Affirm Financial Model Information Session

June 2023

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Agenda

We will hold Q&A breaks after the RLTC section and conclusion

Cautionary note about forward-looking statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including statements regarding: the Company's strategy and future operations; the development, innovation, introduction and performance of, and demand for, the Company's products; the Company's future growth, investments, network expansion, product mix, brand awareness, financial position, gross market value, revenue, transaction costs, operating income, provision for credit losses, and cash flows; and general economic trends and trends in the Company's industry and markets. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Risks, uncertainties and assumptions include factors relating to: The Company's need to attract additional merchants, partners and consumers and retain and grow its relationships with existing merchants, partners and consumers; the highly competitive and evolving nature of its industry; its need to maintain a consistently high level of consumer satisfaction and trust in its brand; the concentration of a large percentage of its revenue and GMV with a small number of merchant partners and commerce platforms; its ability to sustain its revenue growth rate or the growth rate of its related key operating metrics; its ability to successfully maintain its relationship with Celtic Bank as an originating bank partner and engage additional originating bank partners; its ability to maintain, renew or replace its existing funding arrangements and build and grow new funding relationships; the impact of any of its existing funding sources becoming unwilling or unable to provide funding to it on terms acceptable to it, or at all; its ability to effectively underwrite loans facilitated through its platform and accurately price credit risk; the performance of loans facilitated through its platform; the impact of increases in market interest rates and negotiated interest rate spreads on its business; the terms of its securitizations, warehouse credit facilities and forward flow agreements; the impact on its business of general economic conditions, including the impact of inflation, increasing recessionary concerns, instability of financial institutions, the financial performance of its merchants, and fluctuations in the U.S. consumer credit market; its ability to achieve or sustain profitability in the future, including in the manner and timeframe it has previously communicated; its ability to grow effectively through acquisitions or other strategic investments or alliances; seasonal or other fluctuations in its revenue and GMV as a result of consumer spending patterns; pending and future litigation, regulatory actions and/or compliance issues; developments in its regulatory environment; the impact of the reduction in its workforce announced in February 2023, including its ability to realize certain cost savings anticipated as a result of the reduction and its ability to continue to attract and retain highly skilled employees; and other risks that are described in its most recent Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q for the quarters ended December 31, 2022 and March 31, 2023, and in its other filings with the U.S. Securities and Exchange Commission.

These forward-looking statements reflect the Company's views with respect to future events as of the date hereof and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, investors should not place undue reliance on these forward-looking statements.The forward-looking statements are made as of the date hereof, and the Company assumes no obligation and does not intend to update these forward-looking statements.

Use of Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we present the following non-GAAP financial measures, including revenue less transaction costs, revenue less transaction costs as a percentage of GMV, adjusted operating loss and adjusted operating margin. We also present certain operating expenses on a non-GAAP basis, as well as those non-GAAP operating expenses as a percentage of GAAP total revenue. Reconciliations of each non-GAAP financial measure with the most directly comparable GAAP financial measure can be found in our earnings supplement slide deck, which is available on our Investor Relations website. Our management uses these non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of our annual operating budget, as a measure of our operating results and the effectiveness of our business strategy, and in evaluating our financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, and our use of these non-GAAP financial measures has limitations as an analytical tool. Accordingly, you should not consider these non-GAAP financial measures in isolation or as substitutes for analysis of our financial results as reported under GAAP, and these non-GAAP measures should be considered along with other operating and financial performance measures presented in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

