural person, (b) a Defaulting Lender or its Lender Parent, (c) a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof or (d) the Borrower or any of its Affiliates; provided that, with respect to clause (c), such holding company, investment vehicle or trust shall not constitute an Ineligible Institution if it (x) has not been established for the primary purpose of acquiring any Loans or Commitments, (y) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (z) has assets greater than $25,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business.

"Information" has the meaning assigned to it in Section 9.12.

"Interest Election Request" means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08, which shall be substantially in the form of Exhibit C or any other form approved by the Administrative Agent.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and the Maturity Date and (b) with respect to any Eurodollar Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and the Maturity Date.

"Interest Period" means (a) with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; *provided* that, (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Interpolated Rate" means, at any time, for any interest period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which that LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

"Investment" means any loan, advance, extension of credit (by way of Guarantee or otherwise) or capital contributions by Holdings or any of its Subsidiaries to any other Person. For the avoidance of doubt, notwithstanding anything to the contrary herein, the value of any Investment shall be deemed to be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment; *provided*, that the value of such Investment shall be net of cash return received after the Effective Date as a result of any sale for cash, repayment, redemption, liquidation, distribution or other cash realization, not to exceed the original cost of such Investment.

"IRS" means the United States Internal Revenue Service.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"Lender Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a Subsidiary.

"Lender-Related Person" has the meaning assigned to it in Section 9.03(b).

"Lenders" means the Persons listed on Schedule 2.01A and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or otherwise, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise.

"Leverage Ratio" means the ratio of (i) the Total Liabilities of Holdings and its consolidated Subsidiaries (other than Specified Subsidiaries), less the amount of any Non-Recourse Indebtedness of Holdings and its consolidated Subsidiaries (other than Specified Subsidiaries), to (ii) the Tangible Net Worth of Holdings and its consolidated Subsidiaries (other than Specified Subsidiaries); *provided*, that Permitted Securitization Indebtedness shall be excluded for the purpose of calculating such ratio.

"Liabilities" means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; *provided* that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period"), then the LIBO Rate shall be the Interpolated Rate.

"LIBO Screen Rate" means, for any day and time, with respect to any Eurodollar Borrowing for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); *provided* that if the LIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"LLC" means any Person that is a limited liability company under the laws of its jurisdiction of formation.

"Loan Documents" means this Agreement, including schedules and exhibits hereto, the promissory notes executed under this Agreement and any agreements entered into in connection herewith by the Borrower with or in favor of the Administrative Agent and/or the Lenders.

"Loan Parties" means the Borrower and the Guarantors.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Margin Stock" means margin stock within the meaning of Regulations T, U and X, as applicable.

"Material Adverse Change" means any event, development or circumstances that has had or would reasonably be expected to have a Material Adverse Effect.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, property or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower and the Guarantors, taken as a whole, to perform their respective payment obligations under this Agreement or any of the other Loan Documents or (c)

the validity or enforceability of this Agreement or any other Loan Document or the rights or remedies of the Administrative Agent and the Lenders hereunder or thereunder.

"Maturity Date" means January 19, 2024; *provided however*, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Material Domestic Subsidiary" means a wholly-owned Domestic Subsidiary that is not an Excluded Subsidiary.

"Material Obligation" means (i) Indebtedness of any Loan Party or its Subsidiaries which individually, or taken together with any other such Indebtedness, exceeds $15,000,000 or (ii) without duplication, any other obligation of any Loan Party or of any of its Subsidiaries in respect of any agreement involving aggregate payment or consideration in excess of $15,000,000, in each case other than Non-Recourse Indebtedness.

"Maximum Rate" has the meaning assigned to it in Section 9.14.

"Monthly Receivables Report" means the report substantially in the form of Exhibit F hereto or in such other form as may be approved by the Administrative Agent in its sole discretion.

"Moody's" means Moody's Investors Service, Inc. (or any successor thereto).

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"New Lender" has the meaning assigned to such term in Section 2.21(c).

"Non-Recourse Indebtedness" means (i) any Indebtedness of any Subsidiary that is a special-purpose, bankruptcy remote vehicle established in connection with a securitization or structured financing (including any warehouse or term credit agreement) and which is non-recourse to any Loan Party (other than with respect to Standard Securitization Undertakings), and (ii) any Indebtedness resulting from a transaction in which all or substantially all of the economic value of loans have been sold, transferred or assigned, directly or indirectly through a series of related transactions, by Borrower or a Subsidiary of Borrower to a Person that is not an Affiliate of Borrower, which Indebtedness is non-recourse to any Loan Party (other than with respect to Standard Securitization Undertakings); *provided* that, for the avoidance of doubt, at no time shall Residual Funding Facilities be Non-Recourse Indebtedness.

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided*

further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any debtor relief laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed or allowable claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by the Borrower under any Loan Document and (b) the obligation of the Borrower to reimburse any amount in respect of any of the foregoing that the Administrative Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Borrower.

"Obligor Principal Balance" means, for any Receivable and as of any date of determination, the outstanding principal amount (excluding any capitalized interest) required to be paid by the related Account Debtor in respect thereof, as such amount may have been reduced from time to time in accordance with the Underwriting/Servicing Policies, including without limitation by refunded amounts in respect thereof.

"Originating Bank" means (i) Cross River Bank, a New Jersey state-chartered commercial bank, (ii) Celtic Bank Corporation, a Utah industrial bank, (iii) Affirm Loan Services LLC, and (iv) such other bank or financial institution that originates and sells Receivables to Borrower.

"Origination Date" means the date of the closing and funding of the applicable Receivable between an Originator and the applicable Account Debtor.

"Originator" means, with respect to any Receivable, (i) the Borrower or any of its Subsidiaries (other than Specified Subsidiaries), (ii) Cross River Bank, a New Jersey state chartered bank, (iii) Celtic Bank, a Utah state-chartered industrial bank or (iv) any other banking institution approved by the Required Lenders in writing in their sole discretion.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are

Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Past/Present Financed Receivable" means, on any date of determination, any Receivable that is or was, at any time from and after the Effective Date, acquired by the Borrower from any Originating Bank in the ordinary course of business consistent with past practices, but excluding (i) any Fraudulent Receivable, (ii) any Designated Receivable that has been sold to a Designated Receivable Purchaser pursuant to the related Designated Receivable Sale Agreement and (iii) any Experimental or Exploratory Receivable.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Patriot Act" has the meaning assigned to it in Section 9.16.

"Payment Dates" means, with respect to any Receivable, the date a payment is due in accordance with the Receivables Agreement with respect to such Receivable as in effect as of the date of determination.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Business" means any of the businesses in which the Borrower and its Subsidiaries are engaged on the Effective Date, and any business reasonably related, incidental, complementary or ancillary thereto or any business deemed strategically desirable by the Borrower in good faith in connection therewith.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 45 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or

regulations or employment laws or to secure other public, statutory or regulatory obligations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 7.01(k);

(f) survey exceptions, title exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property, not interfering in any material respect with the conduct of the business of the Borrower and its Subsidiaries;

(g) leases, licenses, subleases or sublicenses granted to third parties in the ordinary course of business, including of intellectual property;

(h) customary Liens in favor of trustees and escrow agents, Liens to secure cash management services or to implement pooling arrangements and netting and setoff rights, banker's liens and the like in favor of financial institutions, depositories, securities intermediaries and counterparties to financial obligations and instruments;

(i) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the proceeds thereof;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business so long as such Liens only cover the related goods; and

(k) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Holders" means the holders of Equity Interests in Holdings immediately prior to the consummation of Holdings' initial public offering of its equity securities on Nasdaq on January 15, 2021.

"Permitted Refinancing Indebtedness" means an extension or renewal of, replacement of, or substitution for, or issued in exchange for, or the net proceeds of which are used to repay, prepay, defease, retire, redeem, repurchase, refinance or refund, including by way of defeasance (all of the above, for purposes of this clause, "refinance") in whole or in part then outstanding

Indebtedness in an amount (after deduction of any original issue discount) not to exceed the principal amount of the Indebtedness so refinanced, plus premiums, accrued interest, fees and expenses; *provided* that, (A) in case the Indebtedness to be refinanced is Subordinated Debt, the new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, is expressly made subordinate in right of payment to the Revolving Facility at least to the extent that the Indebtedness to be refinanced is subordinated to the Revolving Facility and (B) the new Indebtedness does not have a stated maturity prior to the earlier of (x) the stated maturity of the Indebtedness to be refinanced and (y) 91 days following the final scheduled maturity of the Revolving Facility (*provided* that this subclause (B) will not apply to any refunding or refinancing of any secured Indebtedness).

"Permitted Securitization Indebtedness" means Indebtedness of any Securitization Subsidiary of the Borrower where no portion of such Indebtedness is guaranteed by the Borrower or any of its Subsidiaries other than pursuant to Standard Securitization Undertakings, is recourse to or obligates the Borrower or any of its Subsidiaries (other than such Securitization Subsidiary) in any way other than pursuant to Standard Securitization Undertakings or subjects any property or asset of the Borrower or any of its other Subsidiaries (other than such Securitization Subsidiary), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan Asset Regulations" means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"Preferred Stock" means, with respect to any Person, any and all Equity Interests which is preferred as to the payment of dividends or distributions, upon liquidation or otherwise, over another class of Equity Interests of such Person.

"Prime Rate" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Proceeding" means any claim, litigation, investigation, action, suit, arbitration or administrative, judicial or regulatory action or proceeding in any jurisdiction.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Company Compliance" means compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith, the provisions of the Securities Act and the Exchange Act, and the rules of national securities exchange listed companies (in each case, as applicable to companies with equity or debt securities held by the public), including procuring directors' and officers' insurance, legal and other professional fees, and listing fees.

"Purchase Principal Balance" means, for any Receivable, an amount equal to (a) in the case of any Zero Interest Receivable, the related Risk-Based Price for such Receivable, as measured on the date the Borrower or any of its Subsidiaries acquired such Receivable, and (b) in the case of any other Receivable, the Obligor Principal Balance of such Receivable, as measured as of the end of the day immediately preceding the date on which the Borrower or its Subsidiaries acquired such Receivable.

"Qualified Equity Interests" means all Equity Interests of a Person other than Disqualified Equity Interests.

"Quarterly Receivables Report" means the report substantially in the form of Exhibit F hereto or in such other form as may be approved by the Administrative Agent in its sole discretion.

"Quarterly Vintage" means, for any calendar quarter, all Receivables that were originated during such calendar quarter.

"Receivable" or "Receivables" means all rights to payment of indebtedness and other obligations (including without limitation, unpaid principal, accrued interest, costs, fees, expenses and indemnity obligations) owing by an Account Debtor in respect of a loan or loans or other financial accommodations made or extended by an Originator to or for the benefit of such Account Debtor and if such Originator is not the Borrower or any of its Subsidiaries (other than a Specified Subsidiary), subsequently sold to the Borrower or a Subsidiary (other than a Specified Subsidiary) of the Borrower.

"Receivable Balance" means, for any Receivable and as of any date of determination, the positive difference, if any, of (i) the Purchase Principal Balance of such Receivable, *minus* (ii) the aggregate amount, if any, by which the principal balance of such Receivable has been reduced in accordance with the Underwriting/Servicing Policies of the Borrower and its applicable Subsidiaries with respect to the Receivables, including without limitation by refunded amounts in respect thereof, after the date as of which such Purchase Principal Balance was determined; *provided* that the Receivable Balance of any Defaulted Receivable (other than for purposes of determining its Release Price) shall be equal to $0.

"Recipient" means (a) the Administrative Agent and (b) any Lender, as applicable.

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBO Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not LIBO Rate, the time determined by the Administrative Agent in its reasonable discretion.

"Register" has the meaning assigned to such term in Section 9.04(b).

"Regulation D" means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation T" means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"Reporting Entity" has the meaning assigned to such term in Section 5.01.

"Required Lenders" means, subject to Section 2.20, (a) at any time prior to the earlier of the Loans becoming due and payable pursuant to Section 7.01 or the Commitments terminating or expiring, at least two Lenders (that are not Affiliates of each other) having Revolving Credit Exposures and Unfunded Commitments representing more than 50.0% of the sum of the Total Revolving Credit Exposure and Unfunded Commitments at such time, *provided* that, solely for purposes of declaring the Loans to be due and payable pursuant to Section 7.01, the Unfunded Commitment of each Lender shall be deemed to be zero; and (b) for all purposes after the Loans become due and payable pursuant to Section 7.01 or the Commitments expire or terminate, at least two Lenders (that are not Affiliates of each other) having Revolving Credit Exposures representing more than 50.0% of the Total Revolving Credit Exposure at such time. Notwithstanding the foregoing, Required Lenders shall include each Lender party to this Agreement as of the Effective Date so long as such Lender maintains a Commitment not less than the Commitment of such Lenders as of the Effective Date (or such lesser Commitment equal to such Lender's ratable amount of the aggregate Commitments to the extent reduced or terminated by the Borrower in accordance with Section 2.09).

"Residual Funding Facility" means any funding arrangement with a financial institution or institutions or other lenders or purchasers under which advances are made to the Borrower or any Subsidiary secured solely by Residual Interests.

"Residual Interest" means (i) any residual and subordinated (after giving effect to the incurrence of Permitted Securitization Indebtedness or Non-Recourse Indebtedness) reserve accounts and ownership (including equity) or participation interest held by the Borrower or a Subsidiary in Securitization Subsidiaries or their assets, regardless of whether required to appear on the face of the consolidated financial statements in accordance with GAAP or (ii) with respect to any Securitization Subsidiary, the residual right (which may be represented by an equity interest or a subordinated debt obligation of such entity) owned or held by the Borrower or a Subsidiary (other than a Securitization Subsidiary) to receive cash flows from the Financeable Assets sold to such Securitization Subsidiary in excess of amounts needed to pay principal of, interest on and other amounts in respect of Securitization Indebtedness of such entity, servicing expenses of such entity, costs in respect of hedging obligations of such entity (if any) and other fees and obligations in respect of the thirdparty securities issued by such entity and secured by such Financeable Assets.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means the chief executive officer, the chief financial officer, the president or the treasurer of the Borrower.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or any option, warrant or other right to acquire any such Equity Interests.

"Reuters" means, as applicable, Thomson Reuters Corp., Refinitiv, or any successor thereto.

"Revolving Borrowing" means Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the outstanding principal amount of such Lender's Revolving Loans at such time.

"Revolving Facility" means the Commitments and the Revolving Loans made thereunder.

"Revolving Loan" means a Loan made pursuant to Section 2.03 and any Incremental Revolving Loan.

"Risk-Based Discount Rate" means for any Zero Interest Receivable, a rate per annum equal to, if such Receivable was assigned a credit grade by the Borrower as of the related Origination Date of: (1) "A", 7.10%, (2) "B", 10.70%, (3) "C", 16.93%, or (4) "D", 29.65%; or such other per annum rates as may be consented to by the Required Lenders from time to time.

"Risk-Based Price" means, with respect to any Zero Interest Receivable and as of any date of determination, the result of the following formula (in Microsoft Excel):

= PV (D / 12, T, PMT (0, T, 1)) x B

where "D" is the Risk-Based Discount Rate for such Receivable, "T" is the original term to maturity (in months) of such Receivable and "B" is the Obligor Principal Balance of such Receivable as of the end of the day immediately preceding such date of determination. For the avoidance of the doubt, the Risk-Based Price cannot exceed the value of B.