01 Revenue less transaction costs (RLTC) walkthrough

Suggested approaches to model RLTC

Bottom up approach

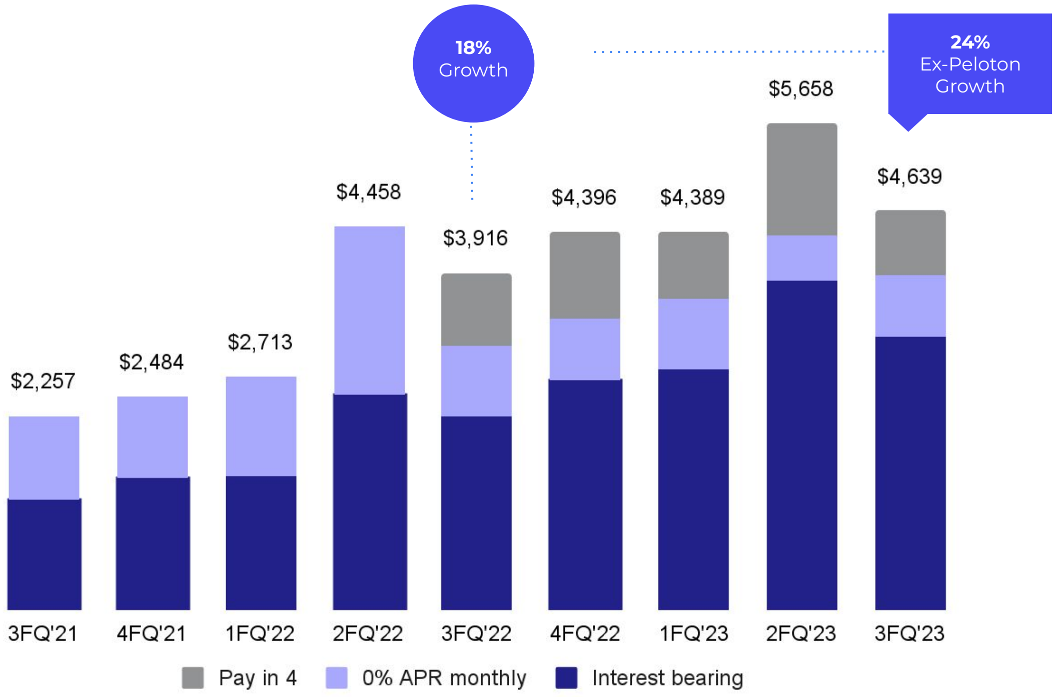
Forecast GMV by product → Estimate on vs. off balance sheet GMV → Forecast revenue and transaction cost line items → **RLTC forecast**

Top down approach

Forecast total GMV → Forecast RLTC as a % of GMV → **RLTC forecast**

Gross merchandise volume

in $ million by product type



Product mix drivers

- Changes in merchant mix
- Ability to add new products at existing merchants
- Increasing adoption of Adaptive Checkout vs. Pay in 4 only

Structural GMV drivers

- U.S. e-commerce spend
- Increasing BNPL penetration
- Expanding share of cart
- Capturing daily and in-store spend
- International expansion

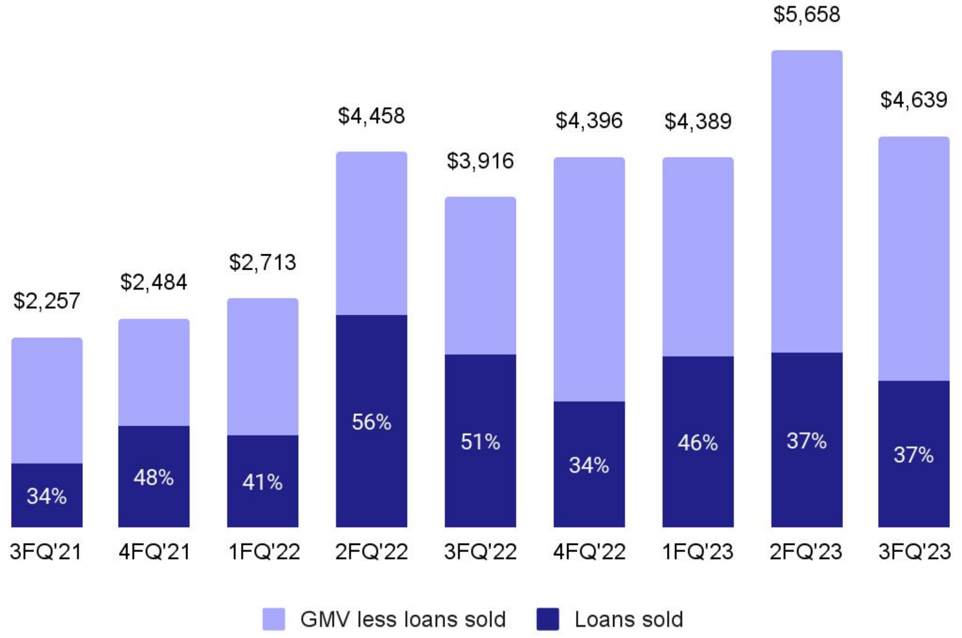
Temporary GMV drivers

- Seasonality: 2FQ benefits from holiday shopping
- Shifts in consumer spend between staples vs. discretionary purchases

Note: GMV defined as the total dollar amount of all transactions on the Affirm platform during the period, net of refunds. Beginning in Fiscal Q1 2023, Affirm modified the definition of its low Average Order Value product from Split Pay to Pay in 4. Pay in 4 includes volume from loan transactions with 0% APR and 6-8 week term lengths but now excludes volume from monthly installment loans with 0% APR and 3 month term lengths. Metrics are unaudited.

On vs. off-balance sheet GMV

in $ million loans sold and GMV less loans sold



Drivers

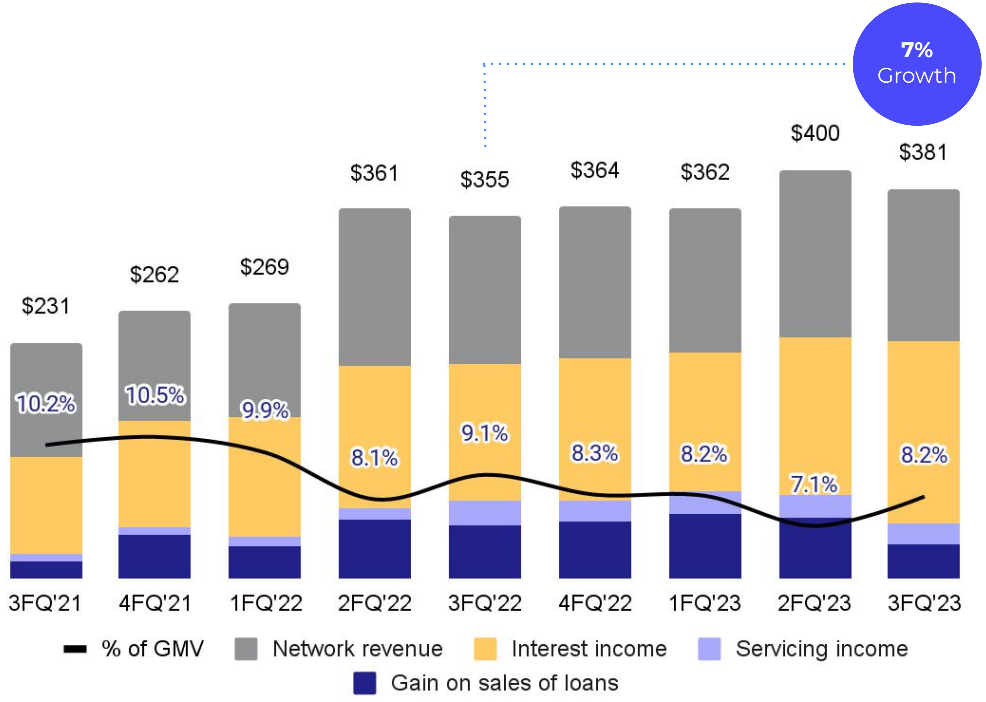
- Funding market conditions
- GMV growth relative to funding capacity additions

Note: GMV reflects gross merchandise volume net of refunds and includes volume from Pay Now or down payments on loans; loans are net of down payments and exclude Pay Now volume. Loans sold includes outstanding principal balance at the time of loan sale. Metrics are unaudited.