"S&P" means Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business (or any successor thereto).

"Sanctioned Country" means, at any time, a country, region or territory which is the target of comprehensive Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom, (b) any Person located, organized or resident in a Sanctioned Country, (c) any Person owned 50% or more by, or controlled by, any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the target of Sanctions.

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"SEC" means the Securities and Exchange Commission of the United State of America.

"Securities Act" means the Securities Act of 1933, as amended.

"Securitization Subsidiary" means a direct or indirect wholly-owned, special purpose bankruptcy remote Subsidiary or other Affiliate of Borrower formed for the purpose of directly or indirectly purchasing Receivables or other Financeable Assets from the Borrower or any of its Subsidiaries in connection with any Permitted Securitization Indebtedness or Non-Recourse Indebtedness (other than Standard Securitization Undertakings).

"Significant Subsidiary" means any Subsidiary that would be a "Significant Subsidiary" of the Borrower within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC (or any successor provision).

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website at approximately 2:30 p.m. (New York City time) on the immediately succeeding Business Day.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"Solvent" means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts, including contingent debts, as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities, including contingent debts and liabilities, beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Subsidiary" means each Subsidiary that is not organized under the laws of any political subdivision of the United States and is either (a) listed on Schedule 1.01 or (b) designated as a Specified Subsidiary by the Borrower after the Effective Date. The board of directors of the Borrower may designate after the Effective Date any Subsidiary of the Borrower, including a newly acquired or created Subsidiary, to be a Specified Subsidiary if it meets the following qualifications:

(i) such Subsidiary does not own any Equity Interest of the Borrower or any Subsidiary that is not a Specified Subsidiary;

(ii) the Borrower would be permitted to make an Investment at the time of the designation in an amount equal to the aggregate fair market value of all Investments in such Subsidiary by the Borrower or its Subsidiaries that are not Specified Subsidiaries;

(iii) any guarantee or other credit support thereof by the Borrower or any Subsidiary that is not a Specified Subsidiary is permitted under Sections 6.01 and 6.04;

(iv) neither the Borrower nor any Subsidiary that is not a Specified Subsidiary has any obligation to subscribe for additional Equity Interests of such Subsidiary or cause it to achieve specified levels of operating results except to the extent permitted by Sections 6.01 and 6.04;

(v) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing or would result from such designation; and

(vi) no Subsidiary may be designated as a Specified Subsidiary if it is a "restricted subsidiary" or a "guarantor" (or any similar designation) for any other Material Obligation of the Borrower or any Subsidiary that is not a Specified Subsidiary.

Once so designated, the Subsidiary will remain a Specified Subsidiary.

"Standard Securitization Undertakings" means representations, warranties, covenants, pledges and indemnities made or provided by the Borrower in connection with Permitted Securitization Indebtedness or Non-Recourse Indebtedness which are (a) customary for the sponsor of a non-recourse financing transaction in which receivables are transferred, directly or indirectly, to a special purpose, bankruptcy remote securitization vehicle or (b) consented to in writing by the Required Lenders. For the avoidance of doubt, the granting and perfection of liens in any applicable servicing account and servicing agreement in connection with a Permitted Securitization Indebtedness or Non-Recourse Indebtedness shall constitute a Standard Securitization Undertaking.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D). Such reserve percentage shall include those imposed pursuant to Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Debt" means any Indebtedness of Holdings or its Subsidiaries which is subordinated in right of payment to the Loans, pursuant to a written agreement in form and substance reasonably acceptable to the Administrative Agent.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the

equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled by the parent and/or one or more subsidiaries of the parent. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary (but shall exclude a Specified Subsidiary) or Subsidiaries (but shall exclude Specified Subsidiaries) of Holdings.

"Syndication Agent" means Goldman Sachs Lending Partners LLC, in its capacity as syndication agent hereunder.

"Tangible Net Worth" means, for any Person, such Person's (a) assets, *minus* (b) liabilities, *minus* (c) any intangible assets of such person, including but not limited to, goodwill, trademarks, tradenames, copyrights, patents, patent allocations, licenses and rights in any of the foregoing and other items treated as intangibles, *minus* (d) amounts due to such Person from any of its Affiliates (excluding such Person and its consolidated Subsidiaries), in each case as determined in accordance with GAAP.

"Tangible Net Worth Level" means, at any time, (a) $650,000,000 *plus* (b) 60% of the aggregate amount of net proceeds from each sale or issuance of Equity Interests by the Borrower or any of its parent entity (including Holdings) after the Effective Date (excluding, for the avoidance of doubt, the initial public offering of Holdings' equity securities described in Section 4.01(i) and any issuance of Equity Interests to its directors, officers or employees).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Total Liabilities" means, for any Person, as at any date of determination, the aggregate amount of all Indebtedness of such Person, as determined on a consolidated basis in accordance with GAAP.

"Total Revolving Credit Exposure" means, at any time, the outstanding principal amount of the Revolving Loans at such time.

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"UK Financial Institutions" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom

Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the Benchmark Replacement Adjustment with respect thereto.

"Underwriting/Servicing Policies" means the credit and collection policies and procedures of the Borrower and its Subsidiaries, including their underwriting guidelines and methodology, and the collection, servicing and administration policies and procedures of the Borrower and its Subsidiaries, as such policies, procedures, guidelines and methodologies may be amended, supplemented or otherwise modified from time to time.

"Unfunded Commitment" means, with respect to each Lender, the Commitment of such Lender less its Revolving Credit Exposure.

"Unrestricted Cash" means the unencumbered and unrestricted cash and Cash Equivalents of the Borrower and the other Loan Parties held in any depository; provided that for such cash or Cash Equivalents to qualify as Unrestricted Cash, on each Business Day the Administrative Agent shall have been either provided a report of, or otherwise given access to, the balance of such cash and Cash Equivalents for the prior Business Day. For the avoidance of doubt, information provided (or for which access is granted) hereunder may be done so electronically.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised

under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

"Zero Interest Receivable" means a Receivable the stated APR of which is 0.0% (or which has no stated APR).

d. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "Eurodollar Loan"). Borrowings also may be classified and referred to Type (e.g., a "Eurodollar Borrowing").

e. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

f. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all

computations of amounts and ratios referred to herein shall be made, without giving effect to (i) any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (ii) any treatment of Indebtedness under Accounting Standards Codification 470-20 or 2015-03 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

g. Interest Rates; LIBOR Notification. The interest rate on Eurodollar Loans is determined by reference to the LIBO Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the IBA for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurodollar Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, Section 2.14 provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant nor accept any responsibility nor shall the Administrative Agent have any liability with respect to (i) any Benchmark Replacement Conforming Changes, (ii) the administration, submission or any matter relating to the rates in the definition of Benchmark or with respect to any rate that is an alternative, comparable or successor rate thereto or (iii) the effect of any of the foregoing.

h. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II.

THE CREDITS

i. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result (after giving effect to any application of proceeds of such Borrowing pursuant to Section 2.10) in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) the Total Revolving Credit Exposure exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

j. Loans and Borrowings.

1. Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; *provided* that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

2. Subject to Section 2.14, each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

3. At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $1,000,000; *provided* that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time; *provided* that there shall not at any time be more than a total of five Eurodollar Revolving Borrowings outstanding.

4. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

k. Requests for Revolving Borrowings. To request a Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by submitting a Borrowing

Request (a) in the case of a Eurodollar Borrowing, not later than 12:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 12:00 p.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

i. the aggregate amount of the requested Borrowing;

ii. the date of such Borrowing, which shall be a Business Day;

iii. whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

iv. in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

v. the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

l. [Reserved].

m. [Reserved].

n. [Reserved].

o. Funding of Borrowings.

5. Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof solely by wire transfer of immediately available funds, by 11:00 a.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly (and in no event later than 3:00 p.m., New York City time) crediting the funds so received to an account designated by the Borrower in the applicable Borrowing Request.

6. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

p. Interest Elections.

7. Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

8. To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower.

9. Each Interest Election Request shall specify the following information in compliance with Section 2.02:

vi.the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof

to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

vii. the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

viii. whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

ix. if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

10. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

11. If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Revolving Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall, if not repaid, be continued as a Eurodollar Revolving Borrowing with an Interest Period of the same duration as the Interest Period then ended. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Revolving Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

q. Termination and Reduction of Commitments.

12. Unless previously terminated, the Commitments shall terminate on the Maturity Date.

13. The Borrower may at any time terminate, or from time to time reduce, the Commitments; *provided* that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, (A) any Lender's Revolving Credit Exposure would

exceed its Commitment or (B) the sum of the Total Revolving Credit Exposure would exceed the total Commitments.

14. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; *provided* that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, indentures or similar agreements or other transactions specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

r. Repayment of Loans; Evidence of Indebtedness.

15. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date.

16. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

17. The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder and the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

18. The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

19. Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its

registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form.

s. Prepayment of Loans.

20. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

21. The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy or electronic mail) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; *provided* that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13 and any break funding payments required by Section 2.16.

t. Fees.

22. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at 0.35% per annum on the average daily amount of the Unfunded Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Commitment fees accrued through and including the last day of March, June, September and December of each year shall be payable in arrears on the fifteenth day following such last day and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

23. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

24. All fees payable hereunder shall be paid on the dates due, in Dollars in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

u. Interest.

25. The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

26. The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

27. Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

28. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; *provided* that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

29. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

v. Alternate Rate of Interest.

30. Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.14, if prior to the commencement of any Interest Period for a Eurodollar Borrowing:

x.the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable (including because the LIBO Screen Rate is not available or published on a current basis), for such Interest Period; or

xi.the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective and (B) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing; *provided* that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

31. *Benchmark Replacement*. Notwithstanding anything to the contrary herein or in any other Loan Document, if:

(i) (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and (B) a Benchmark Replacement Date with respect thereto have occurred prior to the Reference Time in connection with any setting of the then-current Benchmark, then:

(x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace the then-current Benchmark for all purposes under this Agreement and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Loan Document, and

(y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace the then-current Benchmark for all purposes under this Agreement and under any other Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date

notice of such Benchmark Replacement is provided to the Lenders without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders; or

(ii) (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and the Benchmark Replacement Date with respect thereto has already occurred prior to the Reference Time for any setting of the then-current Benchmark and as a result the then-current Benchmark is being determined in accordance with clauses (2) or (3) of the definition of "Benchmark Replacement"; and

(B) the Administrative Agent subsequently determines, in its sole discretion, that (w) Term SOFR and a Benchmark Replacement Adjustment with respect thereto is or has becomes available and the Benchmark Replacement Date with respect thereto has occurred, (x) there is currently a market for U.S. dollar-denominated syndicated credit facilities utilizing Term SOFR as a Benchmark and for determining the Benchmark Replacement Adjustment with respect thereto, (y) Term SOFR is being recommended as the Benchmark for U.S. dollar-denominated syndicated credit facilities by the Relevant Government Authority and (z) in any event, Term SOFR, the Benchmark Replacement Adjustment with respect thereto and the application thereof is administratively feasible for the Administrative Agent (as determined by the Administrative Agent in its sole discretion),

then clause (1) of the definition of "Benchmark Replacement" will, without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Loan Document, replace such then-current Benchmark for all purposes hereunder and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings on and from the beginning of the next Interest Period or, as the case may be, Available Tenor so long as the Administrative Agent notifies the Borrower and the Lenders prior to the commencement of such next Interest Period or, as the case may be, Available Tenor.

32. *Benchmark Replacement Conforming Changes*. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without requiring any further action by or consent of any other party to this Agreement or any other Loan Document.

33. *Notices; Standards for Decisions and Determinations*. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and (B) the Benchmark Replacement Date with respect thereto, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below] and (v)

the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its (or their) sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

34. *Unavailability of Tenor of Benchmark*. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

35. *Benchmark Unavailability Period*. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Eurodollar Borrowing of, conversion to or continuation of Eurodollar Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

w. Increased Costs.

36. If any Change in Law shall:

xii.impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other

assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate);

xiii.impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender; or

xiv.subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

37. If any Lender determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

38. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

39. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 90 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the

90-day period referred to above shall be extended to include the period of retroactive effect thereof.

x. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for Dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

y. Withholding of Taxes; Gross-Up Payments Free of Taxes.

40. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law (including FATCA). If any applicable law (including FATCA and as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law (including FATCA) and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

41. Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law (including FATCA), or at the option of the Administrative Agent timely reimburse it for the payment of, Other Taxes.

42. Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

43. Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

44. Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

45. Status of Lenders.

xv. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the

Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

xvi. Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

a. any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), an executed copy of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

b. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

i. in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, an executed copy of IRS Form W-8BEN-E or IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E or IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

ii.in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, an executed copy of IRS Form W-8ECI;

iii.in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) an executed copy of IRS Form W-8BEN-E or IRS Form W-8BEN; or

iv.to the extent a Foreign Lender is not the beneficial owner, an executed copy of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

c. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law (including FATCA) as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law (including FATCA) to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

d. if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the

Administrative Agent such documentation prescribed by applicable law (including FATCA and as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

46. Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

47. Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

z. Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

48. The Borrower shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest, fees or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 12:00 noon, New York City time, on the date when due or the date fixed for any prepayment hereunder, in immediately available funds, without setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 1300 THAMES STREET, 4TH FLOOR THAMES STREET WHARF, BALTIMORE, MD, 21231. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

49. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

50. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may

effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

51. Unless the Administrative Agent shall have received, prior to any date on which any payment is due to the Administrative Agent for the account of the Lenders pursuant to the terms hereof or any other Loan Document (including any date that is fixed for prepayment by notice from the Borrower to the Administrative Agent pursuant to Section 2.11(b)), notice from the Borrower that the Borrower will not make such payment or prepayment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

aa. Mitigation Obligations; Replacement of Lenders.

52. If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

53. If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender becomes Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Sections 2.15 or 2.17) and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment);

provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each party hereto agrees that (i) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to an be bound by the terms thereof; *provided* that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender; *provided* that any such documents shall be without recourse to or warranty by the parties thereto.

ab. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

54. fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

55. any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7.03 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a

result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto; and

56. the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); *provided* that this clause (c) shall not apply to the vote of a Defaulting Lender except (i) such Defaulting Lender's Commitment may not be increased or extended without its consent and (ii) the principal amount of, or interest or fees payable on, Loans may not be reduced or excused or the scheduled date of payment may not be postponed as to such Defaulting Lender without such Defaulting Lender's consent.

In the event that the Administrative Agent and the Borrower agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Revolving Credit Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

ac. Incremental Revolving Facilities.

57. The Borrower may, on no more than five occasions, pursuant to an Increased Commitment Supplement increase the aggregate amount of the Commitments (the commitment of any Lender to provide such increase, an "Incremental Revolving Commitment" and such increase, an "Incremental Revolving Facility" and any loans made pursuant to an Incremental Revolving Facility, "Incremental Revolving Loans") in an aggregate outstanding principal amount not to exceed $100,000,000, which increase shall be requested in dollars.