Revenue

How we monetize GMV

Revenue sources in $ million and total revenue as a % of GMV



Metrics are unaudited.

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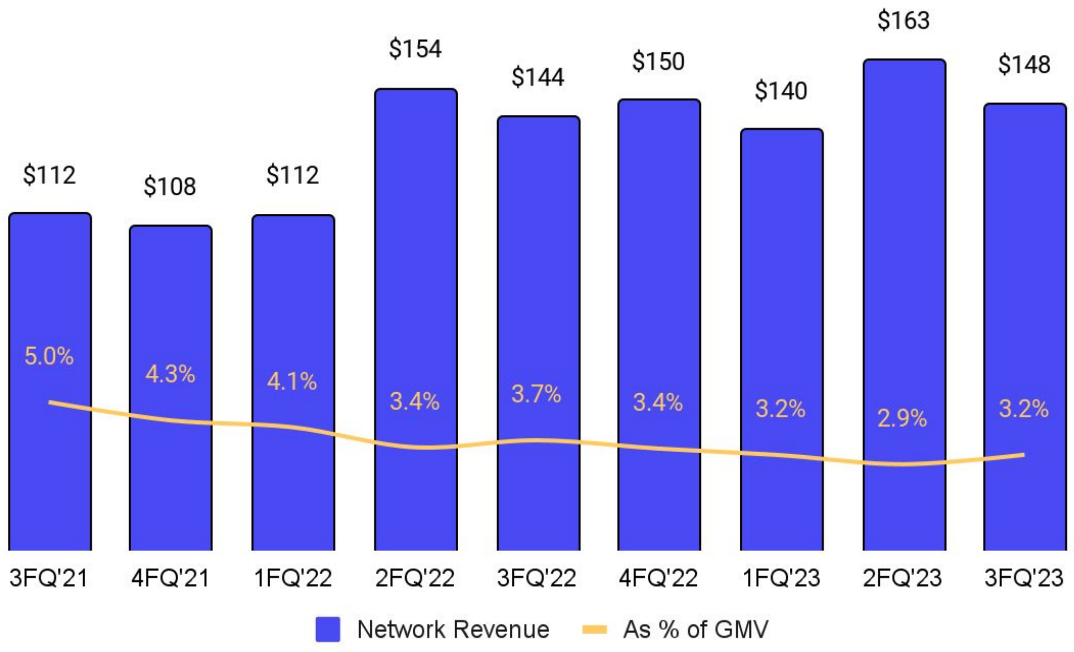
Network revenue