58. Each Incremental Revolving Facility shall be subject to the following provisions:

xvii. each Incremental Revolving Commitment must be in an aggregate amount equal to any integral multiple of $5,000,000 and not less than $25,000,000 (*provided* that such amount may be less than $25,000,000 if such amount represents all remaining availability for Incremental Revolving Facilities under the limit set forth above),

xviii. except as the Borrower and any Lender may separately agree, no Lender shall be obligated to provide any Incremental Revolving Commitment, and the determination to provide any Incremental Revolving Commitment shall be within the sole discretion of such Lender,

xix. no Incremental Revolving Facility, Incremental Revolving Commitment or Incremental Revolving Loan (nor the creation, provision or implementation thereof) shall require the approval of any existing Lender other than in its capacity, if any, as a lender providing all or part of any Incremental Revolving Commitment,

xx. the terms and conditions of any Incremental Revolving Facility shall be identical to the existing Revolving Loans and Commitments (other than with respect to fees) and, for purposes of this Agreement and the other Loan Documents, all Revolving Loans made under any Incremental Revolving Commitment shall be deemed to be Revolving Loans,

xxi. to the extent applicable, any fees payable in connection with any Incremental Revolving Facility shall be determined by the Borrower and the arrangers and/or lenders providing such Incremental Revolving Facility,

xxii. no Incremental Revolving Facility may be guaranteed by any Person and no Incremental Revolving Facility shall be secured,

xxiii. the proceeds of any Incremental Revolving Facility shall be used for general corporate purposes and any other use permitted by this Agreement, and

xxiv. (A) no Default or Event of Default shall exist immediately prior to or after giving effect to such Incremental Revolving Facility and (B) the representations and warranties of the Borrower set forth in the Loan Documents shall be true and correct in all material respects (or, in the case of any representation and warranty qualified by materiality, all respects) on and as of the date of the effectiveness of such Incremental Revolving Facility after giving effect to the Loans made on such date, except to the extent such representations and warranties specifically relate to any earlier date in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date (or, in the case of any representation and warranty qualified by materiality, in all respects as of such earlier date).

59. Incremental Revolving Commitments may be provided by any existing Lender, or by one or more new banks, financial institutions or other entities that are not Ineligible Institutions (any such other lender, a "New Lender"); *provided* that the Administrative Agent shall have a right to consent (such consent not to be unreasonably withheld or delayed) to the relevant New Lender's provision of Incremental Revolving Commitments.

60. Each Lender or New Lender providing a portion of any Incremental Revolving Commitment shall execute and deliver to the Administrative Agent and the Borrower all such documentation (including the relevant Increased Commitment Supplement) as may be reasonably required by the Administrative Agent to evidence and effectuate such Incremental Revolving Commitment. On the effective date of such Incremental Revolving Commitment, each New Lender shall become a Lender for all purposes in connection with this Agreement.

61. The Lenders hereby irrevocably authorize the Administrative Agent to enter into any Increased Commitment Supplement and/or any amendment to this Agreement and/or to any other Loan Document as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower to effect the provisions of this Section 2.21.

62. This Section 2.21 shall supersede any provision in Section 9.02 to the contrary.

63. Each increase and addition consummated under this Section 2.21 shall be effective upon the delivery of an Increased Commitment Supplement (herein so called) executed by the Borrower, the Administrative Agent and the Lenders willing to increase their respective Revolving Commitments and/or the New Lenders (if any).

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

Each of Holdings and the Borrower represents and warrants to the Lenders on the date hereof, on the Effective Date and on each date of Borrowing that:

ad. Organization; Powers. Each of Holdings, the Borrower and its Subsidiaries is duly organized or formed, validly existing and, except to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect in the case of such Subsidiaries, is in good standing (to the extent such concept is applicable in such jurisdiction) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and (to the extent such concept is applicable in such jurisdiction) is in good standing in, every jurisdiction where such qualification is required.

ae. Authorization; Enforceability. The Transactions are within Holdings' and the Borrower's corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational and, if required, stockholder action. This Agreement has been duly executed and delivered by Holdings and the Borrower and constitutes a legal, valid and binding obligation of Holdings and the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

af. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect (unless the failure to obtain such consents or approval will not have a Material Adverse Effect), (b) will not violate in any material respect any applicable law or regulation or the charter, by-laws or other organizational documents of Holdings, the Borrower or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a material default under any material indenture, agreement or other instrument binding upon Holdings, the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by Holdings, the Borrower or any of its Subsidiaries, unless such violation or default will not have a Material Adverse Effect and (d) will not result in the creation or imposition of, or the requirement to create, any Lien on any asset of Holdings, the Borrower or any of its Subsidiaries.

ag. Financial Condition; No Material Adverse Change.

64. The Borrower has heretofore furnished to the Lenders (i) Holdings' audited consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for the fiscal years ended June 30, 2020 and June 30, 2019, reported by Deloitte & Touche LLP and Ernst & Young LLP, respectively, and (ii) Holdings' unaudited consolidated balance sheet and statements of income and cash flows as of and for the fiscal quarter ended September 30, 2020, certified by a Financial Officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of Holdings and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

65. Since June 30, 2020, there has been no Material Adverse Change with respect to the Borrower and its Subsidiaries, taken as a whole.

ah. Properties.

66. Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property, except for minor defects in title that do

not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes, except where the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

67. Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements (or ownership or license issues) that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

ai. Litigation and Environmental Matters.

68. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than as set forth on Schedule 3.06 (the "Disclosed Matters")) or (ii) that involve this Agreement or the Transactions.

69. Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) is subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

70. Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

aj. Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

ak. Investment Company Status. Neither Holdings nor the Borrower or any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

al. Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

am. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect.

an. Disclosure.

71. None of the reports, lender presentations, information memorandum, financial statements, certificates or other information furnished by or on behalf of the Borrower or any Subsidiary to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains, at the time furnished, any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time delivered, it being recognized that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

72. As of the Effective Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

ao. Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures reasonably designed to promote compliance by the Borrower, its Subsidiaries and Affiliates and their respective directors, officers, employees, advisors and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and Affiliates and their respective directors and officers and, to the knowledge of the Borrower, its employees, advisors and agents (when acting in their role as directors, officers, employees, advisors and agents), are in compliance with Anti-Corruption Laws and applicable

Sanctions in all respects. None of (a) the Borrower, any Subsidiary or Affiliate thereof, any of their respective directors or officers or, to the Borrower's knowledge, employees or (b) to the Borrower's knowledge, any agent or advisor of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing, use of proceeds or other Transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

ap. Affected Financial Institutions. The Borrower is not an Affected Financial Institution.

aq. [Reserved].

ar. Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

as. Solvency. The Borrower and its Subsidiaries, taken as a whole, are Solvent.

at. Subsidiaries. Schedule 3.17 contains an accurate list of all Subsidiaries of the Borrower as of the Effective Date, setting forth their respective jurisdictions of organization and the percentage of their respective Equity Interests owned by the Borrower or other Subsidiaries. All of the issued and outstanding Equity Interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and nonassessable.

au. Employee Matters. None of the Borrower or its Subsidiaries is engaged in any unfair labor practice that would reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against Borrower or any of its Subsidiaries, or to the knowledge of the Borrower, threatened in writing against the Borrower or any of its Subsidiaries and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Borrower or any of its Subsidiaries or to the knowledge of the Borrower, threatened in writing against the Borrower or any of its Subsidiaries, (b) no strike, work stoppage or other labor controversy in existence or threatened in writing involving the Borrower or any of its Subsidiaries, and (c) no violation of any laws or regulations, foreign or domestic, with respect to any employee, union or related matters by the Borrower or its Subsidiaries, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as is not reasonably likely to have a Material Adverse Effect.

ARTICLE IV.

CONDITIONS

av. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

73. The Administrative Agent (or its counsel) shall have received from (i) each party hereto a counterpart of this Agreement signed on behalf of such party and (ii) Holdings and each Material Domestic Subsidiary of the Borrower a counterpart of the Guaranty signed on behalf of such Person (which, in each case of clauses (i) and (ii), subject to Section 9.06(b), may include any Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page).

74. The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of DLA Piper LLP (US), counsel for the Borrower, in form and substance acceptable to the Administrative Agent and covering matters relating to the Borrower, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

75. The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, and the authorization of this Agreement and the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

76. The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the president or a Financial Officer of the Borrower, certifying (i) compliance with the conditions set forth in paragraphs (a), (b) and (c) of Section 4.02 and (ii) the Borrower and its Subsidiaries, after giving effect to the Effective Date and any Borrowing on such date, taken as a whole, are Solvent.

77. The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out of pocket expenses and fees of counsel to the Administrative Agent and the Lenders required to be reimbursed or paid by the Borrower.

78. The Administrative Agent shall have received the audited annual financial statements and the unaudited quarterly financial statements of the Borrower referred to in Section 3.04(a).

79. (i) The Administrative Agent shall have received, at least five days prior to the Effective Date, all documentation and other information regarding the Borrower requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrower at least 10 Business Days prior to the Effective Date and (ii) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five days prior to the Effective Date, any Lender that has requested, in a written notice to the Borrower at least 10 Business Days prior to the Effective Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (*provided* that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

80. All governmental and third party approvals necessary in connection with the financing contemplated hereby and the continuing operations of the Borrower and its Subsidiaries shall have been obtained and be in full force and effect.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 11:59 p.m., New York City time, on January 31, 2021 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

aw. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

81. The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall have been true and correct in all material respects of such earlier date.

82. At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred and be continuing.

83. The Borrower shall be in Financial Covenant Compliance at the time of and immediately after giving effect to such Borrowing.

84. The Borrower shall have delivered a Borrowing Request by the deadlines specified in Section 2.03.

85. (i) Commencing on February 28, 2021, the 3-Month Rolling Average Delinquent Receivable Ratio for the most recently ended Due Period does not exceed 8% and (ii)

the Cumulative Default Ratio for the Quarterly Vintage for the most recently ended calendar quarter (commencing with the Quarterly Vintage for the calendar quarter ending March 31, 2021) does not exceed 9%.

86. Immediately before and after the making of such Loan and the application of the proceeds thereof, the Borrower would be in pro forma compliance with Section 6.10(c).

87. The Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer of the Borrower dated as of the date of the proposed Borrowing certifying as to the satisfaction of the conditions specified in clauses (a) through (f) above.

ARTICLE V.

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower (and in the case of Sections 5.01, 5.03, 5.04, 5.05, 5.06, 5.07 and 5.09 only, Holdings) covenants and agrees with the Lenders that:

ax. Financial Statements; Ratings Change and Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

88. within the earlier of (x) 120 days after the end of each fiscal year of Holdings and (y) the date by which Holdings is required by the SEC to file such financial statements (including any period as would be permitted by Rule 12b-25 under the Exchange Act or any special order of the SEC), its audited consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Deloitte & Touche LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification commentary or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated and consolidating financial statements present fairly in all material respects the financial condition and results of operations of Holdings and its consolidated and consolidating Subsidiaries on a consolidated and consolidating basis in accordance with GAAP consistently applied;

89. within the earlier of (x) 45 days after the end of each of the first three fiscal quarters of each fiscal year of Holdings and (y) the date by which Holdings is required by the SEC to file such financial statements (including any time period as would be permitted by Rule 12b-25 under the Exchange Act or any special order of the SEC), its consolidated and consolidating balance sheet and related statements of operations and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each

case in comparative form the figures as of the end of and for the corresponding period or periods of the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of Holdings and its consolidated and consolidating Subsidiaries on a consolidated and consolidating basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

90. concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower substantially in the form of Exhibit H (or in such other form as may be reasonably satisfactory to the Administrative Agent) (i) certifying as to whether a Default or Event of Default has occurred and, if a Default or Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations of the Financial Covenants set forth in Section 6.10, whether or not such Financial Covenants are required to be tested (other than Section 6.10(c), for which the calculation shall be required to be set forth only if Section 6.10(c) is in effect), and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited or unaudited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

91. promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings, the Borrower or any Subsidiary with the SEC or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange;

92. (i) no later than the 17th calendar day after the end of each calendar month, commencing with the calendar month ending February 28, 2021, the Monthly Receivables Report setting forth the 3-Month Rolling Average Delinquent Receivable Ratio for the most recently ended Due Period and (ii) no later than the 17th calendar day after the end of each calendar quarter, commencing with the quarter ending March 31, 2021, the Quarterly Receivables Report setting forth the Cumulative Default Ratio for the Quarterly Vintage for the most recently ended calendar quarter, in each case with reasonable details and certified by a Financial Officer of the Borrower;

93. promptly following any request therefor, copies of accountant letters submitted to the board of directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary; and

94. promptly following any request therefor, (x) such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary as the Administrative Agent or any Lender (through the Administrative Agent) may

reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

Documents required to be delivered pursuant to Section 5.01(a), (b) or (d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on Holdings' behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether made available by the Administrative Agent); *provided* that in the case of Section 5.01(a) and (b) only: (A) upon written request by the Administrative Agent (or any Lender through the Administrative Agent) to the Borrower, the Borrower shall deliver paper copies of such documents to the Administrative Agent or such Lender until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (B) the Borrower shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

The financial statements, information and other documents required to be provided pursuant to Section 5.01(a), (b) or (d) may be those of (i) the Borrower or (ii) any direct or indirect parent of the Borrower (any such entity described in clause (i) or (ii), a "Reporting Entity"), so long as in the case of clause (ii) either (1) such direct or indirect parent of the Borrower shall not conduct, transact or otherwise engage, or commit to conduct, transact or otherwise engage, in any business or operations other than its direct or indirect ownership of all of the Equity Interests in, and its management, of the Borrower or (2) if otherwise, the financial information so delivered shall be accompanied by the consolidating financial statements of Holdings and its Subsidiaries prepared in accordance with GAAP and a reasonably detailed description of the material quantitative differences between the information relating to such parent, on the one hand, and the information relating to Holdings and its Subsidiaries on a standalone basis, on the other hand.

If at any time the Borrower or any direct or indirect parent of the Borrower has made a good faith determination to file a registration statement with the SEC with respect to a public offering of such entity's capital stock, the Borrower will not be required to disclose any information or take any actions that, in the good faith view of the Borrower, would violate the securities laws or the SEC's "gun jumping" rules.

Notwithstanding the foregoing, (a) neither the Borrower nor another Reporting Entity will be required to deliver any information, certificates or reports that would otherwise be required by (i) Section 302 or Section 404 of the Sarbanes-Oxley Act of 2002, or related Items 307 or 308 of Regulation S-K or (ii) Item 10(e) of Regulation S-K promulgated by the SEC with respect to any non-generally accepted accounting principles financial measures contained therein, (b) such reports will not be required to contain financial information required by Rule 3-09, Rule 3-10 or Rule 3-16 (or any successor provision, including Rule 13-01 and Rule 13-02) of Regulation S-X or include any exhibits or certifications required by Form 10-K, Form 10-Q or Form 8-K (or any successor or comparable forms) or related rules under Regulation S-K and (c) such reports shall be subject to exceptions, exclusions and other differences consistent with the presentation of financial and other information to the Lenders prior to the date of this Agreement and shall not be required to present compensation or beneficial ownership information.

ay. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

95. the occurrence of any Default;

96. the filing or commencement of any Proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Significant Subsidiary as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would reasonably be expected to result in a Material Adverse Effect;

97. the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

98. notice of any action arising under any Environmental Law or of any noncompliance by the Borrower or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would reasonably be expected to result in a Material Adverse Effect; and

99. any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section (i) shall be in writing and (ii) shall be accompanied by a statement of a Responsible Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto. Information required to be delivered pursuant to this Section 5.02 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System.

az. Existence; Conduct of Business. Each of Holdings, the Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect (i) its legal existence and (ii) the rights, licenses, permits, privileges and franchises material to the conduct of the business of the Borrower and its Subsidiaries, in each case except (other than with respect to Holdings and the Borrower in the case of the preceding clause (i)) where the failure to do so would not reasonably be expected to result in a Material Adverse Effect; *provided* that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

ba. Payment of Obligations. Holdings and the Borrower will, and will cause each of their Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, would reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, and (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP.

bb. Maintenance of Properties; Insurance. Holdings and the Borrower will, and will cause each of their Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and except if failure to do so would not reasonably be expected to have a Material Adverse Effect, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

bc. Books and Records; Inspection Rights. Holdings and the Borrower will, and will cause each of their Subsidiaries to, keep proper books of record and account in which full, true and correct entries in all material respects are made of all material financial dealings and transactions in relation to its business and activities. Holdings and the Borrower will, and will cause each of their Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon at least 5 Business Days' notice, subject to the confidentiality requirements of Section 9.12, to examine and make extracts from its books and records (including the form of Receivables Agreements, Receivables Program Agreements, Underwriting/Servicing Policies, information processes and controls, and compliance practices and procedures), to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested; provided that unless an Event of Default has occurred and is continuing, there shall be no more than 2 such requests in any fiscal year.

bd. Compliance with Laws. Each of Holdings and the Borrower will, and will cause each of their Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so,

individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Each of Holdings and the Borrower will maintain in effect and enforce policies and procedures reasonably designed to promote compliance by Holdings, the Borrower, their Subsidiaries and their respective directors, officers, employees, advisors and agents with Anti-Corruption Laws and applicable Sanctions.

be. Use of Proceeds. The proceeds of the Loans will be used only for general corporate purposes of the Borrower and its Subsidiaries in the ordinary course of business. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the regulations of the Federal Reserve Board, including Regulations T, U and X. The Borrower will not request any Borrowing, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

bf. Guarantors. If, as of the date of the most recently available financial statements delivered pursuant to Section 5.01(a) or 5.01(b), as the case may be, any Person shall have become a Material Domestic Subsidiary, then Holdings and the Borrower shall, (i) within 45 days thereafter (or such longer period of time as the Administrative Agent may agree in its sole discretion) after delivery of such financial statements, cause such Material Domestic Subsidiary to enter into a Guaranty, or, if a Guaranty has previously been entered into by a Material Domestic Subsidiary (and remains in effect), a joinder agreement to such Guaranty in form and substance reasonably satisfactory to the Administrative Agent, and (ii) on or prior to the date any Guaranty or joinder agreement to a Guaranty has been delivered pursuant to clause (i) above, deliver to the Administrative Agent and each Lender all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the USA Patriot Act. For the avoidance of doubt, this Section 5.09 shall not apply to any Excluded Subsidiary. Excluded Subsidiaries as of the Effective Date are set forth on Schedule 5.09. If requested by the Administrative Agent, the Administrative Agent shall receive an opinion of counsel for the Borrower in customary form and substance reasonably satisfactory to the Administrative Agent in respect of matters reasonably requested by the Administrative Agent relating to any Guaranty or joinder agree.

ARTICLE VI.

NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, each of Holdings and the Borrower covenants and agrees with the Lenders that:

bg. Indebtedness. Neither Holdings nor the Borrower will, or will permit any Subsidiary (other than any Specified Subsidiary) of the Borrower to, create, incur, assume or permit to exist any Indebtedness (including Preferred Stock of the Subsidiaries), except:

100. Indebtedness created hereunder;

101. Guarantees of Indebtedness so long as such guaranteed Indebtedness is permitted under this Section 6.01; *provided*, that if the Indebtedness that is being Guaranteed is (i) unsecured or subordinated to the Obligations, the Guarantee shall also be unsecured and/or subordinated to the Obligations, and (ii) Permitted Securitization Indebtedness or Non-Recourse Indebtedness, such Guarantee is pursuant to Standard Securitization Undertakings;

102. Permitted Securitization Indebtedness;

103. Indebtedness under Hedging Agreements;

104. Indebtedness of Holdings, the Borrower or any Subsidiary with respect to (i) performance, bid, appeal, customs or surety bonds and completion guarantees in the ordinary course of business, obligations in respect of any workers' compensation claims, early retirement or termination obligations, deferred compensatory or employee or director equity plans, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes, payment obligations in connection with self-insurance, or similar requirements, including letters of credit and bankers' acceptances supporting any of the foregoing or anything else that is not Indebtedness, or supporting any of the following items in clauses (ii) or (iii), (ii) financing insurance premiums or (iii) indemnification, adjustment of purchase price or similar obligations incurred in connection with the acquisition or disposition of any business or assets;

105. Indebtedness in respect of netting services, overdraft protections, automated clearing house transactions, and otherwise in connection with treasury and/or cash management services, including, but not limited to, controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services;

106. to the extent otherwise constituting Indebtedness, obligations arising from agreements providing for indemnification, adjustment of purchase price, earn-outs or similar

obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary;

107. intercompany Indebtedness among Holdings and its Subsidiaries to the extent permitted by Section 6.04;

108. Non-Recourse Indebtedness;

109. trade payables to third party service providers, fees and other general unsecured liabilities incurred in the ordinary course of business;

110. unsecured Subordinated Debt in an aggregate principal amount not to exceed $50,000,000 at any time outstanding;

111. Indebtedness of the Borrower or any of its Subsidiaries under one or more Residual Funding Facilities in an aggregate principal amount in respect of any Residual Funding Facility at any time outstanding not to exceed 5% of the aggregate assets held by the applicable Securitization Subsidiaries the Residual Interest with respect to which is pledged to secure such Residual Funding Facility;

112. Indebtedness in connection with an acquisition of a Permitted Business or of assets to be used in a Permitted Business or Acquired Debt in an aggregate principal amount at any time outstanding not to exceed $50,000,000;

113. Indebtedness in respect of letters of credit to the extent cash collateralized;

114. Indebtedness in an aggregate principal amount not to exceed $5,000,000 at any time outstanding incurred to finance the development, acquisition, construction, purchase, lease, repair, maintenance or improvement of any fixed or capital assets (real or personal and whether through the direct purchase of assets or the Equity Interest of any person owning such assets), including Capital Lease Obligations and purchase money indebtedness and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness is incurred prior to or within 365 days after the consummation of such development, acquisition, construction, purchase, lease, repair, maintenance or improvement; and

115. Permitted Refinancing Indebtedness in respect of the foregoing.

bh. Liens. Neither Holdings nor the Borrower will, or will permit any Subsidiary (other than any Specified Subsidiary) of the Borrower to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it (including on Equity

Interests of the Subsidiaries), or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

116. Permitted Encumbrances;

117. any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02; *provided* that (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

118. Liens incurred in connection with any Permitted Securitization Indebtedness or Non-Recourse Indebtedness;

119. Liens securing Hedging Agreements;

120. Liens on assets pursuant to merger agreements, stock or asset purchase agreements and similar agreements in respect of the disposition of such assets;

121. options, put and call arrangements, rights of first refusal and similar rights relating to investments in joint ventures, partnerships and the like;

122. the interest and title of a lessor or licensor under any lease, license, sublease or sublicense entered into by the Borrower or any Subsidiary in the ordinary course of business not securing Indebtedness and not in the aggregate materially detracting from the value of the properties or their use in the operation of the business of the Borrower and its Subsidiaries;

123. Liens on insurance policies and the proceeds thereof securing the financing of premiums with respect thereto, *provided* that such Liens shall not exceed the amount of such premiums so financed;

124. extensions, renewals or replacements of any Liens referred to in Section 6.02(b) in connection with the refinancing, refunding, extension, renewal, or replacement of the obligations secured thereby, *provided* that such Lien does not extend to any other property (other than improvements on such property) and, except as contemplated by the definition of "Permitted Refinancing Indebtedness", the amount secured by such Lien is not increased;

125. Liens of a collecting bank arising in the ordinary course of business;

126. Liens on Residual Interests securing Indebtedness permitted under Section 6.01(l);

127. Liens securing Indebtedness permitted under Section 6.01(m) and existing on property at the time of its acquisition or existing on the property of any Person at the time

such Person becomes a Subsidiary; provided that (i) such Lien was not created in contemplation of the relevant acquisition and (ii) such Lien does not extend to or cover any other assets or property (other than, with respect to such Person, any replacements of such property or assets and additions and accessions, proceeds and products thereto);

128. Liens on fixed or capital assets developed, acquired, constructed, purchased leased, repaired, maintained or improved by the Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness is permitted by Section 6.01(o), (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 365 days after the consummation of such development, acquisition, construction, purchase, lease, repair, maintenance or improvement and (iii) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary;

129. Liens on cash collateral to backstop letters of credit; and

130. Liens incurred with respect to any servicing account and servicing agreement entered into by the Borrower or any of its Subsidiaries in connection with any sale, assignment and transfer of Receivables to any Person that is not an Affiliate of the Borrower.

bi. Fundamental Changes.

131. Neither Holdings nor the Borrower will, or will permit any Subsidiary (other than any Specified Subsidiary) to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or otherwise Dispose of all or substantially all of its assets, or all or substantially all of the stock of any of its Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing, (i) any Subsidiary may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Subsidiary may merge into (A) any Subsidiary in a transaction in which the surviving entity is a Subsidiary~~,~~ or (B) any other Person in a transaction in which the surviving entity is a Subsidiary subject to compliance with Sections 5.09 and 6.04, (iii) any Subsidiary may Dispose of its assets to the Borrower or to another Subsidiary, (iv) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders, (v) the Borrower may merge into another Person or another person may merge into the Borrower if the Borrower is the surviving Person and (vi) the Borrower may merge or consolidate with a newly formed or incorporated Affiliate of the Borrower formed or incorporated solely for the purpose of changing the form of organization of the Borrower or reincorporating or reorganizing the Borrower in another state of the United States or may convert into a corporation, partnership or limited liability company, so long as the amount of Indebtedness of the Borrower is not increased thereby and there are no material adverse tax consequences from such conversion as reasonably determined by the Borrower. For the avoidance of doubt, this Section 6.03(a) shall not apply to any sale, assignment, transfer,

conveyance or other disposition of any assets in connection with any Permitted Securitization Indebtedness.

132. Neither Holdings nor the Borrower will, or will permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related, complementary, ancillary or incidental thereto or that constitute reasonable extensions thereof.

bj. Investment. Neither Holdings nor the Borrower will, or will permit any of its Subsidiaries (other than any Specified Subsidiary) to, directly or indirectly, make or own any Investment in any Person, except:

133. Investments existing on the date hereof;

134. Investments in any Loan Party;

135. Investments (including acquisitions) made when (i) no Default or Event of Default has occurred and is continuing or shall occur from the making of such Investment and (b) the Borrower and its Subsidiaries are in Financial Covenant Compliance at the time of and immediately after giving effect to such Investment;

136. Investments in Equity Interests of Securitization Subsidiaries arising in connection with Permitted Securitization Indebtedness;

137. accounts receivable, security deposits and prepayments arising and trade credit granted in the ordinary course of business;

138. Investments of a Subsidiary acquired after the Effective Date or of a person merged into the Borrower or a Subsidiary after the Effective Date, in each case to the extent that such Investments were not made in contemplation of or in connection with any such acquisition or merger;

139. Investments to the extent that payment for such Investments is made with Equity Interests (other than Disqualified Equity Interests) of Holdings;

140. Investments in Specified Subsidiaries not otherwise permitted pursuant to Section 6.04(c) in the ordinary course of business in an aggregate amount not to exceed $50,000,000 at any time outstanding; and

141. Cash Equivalents.

bk. Restrictive Agreements. Neither Holdings nor the Borrower will, or will permit any of its Subsidiaries (other than any Specified Subsidiary) to, directly or indirectly, enter into,

incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of any Subsidiary (other than any Specified Subsidiary) to pay dividends or other distributions with respect to any shares of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary (other than any Specified Subsidiary) or of any Subsidiary (other than any Specified Subsidiary) to Guarantee Indebtedness of the Borrower or any other Subsidiary (other than any Specified Subsidiary) under the Loan Documents; *provided* that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement or any other Loan Document, (ii) the foregoing shall not apply to prohibitions, restrictions and conditions existing on the date hereof (and any amendments or modifications thereof that do not materially expand the scope of any such prohibition, restriction or condition), (iii) the foregoing shall not apply to customary prohibitions, restrictions and conditions contained in agreements relating to the sale of a Subsidiary or assets of the Borrower or any Subsidiary pending such sale; *provided* such restrictions and conditions apply only to the Subsidiary or assets to be sold and such sale is not prohibited hereunder, (iv) the foregoing shall not apply to any agreement, prohibition, or restriction or condition in effect at the time any Subsidiary becomes a Subsidiary of the Borrower, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of the Borrower (and any amendments or modifications thereof that do not materially expand the scope of any such prohibition restriction or condition), (v) the foregoing shall not apply to customary provisions in joint venture agreements and other similar agreements applicable to joint ventures, (vi) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (vii) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses, sub-leases and sub-licenses and other contracts restricting the assignment thereof, (viii) the foregoing shall not apply to restrictions or conditions set forth in any agreement governing Indebtedness not prohibited by Section 6.01; provided that such restrictions and conditions are customary for such Indebtedness, (ix) the foregoing shall not apply to restrictions on cash or other deposits (including escrowed funds) imposed under contracts entered into in the ordinary course of business or restrictions imposed by the terms of a Lien permitted by Section 6.02 and (x) the foregoing shall not apply to encumbrances, restrictions, limitations, conditions or prohibitions in respect of Receivables subject to, and any other encumbrances, restrictions, limitations, conditions or prohibitions consisting of customary provisions in connection with, any Permitted Securitization Indebtedness.

bl. Dispositions. Neither Holdings nor the Borrower will, or will permit any of its Subsidiaries (other than any Specified Subsidiary) to, Dispose of (including, without limitation, any exclusive licensing of) any material intellectual property, that is used in and necessary for the operation of the business of the Borrower or such Subsidiaries (other than any Specified Subsidiary), if such Disposition would prohibit the Borrower or such Subsidiaries, as applicable, from utilizing such intellectual property.

bm. Restricted Payments. Neither Holdings nor the Borrower will, or will permit any of its Subsidiaries (other than any Specified Subsidiary) to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, unless (a) no Default or Event of Default has occurred and is continuing or shall occur from the making of such Restricted Payment and (b) the Borrower and its Subsidiaries are in Financial Covenant Compliance at the time of and immediately after giving effect to such Restricted Payment.

bn. Transactions with Affiliates. Neither Holdings nor the Borrower will, or will permit any of its Subsidiaries (other than any Specified Subsidiary) to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions involving an aggregate payment or consideration in excess of $1,000,000 individually or $10,000,000 in the aggregate with, any of its Affiliates, except:

142. in the ordinary course of business;

143. at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties;

144. transactions between or among the Loan Parties;

145. any transactions permitted by Sections 6.01, 6.03, 6.04 or 6.07;

146. transactions pursuant to any contract or agreement or investment (including guarantee) in effect on the Effective Date and set forth on Schedule 6.07, as amended, modified or replaced from time to time, or similar transactions, so long as the amended, modified or new agreements, taken as a whole, are no more disadvantageous to the Lenders in any material respect than those in effect on the Effective Date (as determined by the Borrower in good faith); *provided* that with respect to the modification, amendment or replacement of any such transaction in existence as of the Effective Date on substantially comparable terms, such threshold shall be calculated only with respect to the amount of any net increase in the value of such transaction as a result of such modification, amendment or replacement rather than the aggregate value;

147. the payment of reasonable and customary regular fees to directors of Holdings and the Borrower who are not employees of Holdings and the Borrower and the provision of customary indemnities to directors, officers or employees of Holdings, the Borrower and their Subsidiaries in their capacities as such;

148. transactions, agreements, plans, arrangements or payments pursuant to any employee, officer or director compensation or benefit, travel, relocation or expense advance plans or arrangements;

149. transactions in connection with any Permitted Securitization Indebtedness;

150. mortgage loans provided to officers, directors or employees on terms consistent with past practice;

151. licensing of intellectual property rights (whether as licensor or licensee);

152. transactions (including pursuant to joint venture agreements) with customers, clients, suppliers, any Person in which the Borrower or any Subsidiary has made an investment or holds an interest as a joint venture partner (and such Person is an Affiliate solely because of such Investment or interest) or others that are Affiliates of the Borrower, in each case in the ordinary course of business;

153. leases of real property entered into in the ordinary course of business on terms not materially less favorable to the Borrower and its Subsidiaries than could be obtained at the time in an arm's length transaction with a Person who was not an Affiliate (as determined in good faith by management of the Borrower);

154. sales of Qualified Equity Interests by the Borrower or any Subsidiary and capital contributions to the Borrower from Affiliates;

155. any transaction in which the Borrower or any Subsidiary delivers to the Administrative Agent a written opinion from a nationally or regionally recognized investment banking, accounting or appraisal firm as to (i) the fairness of the transaction to the Borrower and its Subsidiaries from a financial point of view or (ii) that such transaction is not materially less favorable to the Borrower and its Subsidiaries than could be obtained at the time in an arm's length transaction with a Person who was not an Affiliate; or

156. any agreement between a Person and an Affiliate of such Person existing at the time such Person is acquired by, or merged into, the Borrower or a Subsidiary and not entered into in contemplation of such acquisition or merger.

bo. Restricted Debt Payments. Neither Holdings nor the Borrower will, or will permit any Subsidiary (other than any Specified Subsidiary) of the Borrower to, voluntarily prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Subordinated Debt, or make any payment in violation of any subordination terms to which any Subordinated Debt is subject. For the avoidance of doubt, any mandatory or regularly scheduled payments, that are otherwise permitted by the terms of the respective subordination agreement, are not prohibited by this Section 6.09.

bp. Financial Covenants. The Borrower will not permit (each of the clauses (a) through (d) below, a "Financial Covenant"):

157. on the last day of any fiscal quarter ending after the date hereof, the Leverage Ratio to exceed 1.5 to 1.0;

158. [reserved];

159. at any time while any Revolving Loan in a principal amount of at least $1 is outstanding, the Unrestricted Cash to be less than 100% of the aggregate amount of the Commitments; or

160. on the last day of any fiscal quarter ending after the date hereof, the Tangible Net Worth of Holdings and its consolidated Subsidiaries (other than Specified Subsidiaries) to be less than the Tangible Net Worth Level at such time.

ARTICLE VII.

EVENTS OF DEFAULT

bq. Events of Default. If any of the following events ("Events of Default") shall occur:

161. the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

162. the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

163. any representation or warranty made or deemed made by or on behalf of Holdings, the Borrower or any Subsidiary in this Agreement, any other Loan Document, or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any other Loan Document, or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

164. Holdings, the Borrower or any Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (with respect to the Borrower's existence only) or 5.08 or in Article VI;

165. Holdings, the Borrower or any Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b), (c) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

166. Holdings, the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest) in respect of any Material Obligation, when and as the same shall become due and payable (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure shall have continued after the applicable grace period, if any;

167. any event, condition or default occurs that results in any Material Obligation becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both but with all applicable grace periods in respect of such event or condition under the documentation representing such Material Obligation having expired) the holder or holders of such Material Obligation or any trustee or agent on its or their behalf to cause such Material Obligation to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (x) any requirement to, or any offer to, repurchase, prepay or redeem any Material Obligation of a Person acquired in an acquisition permitted hereunder, to the extent such offer is required as a result of, or in connection with, such acquisition or (y) an early payment requirement, unwinding or termination with respect to any Hedging Agreement except an early payment, unwinding or termination that results from a default or non-compliance thereunder by the Borrower or any Subsidiary, or another event of the type that would constitute an Event of Default;

168. Holdings, the Borrower or any Significant Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors;

169. Holdings, the Borrower or any Significant Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

170. one or more judgments for the payment of money in an aggregate amount equal to or exceeding $15,000,000 shall be rendered against Holdings, the Borrower, any

Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed or vacated; provided, that any such amount shall be calculated after deducting from the sum so payable any amount of such judgment or order that is covered by a valid and binding policy of insurance in favor of Holdings, the Borrower or such Subsidiary (but only if the applicable insurer shall have been advised of such judgment and of the intent of Holdings, the Borrower or such Subsidiary to make a claim in respect of any amount payable by it in connection therewith and such insurer shall not have disputed coverage);

171. an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

172. a Change in Control shall occur;

173. this Agreement or any other Loan Document is not in full force and effect, or the Borrower or any Guarantor claims to such effect in writing;

174. (i) commencing February 28, 2021, the 3-Month Rolling Average Delinquent Receivable Ratio shall exceed 10% or (ii) the Cumulative Default Ratio for any three or more Quarterly Vintages (commencing with the Quarterly Vintage for the calendar quarter ending March 31, 2021) shall exceed 12%; or

175. there shall occur any changes in laws or regulations applicable to the business of Holdings, the Borrower and its Subsidiaries, including without limitation, those with respect to consumer financing, that would reasonably expected to have a Material Adverse Effect.

br. Remedies Upon an Event of Default. If an Event of Default occurs (other than an event with respect to the Borrower described in Sections 7.01(h) or 7.01(i)), and at any time thereafter during the continuance of such Event of Default, the Administrative Agent may with the consent of the Required Lenders, and shall at the request of the Required Lenders, by notice to the Borrower, take any or all of the following actions, at the same or different times:

176. terminate the Commitments, and thereupon the Commitments shall terminate immediately;

177. declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder and under any other Loan Document, shall become due and payable

immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower;

178. exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and Applicable Law.

If an Event of Default described in Sections 7.01(h) or 7.01(i) occurs with respect to the Borrower, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder and under any other Loan Document including any break funding payment or prepayment premium, shall automatically become due and payable, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

bs. Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Administrative Agent by the Borrower or the Required Lenders, all payments received on account of the Obligations shall, subject to Section 2.20, be applied by the Administrative Agent as follows:

xxv.first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts payable to the Administrative Agent (including fees and disbursements and other charges of counsel to the Administrative Agent payable under Section 9.03 and amounts pursuant to Section 2.12(b) payable to the Administrative Agent in its capacity as such);

xxvi.second, to payment of that portion of the Obligations constituting fees, expenses, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees and disbursements and other charges of counsel to the Lenders payable under Section 9.03) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

xxvii.third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;

xxviii.fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans;

xxix.fifth, to the payment in full of all other Obligations, in each case ratably among the Administrative Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

xxx.finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by law.

ARTICLE VIII.

THE ADMINISTRATIVE AGENT

bt. Authorization and Action.

179. Each Lender hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent under the Loan Documents and each Lender authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, and to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

180. As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Loan Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender; *provided however*, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Lenders with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; *provided further*, that the Administrative Agent may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall

require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

181. In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

xxxi.the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender, other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and/or the transactions contemplated hereby;

xxxii.nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account;

182. The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of their respective duties and exercise their respective rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

183. None of any Syndication Agent, any Documentation Agent, any Bookrunner or any Arranger shall have obligations or duties whatsoever in such capacity under

this Agreement or any other Loan Document and shall incur no liability hereunder or thereunder in such capacity, but all such persons shall have the benefit of the indemnities provided for hereunder.

184. In case of the pendency of any proceeding with respect to the Borrower under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

xxxiii.to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.17 and 9.03) allowed in such judicial proceeding; and

xxxiv.to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

185. The provisions of this Article are solely for the benefit of the Administrative Agent, and the Lenders, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions.

bu. Administrative Agent's Reliance, Limitation of Liability, Etc.

186. Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by such party, the Administrative Agent or any of its Related Parties under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders (or such other number or

percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and non-appealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page) or for any failure of the Borrower to perform its obligations hereunder or thereunder.

187. The Administrative Agent shall be deemed not to have knowledge of any (i) notice of any of the events or circumstances set forth or described in Section 5.02 unless and until written notice thereof stating that it is a "notice under Section 5.02" in respect of this Agreement and identifying the specific clause under said Section is given to the Administrative Agent by the Borrower, or (ii) notice of any Default or Event of Default unless and until written notice thereof (stating that it is a "notice of Default" or a "notice of an Event of Default") is given to the Administrative Agent by the Borrower or a Lender. Further, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default or Event of Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items (which on their face purport to be such items) expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent.

188. Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) may rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Borrower), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender and shall not be responsible to

any Lender for any statements, warranties or representations made by or on behalf of the Borrower in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender sufficiently in advance of the making of such Loan and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

bv. Posting of Communications.

189. The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

190. Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

191. THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR

A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER, ANY BOOKRUNNER, ANY DOCUMENTATION AGENT, ANY SYNDICATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender or by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

192. Each Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

193. Each of the Lenders and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

194. Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

bw. The Administrative Agent Individually. With respect to its Commitment and Loans, the Person serving as the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender. The terms "Lenders", "Required Lenders" and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative

Agent in its individual capacity as a Lender or as one of the Required Lenders, as applicable. The Person serving as the Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust or other business with, the Borrower, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders.

bx. Successor Administrative Agent.

195. The Administrative Agent may resign at any time by giving 30 days' prior written notice thereof to the Lenders and the Borrower, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be subject to the prior written approval of the Borrower (which approval may not be unreasonably withheld and shall not be required while an Event of Default under Sections 7.01(a), (b), (h) or (i) has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents.

196. Notwithstanding paragraph (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; *provided* that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other

communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

by. Acknowledgements of Lenders.

197. Each Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility, (ii) it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender, in each case in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, any Arranger, any Bookrunner, any Syndication Agent, any Documentation Agent or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger, any Bookrunner, any Syndication Agent, any Documentation Agent or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

198. Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

bz. Certain ERISA Matters.

199. Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and each Bookrunner and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

xxxv.such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans or the Commitments,

xxxvi.the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

xxxvii.(A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

xxxviii.such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

200. In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each

Bookrunner and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, or any Arranger, Bookrunner, any Syndication Agent or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

201. The Administrative Agent, and each Arranger, Bookrunner, Syndication Agent and Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE IX.

MISCELLANEOUS

ca. Notices.

202. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

xxxix.if to the Borrower, to it at 650 California Street, San Francisco, CA 94108, Attention of Chief Legal Officer, email: legal@affirm.com; telephone: (855) 423-3729;

xl.if to the Administrative Agent, to

MORGAN STANLEY SENIOR FUNDING, INC.
1300 THAMES STREET, 4TH FLOOR
THAMES STREET WHARF
BALTIMORE, MD, 21231

Group Hotline: (917) 260-0588
Email for Borrowers: AGENCY.BORROWERS@morganstanley.com
Email for Lenders: MSAGENCY@morganstanley.com
For all data site postings, please send to: Borrower.Documents@morganstanley.com

xli.if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

203. Notices and other communications to the Borrower and the Lenders hereunder may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

204. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

205. Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

cb. Waivers; Amendments.

206. No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or

partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default or Event of Default at the time.

207. Subject to Section 2.14 and Section 9.02(c) below, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; *provided* that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.09(c) or 2.18(b) or (c) in a manner that would alter the ratable reduction of Commitments or the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change the payment waterfall provisions of Section 2.20(b) or 7.03 without the written consent of each Lender, (vi) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (vii) release all or substantially all of the value of the Guaranty, without the written consent of each Lender, (viii) amend or waive any condition precedent set forth in Article IV, without the written consent of each Lender or (ix) subordinate any of the Obligations to any other Indebtedness or obligations, without the written consent of each Lender; *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

208. If the Administrative Agent and the Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission,

mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

cc. Expenses; Limitation of Liability; Indemnity, Etc.

209. Expenses. The Borrower shall pay (i) all reasonable and documented out of pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facility provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

210. Limitation of Liability. To the extent permitted by applicable law (i) the Borrower shall not assert, and the Borrower hereby waives, any claim against the Administrative Agent, any Arranger, any Bookrunner, any Syndication Agent, any Documentation Agent and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof; *provided* that, nothing in this Section 9.03(b) shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee, as provided in Section 9.03(c), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

211. Indemnity. The Borrower shall indemnify the Administrative Agent, each Arranger, each Bookrunner, each Syndication Agent, each Documentation Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all Liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any

agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by Holdings, the Borrower or any of their Subsidiaries, or any Environmental Liability related in any way to Holdings, the Borrower or any of their Subsidiaries or (iv) any actual or prospective Proceeding relating to any of the foregoing, whether or not such Proceeding is brought by the Borrower or its equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such Liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the bad faith, gross negligence or willful misconduct of such Indemnitee. This Section 9.03(c) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

212. Lender Reimbursement. Each Lender severally agrees to pay any amount required to be paid by the Borrower under paragraphs (a), (b) or (c) of this Section 9.03 to the Administrative Agent, and each Related Party of any of the foregoing Persons (each, an "Agent-Related Person") (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Applicable Percentage in effect on the date on which such payment is sought under this Section (or, if such payment is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Applicable Percentage immediately prior to such date), from and against any and all Liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent-Related Person in any way relating to or arising out of the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent-Related Person under or in connection with any of the foregoing; *provided* that the unreimbursed expense or Liability or related expense, as the case may be, was incurred by or asserted against such Agent-Related Person in its capacity as such; *provided further* that no Lender shall be liable for the payment of any portion of such Liabilities, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from such Agent-Related Party's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

213. Payments. All amounts due under this Section 9.03 shall be payable promptly after written demand therefor.

cd. Successors and Assigns.

214. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent) any legal or equitable right, remedy or claim under or by reason of this Agreement.

215.

xlii. Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

e. the Borrower; *provided* that the Borrower shall be deemed to have consented to an assignment of all or a portion of the Revolving Loans and Commitments unless it shall have objected thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; *provided further*, that no consent of the Borrower shall be required for an assignment to a Lender or an Affiliate of a Lender or, if an Event of Default under Sections 7.01(a), (b), (h) or (i) has occurred and is continuing, any other assignee;

f. the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for an assignment to a Lender or an Affiliate of a Lender; and

xliii. Assignments shall be subject to the following additional conditions:

g. except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower and

the Administrative Agent otherwise consent; *provided* that no such consent of the Borrower shall be required if an Event of Default under Sections 7.01(a), (b), (h) or (i) has occurred and is continuing;

h. each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

i. the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500; and

j. the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its related parties or its securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

xliv.Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

xlv.The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent

and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

xlvi.Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; *provided* that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to 2.07(b), 2.18(d) or 9.03(d), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

216. Any Lender may, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant"), other than an Ineligible Institution, in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i), (ii) or (iii) the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Sections 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender and the information)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.19 as if it

were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

217. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

ce. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the

Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans and the Commitments or the termination of this Agreement or any provision hereof.

cf. Counterparts; Integration; Effectiveness; Electronic Execution.

218. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

219. Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; *provided* that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; *provided further*, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower without further verification thereof and without any obligation to review the appearance or form of any such

Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

cg. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

ch. Reserved.

ci. Governing Law; Jurisdiction; Consent to Service of Process.

220. This Agreement and the other Loan Documents shall be construed in accordance with and governed by the law of the State of New York.

221. Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Agreement, any other Loan Document or the consummation or administration of the

transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

222. Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

223. Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (c) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

224. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

cj. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER

PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

ck. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

cl. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), subject to, except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any regulatory authority or self-regulatory authority exercising examination or regulatory authority, informing the Borrower promptly prior to such disclosure to the extent practicable and not prohibited by applicable law, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, subject to, except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any regulatory authority or self-regulatory authority exercising examination or regulatory authority, informing the Borrower promptly prior to such disclosure to the extent practicable and not prohibited by applicable law, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder or under any other Loan Document, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) on a confidential basis to (1) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (2) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of identification numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower or (i) to the extent such Information (1) becomes publicly available other than as a result of a breach of this Section, (2) is independently developed by the Administrative Agent or any Lender or any of their Affiliates or (3) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to

disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

cm. Material Non-Public Information.

225. **EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.**

226. **ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER AND ITS RELATED PARTIES OR ITS SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.**

cn. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be

increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.

co. No Fiduciary Duty, Etc.

227. The Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm's length contractual counterparty to the Borrower with respect to the Loan Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, the Borrower or any other person. The Borrower agrees that it will not assert any claim against any Credit Party based on an alleged breach of fiduciary duty by such Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, the Borrower acknowledges and agrees that no Credit Party is advising the Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the other Loan Documents, and the Credit Parties shall have no responsibility or liability to the Borrower with respect thereto.

228. The Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower and other companies with which the Borrower may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

229. In addition, the Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from the Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with the Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit Party will furnish any such information to other companies. The Borrower also acknowledges that no Credit Party has any obligation to

use in connection with the transactions contemplated by the Loan Documents, or to furnish to the Borrower, confidential information obtained from other companies.

cp. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act of 2001 (the "Patriot Act") and the requirements of the Beneficial Ownership Regulation hereby notifies the Borrower and the Guarantors that pursuant to the requirements of the Patriot Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrower and the Guarantors, which information includes the name and address of the Borrower and the Guarantors and other information that will allow such Lender to identify the Borrower and the Guarantors in accordance with the Patriot Act and the Beneficial Ownership Regulation.

cq. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

230. the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

231. the effects of any Bail-In Action on any such liability, including, if applicable:

xlvii. a reduction in full or in part or cancellation of any such liability;

xlviii. a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

xlix. the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

AFFIRM, INC.

By: _____

Name:

Title:

MORGAN STANLEY SENIOR FUNDING, INC., individually and as Administrative Agent,

By: _____

Name:

Title:

[LENDER], as a Lender

By: _____

Name:

Title:

Exhibit 10.3

Certain identified information in this document has been excluded because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed, and has been marked with "[***]" to indicate where omissions have been made.

AMENDMENT NO. 1 TO

CUSTOMER INSTALLMENT PROGRAM AGREEMENT

This AMENDMENT NO. 1 TO CUSTOMER INSTALLMENT PROGRAM AGREEMENT (this "**Amendment**") is entered into and made effective as of February 26, 2021 (the "Amendment **Effective Date**") and amends the Customer Installment Program Agreement, dated July 16, 2020 (the "**Agreement**"), by and between Shopify Inc., a Canadian corporation ("**Shopify**"), and Affirm, Inc., a Delaware corporation ("**Affirm**"). Capitalized terms used but not defined herein shall have the same meaning as those in the Agreement.

WHEREAS, Section 30 of the Agreement provides that no modification of the Agreement shall be effective unless made in writing and duly signed by the Parties referring specifically to the Agreement; and

WHEREAS, pursuant to Section 30 of the Agreement, the Parties desire to amend the Agreement to the extent set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Effective as of the Amendment Effective Date, the Agreement shall be amended as set forth in the attached changed sections/items of the "Terms and Conditions," Exhibit A, Exhibit, C, Exhibit D and Exhibit E.

2. Effect of Amendment. This Amendment shall not constitute an amendment or waiver of any provision of the Agreement not expressly amended or waived herein and shall not be construed as an amendment, waiver or consent to any action that would require an amendment, waiver or consent except as expressly stated herein. The provisions and agreements set forth herein shall not establish a custom or course of dealing or conduct among the Parties. The Agreement, as amended by this Amendment, is and shall continue to be in full force and effect and is in all respects ratified and confirmed hereby. In the event of any inconsistency, conflict or ambiguity as to the rights and obligations of the Parties under this Amendment, the terms of this Amendment shall control and supersede any such inconsistency, conflict or ambiguity.

3. Reference to the Agreement. After giving effect to this Amendment, unless the context otherwise requires, each reference in the Agreement to "this Agreement", "hereof", "hereunder", "herein" or words of like import referring to the Agreement shall refer to the Agreement as amended by this Amendment; *provided that* references in the Agreement to "as of the date hereof" or "as of the date of this Agreement" or words of like import shall continue to refer to July 16, 2020.

4. Miscellaneous. The provisions of Sections 23 (Notices), and Sections 28-31, and 33 of the Agreement shall apply to this Amendment *mutatis mutandis* as if set forth herein to the extent applicable.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed by their authorized representatives below.

Shopify Inc.	**Affirm, Inc.**
Signature:	**Signature**:
Name: Amy Shapero	**Name**: Max Levchin
Title: Chief Financial Officer	**Title**: Chief Executive Officer
Date:	**Date:**

Notices. Notices required under this Agreement shall be delivered pursuant to Section 23 (Notice), and addressed as set forth below:

If to Shopify:

Shopify Inc.
150 O'Connor Street, Ground Floor
Ottawa, ON
K2P 2L8
Canada
[***]

If to Affirm:

Affirm, Inc.
650 California Street, 12th Floor
San Francisco, CA 94108
Attention: Chief Legal Officer
[***]

AMENDED TERMS AND CONDITIONS

The following terms and conditions are intended to be added to the Agreement and, where such terms conflict with an existing section in the Agreement, entirely replace such section of the Agreement.

Each of the amended sections below shall entirely replace those same sections in the Agreement. Sections that are not amended or replaced herein shall remain unmodified as expressly stated in the Agreement.

4. Shopify Obligations.

4.1 Shopify shall, for the term of this Agreement, as directed by Affirm as the Customer underwriter and servicer of the Program(s), host the user experience/interface for Eligible Merchants and Customers (the "**Platform**") and the customer portal through Shopify's website and/or mobile application (the "**SHOP App**"). Shopify's role will be limited to developing and maintaining the Platform and SHOP App and providing the Platform/SHOP App to its Eligible Merchants and Customers for Affirm to offer the Financial Product to Customers through the Platform and SHOP App and as otherwise stated in this Article 4. Shopify agrees to configure and maintain the Platform and SHOP App in a manner that will allow Affirm to perform its obligations in a legally compliant manner through the Platform and SHOP App, including without limitation, distribution of Customer Agreements and servicing of loans. Shopify shall enable Affirm to distribute, or shall distribute in accordance with requirements from Affirm, the Customer Agreements, disclosures, amendments and Customer communications referenced in Sections 5.2 and 5.4.

4.2 Shopify, at its sole expense, may from time-to-time market the Program and Financial Products to Merchants in accordance with this Agreement; such requirements may be modified if required to ensure continued compliance with Applicable Law or if required in writing by a Regulatory Authority. Shopify agrees to work in good faith with Affirm on all marketing-related activities and mutually agree where possible on marketing programs and practices. Shopify further agrees to work in good faith with Affirm to modify marketing materials if Affirm believes such modification is necessary or advisable to avoid reputational damage to Affirm or Shopify or to reduce risk to Affirm or Shopify.

4.3 Merchant underwriting and Know Your Customer (KYC) compliance reviews will be performed as set forth in the Program Outline.

4.4 Shopify shall execute (or cause to be executed, in the case of an agreement between an Eligible Merchant and Affirm) any and all necessary agreements with Eligible Merchants that will be participating in the Program. Shopify will collect evidence (i.e., name of Eligible Merchant and Eligible Merchant URL) of an Eligible Merchant's acceptance of Affirm's terms and conditions for Affirm's record keeping and will promptly provide such evidence to Affirm upon activation of an Eligible Merchant account. Shopify will provide the timestamp of an Eligible Merchant's termination of Affirm's terms and conditions within one day of such termination or as otherwise mutually agreed by the Parties. Upon reasonable request, Shopify will provide the following data related to an Eligible Merchant's agreement to Affirm's terms and conditions: agreement version, and name and email of the authorized signatory. Shopify will monitor Eligible Merchants and use commercially reasonable efforts to ensure that Eligible Merchants are not engaged in prohibited businesses, as set forth in Exhibit D (the "**Prohibited Business Policy**"), which may be updated by Affirm from time to time in consultation with Shopify. The Parties will make good faith efforts to mutually agree upon controls to block or prohibit instances of Prohibited Business Policy violations. If Shopify becomes aware of a Merchant's violation of Applicable Law or its violation of the Prohibited Business Policy, Shopify will [***] notify Affirm of any such violation as soon as practicable but no later than within [***]. Shopify will work in good faith with Affirm to come to a mutually agreeable arrangement regarding how to communicate and provide notification as needed regarding material violations of the Prohibited Business Policy as well as ensure that the necessary agreements with Eligible Merchants address any marketing restrictions required by Affirm based on Applicable Law.

4.11 As of the Amendment Effective Date, Shopify may, with Affirm's support and in accordance with Affirm's instructions, (a) provide post-purchase Customers with access to information about the Customer's Financial Product; and (b) perform certain post-purchase functions (which may include, without limitation, account maintenance and sending push notifications to Customers) for Customers in connection with the Financial Product, as mutually agreed upon by the [***] (the "**Customer Engagement Functionality**"). For the avoidance of doubt, Customer Engagement Functionality applies only to Customer post-purchase activity regarding the Financial Product on the Shop App and not the SHOP App in its entirety.

4.11.1 Affirm will provide Shopify with an API key and content, including disclosures (as applicable), for the sole purpose of enabling Shopify to provide and maintain the Customer Engagement Functionality during the Term. The API key(s) and any content provided by Affirm to Shopify in connection with the Customer Engagement Functionality are Affirm Materials and subject to, without limitation, Section 8.2.

4.11.2 Each Party shall at all times comply with Applicable Law and requirements of Regulatory Authorities with respect to the Customer Engagement Functionality. In order for Affirm to fulfill its obligations as a servicer of the Financial Product, Shopify shall comply with all instructions and guidance from Affirm related to the Customer Engagement Functionality, as may be modified from time to time in Affirm's sole discretion in order to comply with Applicable Law. Shopify shall design the Customer Engagement Functionality in consultation with Affirm, provided that Affirm shall have the final right of approval over the Customer Engagement Functionality design, functionality, features, and content. Shopify agrees to notify Affirm in writing in advance of any changes to the Customer Engagement Functionality and to consult with Affirm about such changes, provided that Affirm shall have the final right of approval over any such change. In addition, Affirm shall have the right to request reasonable reporting and a reasonable review of Shopify's performance of the Customer Engagement Functionality, including any communications to Customers related to the Customer Engagement Functionality. Any deficiencies identified by Affirm shall be [***] addressed by Shopify. Affirm shall have the right to require that Shopify suspend the Customer Engagement Functionality with respect to the Program (with costs to be paid by Shopify) if Affirm determines, in good faith and based on the advice of counsel, that [***].

4.11.3 Notwithstanding Exhibit C and in a manner mutually agreed by the Parties and approved by Affirm, each page related to servicing in the Customer Engagement Functionality where Shop Pay branding is present, and at a minimum on the first page related to servicing, shall display (i) Affirm Marks; and (ii) a hyperlink to an in- SHOP App browser to Affirm's customer portal. Affirm shall display (i) Shopify Marks; and (ii) a hyperlink to the SHOP App in the loan detail section of Affirm's customer portal for each Financial Product.

4.11.4 In addition to the Customer Engagement Functionality on the SHOP App, all Customer Financial Product and account information will be viewable and accessible by the Customer on Affirm's website and/or mobile application with certain functionality as mutually agreed by the Parties in writing. For avoidance of doubt, Affirm financial products that are unrelated to the Program will not be viewable or accessible in the SHOP App.

4.11.5 Shopify agrees that it shall not send a push notification to a Customer who is delinquent in repayment of a Financial Product.

4.11.6 Except to the extent Affirm directly causes the act or omission, Shopify shall be liable for its acts or omissions, and the acts or omissions of a third party acting on Shopify's behalf, with respect to its obligations under this Section 4.11.

5. Affirm Obligations.

5.2 Affirm, at its sole expense and in consultation with Shopify, shall: (i) develop all Customer agreements and disclosures governing or related to the Financial Product(s) ("**Customer Agreements**"); (ii) develop all Merchant agreements governing or related to the Financial Product ("**Merchant Agreements**"); and (iii) be responsible for ensuring Customer Agreements comply with Applicable Law. At Program Launch, the Parties shall distribute Customer Agreements and Merchant Agreements that are substantially similar to, and no less protective than, those included in Exhibit E. The terms and conditions of the Customer Agreements must set forth, at a minimum, the following terms: (a) the contracting party under each Customer Agreement; (b) the lender or provider of the Financial Product; and (c) all disclosures required

by Applicable Law. All Customer Agreements shall be drafted in consultation with Shopify, provided that to the extent such Customer Agreement contains language required by Applicable Law or Regulatory Authority, such language shall not be subject to negotiation; and provided further that, Affirm shall have the final right of approval over any such Customer Agreements. The relationship with each Customer in connection with the Program shall be jointly owned by Affirm and Shopify. The Parties acknowledge and agree that the content of all Customer communications provided or developed by Affirm, as mutually agreed by the Parties in connection with the Program, including, without limitation, any statements or disclosures and Customer Agreement, to the extent unmodified by Shopify or a third party on Shopify's behalf without Affirm's express prior written consent, shall be the responsibility of Affirm, and shall include each Party's Marks (use of Shopify's Marks shall be subject to Shopify's approval). For the avoidance of doubt, Affirm shall be responsible for ensuring all Program Materials and Customer communications provided or developed by Affirm, to the extent unmodified by Shopify or a third party on Shopify's behalf without Affirm's express prior written consent, including, without limitation, any statements or disclosures and Customer Agreements, comply with Applicable Law and any policies and procedures required by Regulatory Authority. The channel and means of distributing Customer Agreements shall be via email, on Shopify's Platform, through Shopify's SHOP App, or as otherwise required pursuant to Applicable Law; provided that, if Shopify fails to distribute Customer Agreements, Affirm shall have a right to do so using any means available under Applicable Law.

5.4 Except as stated in this Agreement and to the extent certain functionality is provided in the SHOP App (in which case Shopify shall be responsible for such functionality and communications provided to Customers by Shopify at Affirm's direction), Affirm shall be responsible for all customer service and communications that it provides to Customers, as agreed by the Parties, including in connection with any Customer-related complaints, questions or requests it receives. Affirm shall develop, in consultation with Shopify, standardized communications to Customers for servicing of the Financial Product (which may include, for example, push notifications sent by Shopify on behalf of Affirm); provided that to the extent such communications contain language required by Applicable Law, such language shall not be subject to negotiation; and provided further that Affirm shall have the final right of approval over any such communications. Affirm shall develop and maintain an internet website or portal that performs customer service functions, such as taking payments and account maintenance, for Customers in connection with the Financial Product, to be branded with the marks of Affirm and Shopify. Affirm will provide Shopify with its complaint policy and procedure documents (the "**Complaint Policy**"). Affirm agrees to notify Shopify of any material updates to such Complaint Policy. The Complaint Policy will include provisions for tracking and reporting Customers' complaints from initial contact to resolution, regardless of the recipient of the complaint (i.e., complaint received by Affirm or by Shopify). Affirm shall promptly (within [***] business days) notify Shopify when Affirm receives a written or verbal Customer complaint that is directed or referred to any state attorney general, Regulatory Authority, or governmental figure (including a state or federal legislator) relating to the Program and that specifically refers to the actions or inactions of Shopify. Shopify shall promptly (within [***] business days) notify Affirm when Shopify receives a written or verbal Customer complaint that is directed or referred to any state attorney general, Regulatory Authority, or governmental figure (including a state or federal legislator) relating to the Program and that refers to the actions or inactions of Affirm or the Customer Engagement Functionality. Each Party shall maintain a record and log of all such

Customer-related complaints, questions, or requests and, unless otherwise prohibited by Applicable Law, provide such log to the other Party on a monthly basis at its request.

5.5 Affirm shall have the right to terminate or suspend any Eligible Merchant's participation in the Program in accordance with terms of the applicable Merchant Agreement, including, but not limited to, the right to terminate or suspend such Eligible Merchant in connection with elevated fraud or loss activity; provided that Affirm shall use commercially reasonable efforts to provide Shopify with at least [***] notice of such termination or suspension, so that Shopify can communicate directly with the Merchant. Any such termination or suspension shall be effectuated by Shopify promptly in accordance with the SLAs set forth in this Agreement.

7.2.3 Certain Functions of the Committee.

7.2.3.4 propose and evaluate any operational implementation of material changes to the Program Outline, and any material changes to pricing or fees in the Program Outline or Addendum A-2 to Exhibit A;

10. Compensation, Expenses and Taxes.

10.1 Compensation. All fees not expressly set forth in this Agreement must be expressly and mutually agreed to in the Program Outline. Except as expressly set forth in this Agreement, Shopify will have no other payment obligations for fees to Affirm.

10.2 Expenses. Except as otherwise set forth in this Agreement, each Party shall be responsible for its costs and expenses incurred in performance of its obligations under this Agreement. Unless otherwise stated in the Program Outline, Shopify shall be responsible for advertising and other expenses associated with the marketing of the Program to Merchants and the Customer Engagement Functionality. Unless otherwise stated in the Program Outline, Affirm shall be responsible for its own costs and overhead generated from its review, assessment and development of the Program, and costs associated with or required to establish and maintain the Financial Product.

11.4 Shopify Notification of Significant Events. Shopify shall notify Affirm in writing [***] of any material adverse catastrophic events that adversely affect Shopify's performance of its obligations under this Agreement or of regulatory enforcement actions or investigations that will or reasonably could adversely affect its performance of its obligations under this Agreement. Unless prohibited by law, Shopify shall also notify Affirm [***] of any communications from a Regulatory Authority, other bona fide third party with regulatory or other legitimate authority over Shopify, or nationally-recognized industry groups (such as the Better Business Bureau) [***].

11.5 Affirm Notification of Significant Events.

11.5.3 [***] (as permitted under Applicable Law) of any Affirm significant financial distress, material adverse catastrophic events affecting Affirm and significant incidents, including: service or Affirm's Systems interruptions, material compliance lapses, regulatory enforcement actions or investigations that will or reasonably could adversely affect its performance of its obligations under this Agreement. For avoidance of doubt, Affirm is not required to share any information that Affirm determines may constitute NPI.

12. Representations, Warranties and Covenants.

12.1 Affirm Representations, Warranties and Covenants

Section 12.1.11 shall be deleted in its entirety from the Agreement and shall be replaced with "INTENTIONALLY OMITTED."

14. Customer Information, Merchant Information and Program Information.

14.4 Exceptions and Additional Obligations. Without waiving any of its rights under Sections 11, 13, 14.2 and 14.3, [***] may retain and use: (a) [***] (b) [***]. For the avoidance of doubt, [***] is not required to change its hard-coded [***], other models, automated backups, [***] Systems or records that may contain [***] added/embedded into them, but it has no right to use any such information independently or separate from such models. Without limiting anything set forth in this Section 14, to the extent [***] does not have access to [***] directly, during the term of Agreement or post-termination of the Agreement, [***] shall provide all such [***] except as permitted under Applicable Law [***] to [***] in accordance with Applicable Law and [***] privacy policy. Notwithstanding the limitations and rights set forth in this Section 14, and only as expressly stated herein and as expressly agreed to by the Parties, the Parties commit to support, and will work in good faith to (a) enable growth initiatives designed to enhance the consumer brand and consumer experience of each of Shopify and Affirm, respectively; (b) optimize the Customer's onboarding and user experience for the Financial Product and, upon the Customer Engagement Effective Date, permit Customers to access the Customer Engagement Functionality in accordance with Section 4.11; and (c) optimize the Customer's onboarding and user experience for any other installments products the Parties mutually agree to launch consistent with Section 36.

17. Indemnification

17.2 **Shopify Indemnification**. Subject to the provisions of Section 18 (Exclusion of Damages and Limitation of Liability), Shopify will defend, indemnify and hold harmless Affirm and its Affiliates, and the employees, officers and directors of Affirm and its Affiliates (each, an "**Affirm Indemnified Party**") against all third party Losses of the Affirm Indemnified Party (including reasonable attorney's fees) to the extent the Losses arise out of, are in connection with, or relate to: (i) Shopify's breach of Applicable Law; (ii) Shopify's breach of any representation, warranty, obligation or covenant under this Agreement; (iii) Shopify's gross negligence or willful misconduct; (iv) a Security Breach to Shopify Systems impacting the SHOP Portal, SHOP App or GLBA NPI; (v) any claims, other those claiming a violation of Intellectual Property Rights, by a Customer or a Merchant relating to the Platform or the SHOP App; (vi) Merchant claims for which Shopify is liable pursuant to the terms of this Agreement; or (vii) a Regulatory Authority fining or penalizing Affirm as a direct result of Shopify's violation of the law in rendering its performance with respect to the Program and Financial Product [***] (collectively, the "**Shopify Covered Claims**," and together with the Affirm Covered Claims, the "**Claims**"). Notwithstanding the foregoing, it is agreed that any claims that the SHOP App, as modified under the Program or in combination with any other Affirm products or services, infringe the intellectual property or other rights of a third party do not constitute Shopify Covered Claims. For the avoidance of doubt, Shopify will have no indemnification

obligation to any Affirm Indemnified Party for any Losses pursuant to this Section 17.2 to the extent such Losses arise out of (A) an act of fraud, embezzlement or criminal activity by such Affirm Indemnified Party, (B) the gross negligence, willful misconduct or bad faith by such Affirm Indemnified Party, (C) the failure of such Affirm Indemnified Party to comply with, or to perform its obligations under, this Agreement, or (D) violations of Applicable Law by a Affirm Indemnified Party [***].

AMENDMENT TO THE PROGRAM OUTLINE DATED JULY 16, 2020

The following terms and conditions are intended to be added to the Program Outline dated July 16, 2020 and, where such terms conflict with an existing section in the Program Outline, entirely replace such section of the Program Outline.

Each of the amended sections below shall entirely replace those same sections in the Agreement. Sections that are not amended or replaced herein shall remain unmodified as expressly stated in the Agreement.

2)

(d) With respect to the Customer Engagement Functionality, the Parties agree [***]. The Parties agree that [***]. Shopify is responsible [***]. The Parties agree [***] to optimize the Customer's user experience for the Financial Product as set forth in Section 14 of the Agreement.

6) Merchant Fees and Payout.

[***]

Affirm and/or its Affiliates shall disburse funds in connection with the Program to each Eligible Merchant in accordance with this Section 6(b) and as stated in the applicable Merchant Agreement. Each Eligible Merchant shall establish and maintain a U.S. depository account in good standing (each, a "**Bank Account**") in accordance with the Merchant Agreement. Subject to Affirm's Risk Approval Process (as applicable), within [***] following a Successful Transaction, Affirm shall provide to the Eligible Merchant a report setting forth all Successful Transactions, and shall also initiate a transfer of Settlement Funds (which shall include the gross amount of the Successful Transaction, less Merchant Fees as applicable, refunds and any items held in suspense as dispute items, as further defined in each Merchant Agreement) for all Successful Transactions to the Eligible Merchant's Bank Account in accordance with the Merchant Agreement (each, a "**Payout**"). Eligible Merchants shall receive [***] settlements (aggregated to the extent possible) from Affirm and its Affiliates with respect to all Successful Transactions occurring on [***]. Any amounts due from Merchants to Affirm in accordance with the Merchant Agreements shall be deducted by Affirm from Payouts to the Eligible Merchant's Bank Account. [***], provided that [***]. The Parties agree to [***].

9) [***] Upon the Alpha Phase launch date, [***]. Additionally, while each Party retains [***], upon Alpha Phase launch, [***] ("[***]"). On a date to be mutually agreed upon by the Parties, [***]. [***]. Affirm shall provide Shopify with guidance around existing workflows, processes and requirements; [***]. As applicable, [***]. Shopify agrees in good faith to notify Affirm in advance of any material changes to [***] and to consult with Affirm about such changes. [***]. Affirm shall have the right to [***]. In addition, Affirm shall have the right to [***]. Shopify will in good faith provide Affirm with reasonable advance notice of any significant change [***].

AFFIRM HOLDINGS, INC. CASH INCENTIVE PLAN
(Effective as of January 1, 2021)

1. Purpose. Affirm Holdings, Inc. (the "Company") has established this Cash Incentive Plan (the "Plan"), effective for periods beginning on and after January 1, 2021, for the purpose of supporting the accomplishment of the Company's financial and strategic objectives. In doing so, the Plan is designed to:

- Closely align the compensation of Plan participants with the financial interests and expectations of the Company's stockholders.
- When combined with base salaries, provide opportunities for participants to earn competitive levels of direct cash compensation in order to attract and retain high-performing employees.
- Define an appropriate portion of compensation as being "at risk," thereby providing enhanced opportunities for pay for performance.

2. Definitions. Capitalized terms used herein shall have the following meanings:

i. "Affiliate" means a corporation or other entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Company. For purposes of the Plan, an ownership interest of more than fifty percent (50%) shall be deemed to be a controlling interest.

ii. "Administrator" means the Board or the Committee, subject to the terms of the charter of the Committee as approved by the Board. The term Administrator shall also include the Company's Chief Executive Officer, Chief People Officer and each of their designees with respect to any Eligible Employee who is not an SLT Member.

iii. "Base Pay" means a Participant's payroll earnings received during the applicable Performance Year.

iv. "Board" means the Company's Board of Directors.

v. "Bonus Payment" means the amount of the cash bonus for a given Performance Year payable to a Participant, as determined by the Administrator in accordance with the Bonus Payment Formula and in accordance with the terms and conditions of the Plan and the Bonus Formula Methodology approved by the Administrator for the applicable Performance Year. A Bonus Payment is not payable to a Participant until it is earned and vested in accordance with the terms of the Plan.

vi. "Bonus Payment Formula" means, for a Performance Year, the methodology to be used to calculate the Bonus Payment for each Participant, as set forth in the Bonus Formula Methodology for such Performance Year. Application of the Bonus Payment Formula in the calculation of any Bonus Payment shall be subject to the

terms and conditions of the Plan and the Bonus Formula Methodology for the applicable Performance Year.

vii. "Bonus Formula Methodology" means, for any Performance Year, the methodology to be used to calculate the Bonus Payment for each Participant, as approved by the Administrator for such Performance Year.

viii. "Cause" shall have the meaning ascribed to such term in the Participant's individual employment, severance of other agreement with the Company or, if the Participant is not party to such an agreement, "Cause" shall have the meaning assigned to it in the Company's Amended and Restated 2012 Stock Plan.

ix. "Code" means the Internal Revenue Code of 1986, as amended.

x. "Committee" means the Compensation Committee of the Board and any successor committee of the Board thereto or, in the absence of such a committee or at the Board's discretion, the full Board.

xi. "Company" has the meaning set forth in Section 1.

xii. "Designated Beneficiary" has the meaning set forth in Section 7(k).

xiii. "Disability" shall have the meaning ascribed to such term in the Participant's individual employment, severance or other agreement with the Company or, if the Participant is not party to such an agreement, "Disability" shall have the meaning assigned to it in the Company's Amended and Restated 2012 Stock Plan.

xiv. "Eligible Employee" means any regular full- or part-time employee who does not participate in a Company sales incentive plan and is employed by the Company or an Affiliate on or before March 31 during the applicable Performance Year.

xv. "Participant" means, for a Performance Year, an Eligible Employee who has been granted a Target Award under the Plan for the Performance Year. An individual whose Bonus Payment under the Plan for a Performance Year is earned and vested but remains outstanding shall also be a Participant solely with respect to such earned and vested Bonus Payment.

xvi. "Payment Date" means the date on which the Bonus Payment for a Performance Year is paid to a Participant, which date shall be as soon as practicable after the Administrator determines the amount of the Bonus Payments payable to Participants but no later than two and one-half (2-1/2) months following the end of the Performance Year to which the Bonus Payment relates.

xvii. "Performance" means the extent to which the performance targets (including, if applicable, percentage levels of performance) and other components of the Bonus Payment Formula have been achieved for a Performance Year.

xviii. "Performance Year" means the Company's fiscal year or portion thereof specified by the Administrator as the period over which Performance is to be measured pursuant to the Bonus Payment Formula for that period. Unless otherwise specified by the Administrator, the Performance Year shall be July 1 through June 30.

xix. "Plan" has the meaning set forth in Section 1.

xx. "Section 409A" has the meaning set forth in Section 9.

xxi. "SLT Member" means each executive-level employee of the Company reporting directly to the Company's Chief Executive Officer.

xxii. "Target Award" means an amount assigned to a Participant (specified as such or expressed as a percentage of Base Pay or otherwise determined pursuant to a formula) that such Participant potentially may earn as a Bonus Payment in respect of a specified Performance Year at the targeted level of Performance. A Target Award constitutes only a conditional right to receive a Bonus Payment and does not guarantee receipt of a Bonus Payment or any level of Bonus Payment based on Performance or otherwise. In the event a Participant's Target Award is modified during a Performance Year, the modified Target Award shall only apply to Base Pay attributable to the period after the effective date of such modification.

xxiii. "Termination Date" means the date on which the Participant's employment with the Company and its Affiliates terminates for any reason. A transfer of a Participant's employment between and among the Company or an Affiliate shall not be deemed to constitute a termination of employment for purposes of the Plan.

3. Administration.

xxiv. Authority of the Administrator. The Plan shall be administered by the Administrator, which shall have full and final authority and discretion, in each case subject to and consistent with the provisions of the Plan and any applicable laws or regulations, to:

a. select, or determine the method of selecting, Eligible Employees who will receive the grant of a Target Award under the Plan for a Performance Year (and thereby become a Participant in the Plan for such Performance Year);

b. establish the Bonus Payment Formula for a Performance Year;

c. grant Target Awards to Participants and determine the amount of Bonus Payments to be paid under the Plan for any period;

d. modify the Bonus Payment Formula, any Target Award or, prior to the date on which it is earned and vested, any Bonus Payment otherwise payable under the Plan, whether based on the Bonus Payment Formula,

Performance or otherwise, including decreasing such amounts as described herein;

e. adopt such rules, regulations and guidelines for interpreting, implementing and administering the Plan as it deems necessary or proper;

f. conclusively construe and interpret the Plan documents and correct defects, supply omissions or reconcile inconsistencies therein;

g. employ attorneys, consultants, accountants, and other persons in connection with the administration of the Plan; and

h. make all other decisions and determinations as the Administrator may deem necessary or advisable for the administration of the Plan.

xxv. Binding Effect of Administrator Actions. All actions taken and all interpretations and determinations made by the Administrator with respect to the Plan shall be final and binding upon the Participants, the Company and all other interested persons.

xxvi. Manner of Exercise Administrator Authority. The express grant of any specific power to the Administrator, and the taking of any action by the Administrator, shall not be construed as limiting any power or authority of the Administrator.

xxvii. Delegation of Authority. The Administrator may delegate to one or more officers or managers of the Company or an Affiliate, or committees thereof, the authority, subject to such terms as the Administrator shall determine, to perform such functions, including administrative functions, as the Administrator may determine, to the extent that such delegation is permitted under the applicable provisions of the Delaware General Corporation Law and the provisions of the Plan.

xxviii. Limitation of Liability. Each person acting in their capacity as Administrator, and each person acting pursuant to authority delegated by the Administrator, shall be entitled, in good faith, to rely or act upon any report or other information furnished by any executive officer, other officer or employee of the Company or its Affiliates, or the Company's independent auditors, consultants or other agents assisting in the administration of the Plan. Each person acting as the Administrator or pursuant to authority delegated by the Administrator, and any officer or employee of the Company or any of its Affiliates acting at the direction or on behalf of the Administrator or a delegate, shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan and shall, to the fullest extent permitted by law and the Company's bylaws, be fully indemnified and protected by the Company with respect to any such action or determination.

xxix. Local Laws and Rules. Without limiting the generality of the duties and authorities granted to the Administrator under the Plan, the Administrator may establish rules and regulations for grants of Target Awards and Bonus Payments to nationals of countries other than the United States that may differ from the rules and regulations for grants of Target Awards and Bonus Payments to other persons if, in the judgment of the Administrator, such differences are necessary or desirable to foster and promote achievement of the purposes of the Plan (including compliance with provisions of laws in other countries or jurisdictions in which the Company or an Affiliate operates or in which a Participant is employed or performs services).

xxx. Adjustments. Notwithstanding anything to the contrary contained herein, and to the extent permitted by applicable law, the Administrator shall have the authority to, in its sole and absolute discretion: (i) change the Target Award of any Participant based upon such Participant's performance evaluation or the recommendation of the Participant's manager or any of his or her direct or indirect supervisors (including, without limitation, the Chief Executive Officer); (ii) withhold any payment amounts determined hereunder (whether or not such amounts are earned and vested) from any Participant who violates any Company policy and to treat such withheld payments as forfeited by the Participant; (iii) otherwise amend or cancel a Bonus Payment prior to the date on which the Bonus Payment is earned and vested; and (iv) adjust the terms and conditions of, and the performance targets and other criteria included in, the Bonus Payment Formula.

4. Participation. Eligible Employees selected to participate in the Plan will be "Participants" for the specified Performance Year. An Eligible Employee who is not selected to participate in the Plan for a specified Performance Year shall not be entitled to any Bonus Payment under the Plan for such Performance Year and shall not be a Participant for such Performance Year. Unless otherwise provided by the Administrator, any Eligible Employee who has been selected for participation in the Plan for a Performance Year shall become a Participant as of the first day of such Performance Year; provided, however, that if an individual who is selected for participation is not an Eligible Employee as of the first day of the Performance Year, such individual shall become a Participant on the date specified by the Administrator (but in no event prior to the date on which such individual is an Eligible Employee) and receive a pro-rated amount of any Bonus Payment based on his or her period of participation in the Plan.

5. Establishment of Bonus Payment Formula and Target Awards.

xxxi. Establishment of Bonus Payment Formula. Within the first ninety (90) days of the Performance Year, or at such other time as it reasonably determines, the Administrator shall establish the Bonus Payment Formula for the Performance Year.

xxxii. Establishment of Target Awards. For each Performance Year, the Administrator shall designate, for each Participant, such Participant's Target Award. Target

Awards will be denominated in cash and all Bonus Payments will be payable in cash.

xxxiii. Newly Eligible Participants. In the case of an Eligible Employee who becomes a Participant after the beginning of a Performance Year, the Administrator shall designate such individual's Target Award for the portion of the Performance Year remaining after he or she becomes a Participant. For the avoidance of doubt, Eligible Employees who are promoted into a bonus-eligible position during a Performance Year shall be eligible to participate in the Plan only with respect to their Base Pay attributable to the post-promotion period.

xxxiv. Written Determinations. Determinations by the Administrator under this Section 5, including Target Awards for each Participant, the level of Performance for the Performance Year and the amount of the Bonus Payment for each Participant shall be recorded in writing as determined in such form as the Administrator may determine.

6. Determination of Bonus Payment; Earning and Payment of Bonus Payment.

xxxv. Determination of Bonus Payment. As soon as practicable after the end of the Performance Year and prior to the Payment Date, the Administrator shall determine the amount of the Bonus Payment to be paid to each Participant for the Performance Year. Subject to the terms and conditions of the Plan, the Bonus Payments shall be determined in accordance with the Bonus Payment Formula for the Performance Year.

xxxvi. Eligibility. Unless otherwise specifically provided in the Plan or determined by the Administrator (or otherwise specifically provided under a separate agreement, plan or policy conferring rights on the Participant), (i) the Bonus Payment for an applicable Performance Year shall be earned and vested as of the completion of such Performance Year and only with respect to a Participant who remains employed by the Company or an Affiliate through the end of such Performance Year and (ii) a Participant whose Termination Date occurs during any Performance Year shall not be entitled to payment of a Bonus Payment for such Performance Year and the Participant shall have no further rights under the Plan for such Performance Year.

xxxvii. Payment of Bonus Payment. Any Bonus Payment earned for a Performance Year shall be paid by the Company, or the Affiliate that employs the Participant, which payment shall be made no later than the Payment Date for such Performance Year.

xxxviii. Leaves of Absence. In the event a Participant is on a Company-approved paid leave of absence during a Performance Year, the Participant's period of paid leave and Base Pay during such period of paid leave will be included in the calculation of the Participant's Bonus Payment for such Performance Year.

xxxix. Special Rules for Death or Disability. Notwithstanding the provisions of Section 6(b), except as otherwise specifically provided in the Plan or determined by the Administrator (or otherwise specifically provided under a separate agreement, plan or policy conferring rights on the Participant), in the event that a Participant's Termination Date occurs during a Performance Year due to his or her death or Disability:

i. the Participant's Bonus Payment for the Performance Year shall be equal to the amount of the Bonus Payment that the Participant would have been entitled to receive for that Performance Year (determined in accordance with Section 5 and Section 6(a)) had the Participant's Termination Date not occurred prior to the end of the Performance Year, multiplied by a fraction, the numerator of which shall equal the total number of calendar days during the Performance Year that the Participant was employed by and actively at work for the Company and its Affiliates on or prior to his or her Termination Date, and the denominator of which shall be the number of days in such year; and

j. such Bonus Payment shall be paid on the Payment Date for the applicable Performance Year to the Participant or, in the case of Participant's death, to the Designated Beneficiary or legal representative of the estate of the Participant, as applicable, as determined in accordance with Section 7(k).

xl. Termination for Cause. Notwithstanding the other provisions of this Section 6, in the event a Participant's employment is terminated for Cause, such Participant shall not be entitled to any Bonus Payment for the Performance Year during which such termination occurs, any Bonus Payment for any prior Performance Year that has not yet been paid out shall be forfeited, and the Participant shall have no further rights under the Plan upon such termination.

xli. Change of Control. In the event of a Change of Control (as defined in the Company's Amended and Restated 2012 Stock Plan, or an applicable successor plan thereto) the Performance Year shall automatically be deemed to have terminated as of the date of such Change of Control and Performance will be determined from the beginning of the current Performance Year to the effective date of the Change of Control in accordance with Section 5 and Section 6(a). Based on these results, each Participant shall receive a Bonus Payment at the target or actual performance level, whichever is higher, payable on or as soon as practicable following the date of such Change of Control. Such Bonus Payment shall be in addition to any compensation otherwise payable to a Participant in connection with such Change in Control.

7. General Provisions.

xlii. No Right to Employment. Neither the Plan, its adoption, its operation, nor any action taken under the Plan shall be construed as giving any employee the right to

be retained or continued in the employ of the Company or any of its Affiliates, nor shall it interfere in any way with the right and power of the Company or any of its Affiliates to discharge any employee or take any action that has the effect of terminating any employee's employment or service at any time.

xliii. Plan Expenses. The expenses of the Plan and its administration shall be borne by the Company.

xliv. Plan Not Funded; No Guarantee. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to a Bonus Payment, nothing contained in the Plan or any Bonus Payment shall give any such Participant any rights that are greater than those of a general creditor of the Company. Participation in the Plan is a privilege, not a right, and each individual Participant's participation in the Plan is subject to review from time to time at the discretion of the Company. Receipt of a Bonus Payment in any one year does not guarantee receipt of a Bonus Payment under the Plan in any other year.

xlv. Reports. The appropriate officers of the Company shall cause to be filed any reports, returns or other information regarding the Plan as may be required by any applicable law.

xlvi. Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

xlvii. Nonexclusively of the Plan. The adoption of this Plan shall not be construed as creating any limitations on the power of the Company, Board or Committee to adopt such other compensation arrangements as any of them may deem desirable for any Participant or non-participating employee, including authorization of annual incentives under other plans and arrangements.

xlviii. Severability. The invalidity of any provision of the Plan or a document hereunder shall not be deemed to render the remainder of this Plan or such document invalid.

xlix. Successors. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise, and whether or not the corporate existence of the Company continues) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform the Company's obligations under the Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Subject to the foregoing, the Company may transfer and assign its rights and obligations hereunder.

l. Tax Withholding. The Company and its Affiliates shall deduct from any payment of a Participant's Bonus Payment or from any other payment to the Participant,

including wages, any Federal, state, local or provincial tax or charge that is then required to be deducted under applicable law with respect to the Bonus Payment or other payment or as determined by the Administrator to be appropriate under a program for withholding.

li. Non-Transferability. Any Target Award, any resulting Bonus Payment and any other right hereunder shall be non-assignable and non-transferable, and shall not be pledged, encumbered or hypothecated to or in favor of any party or subject to any lien, obligation or liability of the Participant to any party other than the Company or an Affiliate.

lii. Heirs and Successors. If any benefits deliverable to the Participant under the Plan have not been delivered at the time of the Participant's death, such benefits shall be delivered to the Participant's Designated Beneficiary, in accordance with the provisions of the Plan. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Company in such form and at such time as the Company shall require and in accordance with such rules and procedures established by the Company. If a deceased Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercisable and distributed, as applicable, to the legal representative of the estate of the Participant.

liii. Clawback Policy. Any Target Award or any resulting Bonus Payment granted under the Plan is subject to any applicable recoupment or "clawback" policies of the Company, as amended from time to time, or as may be set forth in a separate agreement, plan or policy conferring rights on a Participant.

liv. Action by Company. Unless otherwise specified herein, any action required or permitted to be taken by the Company hereunder shall be by an officer of the Company or such other person authorized by the Board; provided, however, that in no event shall any officer be permitted to take any action on behalf of the Company with respect to himself or herself.

8. Amendment and Termination. The Company may modify or terminate the Plan at any time. Notwithstanding anything to the contrary herein, in the event of termination of the Plan, Performance will be determined from the beginning of the current Performance Year to the effective date of Plan termination. Based on these results, any Bonus Payments earned will be paid in cash to Participants on a pro-rata basis within forty-five (45) days after the date of such termination or on such other date as may be required to ensure that the payment is made in a manner that complies with the requirements of Section 409A of the Code.

9. Section 409A. It is the intent of the Company that all Bonus Payments under the Plan be exempt from or comply with Section 409A of the Code and all regulations, guidance and other interpretative guidance issued thereunder ("Section 409A"). The provisions of the Plan shall be construed and interpreted in accordance with the foregoing. Notwithstanding the

foregoing, the Company shall not be required to assume any increased economic burden in connection therewith. Although the Company intends that the Plan be administered so as to be exempt from or in compliance with the requirements of Section 409A, neither the Company nor the Administrator represents or warrants that the Plan will comply with Section 409A or any other provision of federal, state, local or non-United States law. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest or penalties the Participant might owe as a result of participation in the Plan, and the Company and its Affiliates shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes or penalties pursuant to Section 409A. Notwithstanding any other provision of the Plan to the contrary, if any payment or benefit hereunder is subject to Section 409A, and if such payment or benefit is to be paid or provided on account of the Participant's termination of employment (or other separation from service) and if the Participant is a specified employee (within the meaning of Code Section 409A(a)(2)(B)) such payment or benefit shall be delayed until the first day of the seventh month following the Participant's termination of employment (or separation from service). The determination as to whether a Participant has had a termination of employment (or separation from service) shall be made in accordance with the provisions of Section 409A and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder. The time or schedule of any payment or amount scheduled to be paid pursuant to the Plan shall not be accelerated except as permitted under Section 409A and as would not result in taxation and/or tax penalties under Section 409A.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Max Levchin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Affirm Holdings, 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 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)) 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. 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

   c. Disclosed in this report any change in the registrant's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 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: May 14, 2021

/s/ Max Levchin
Max Levchin
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Linford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Affirm Holdings, 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 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)) 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. 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

   c. Disclosed in this report any change in the registrant's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 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: May 14, 2021

/s/ Michael Linford
Michael Linford
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Dated: May 14, 2021

/s/ Max Levchin

Max Levchin
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

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

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Dated: May 14, 2021

/s/ Michael Linford

Michael Linford
Chief Financial Officer
(Principal Financial Officer)