in $ millions and as a % of GMV



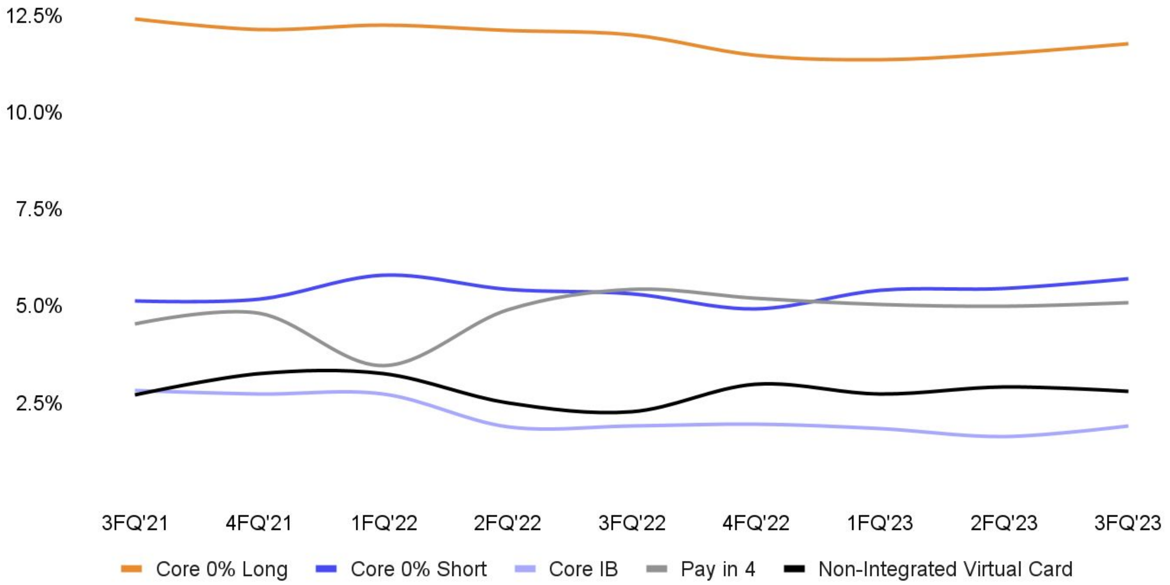
Drivers

- Total GMV
- GMV mix between Pay in 4, 0% APR, interest-bearing product, and Pay Now

Metrics are unaudited.

Illustrative merchant fee rates

MDR has been stable on a like-for-like product basis



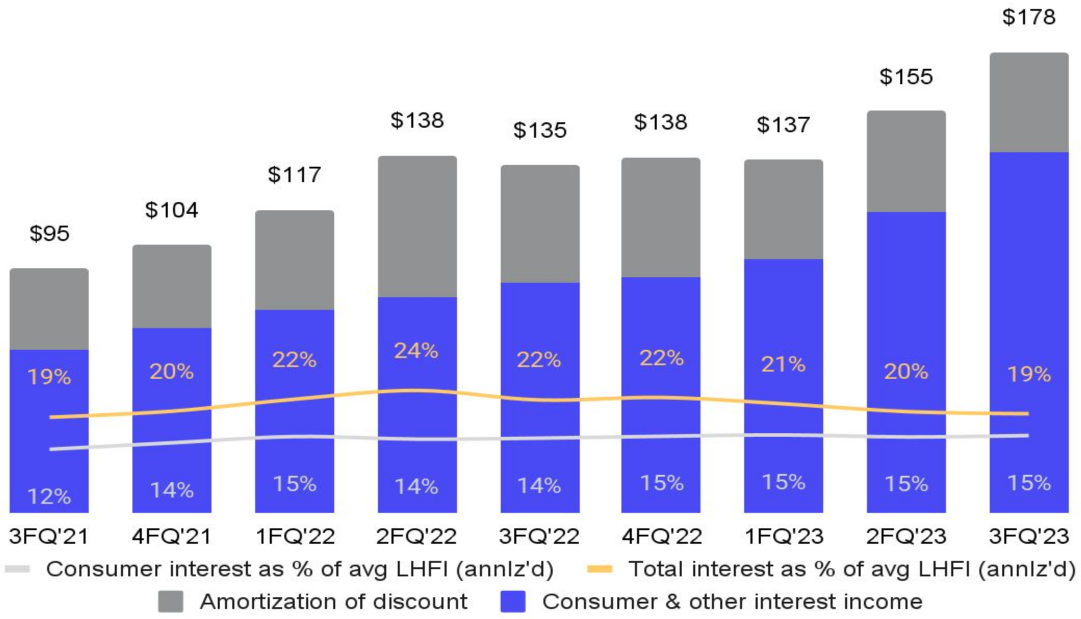
Drivers

- Product mix - the most important driver of overall MDR
- Loan duration within 0% APR
- Merchant mix

Core 0% Long includes loans with term lengths greater than 12 months and 0% APR; Core 0% Short includes loans with term lengths at least three months long but less than or equal to 12 months and 0% APR; Core IB includes loans with interest from Affirm integrated merchants; Pay in 4 (formerly known as Split Pay) includes loans with 0% APR and 6-8 week term lengths; Non-Integrated Virtual Card includes loans made by Affirm at non-integrated merchants using Affirm's virtual card technology; excludes loans made in Canada via Affirm or legacy Paybright business and excludes Returnly and Debit+ Card transactions. Metrics are unaudited.

Interest income

in $ million and as a % of average loans held for investment



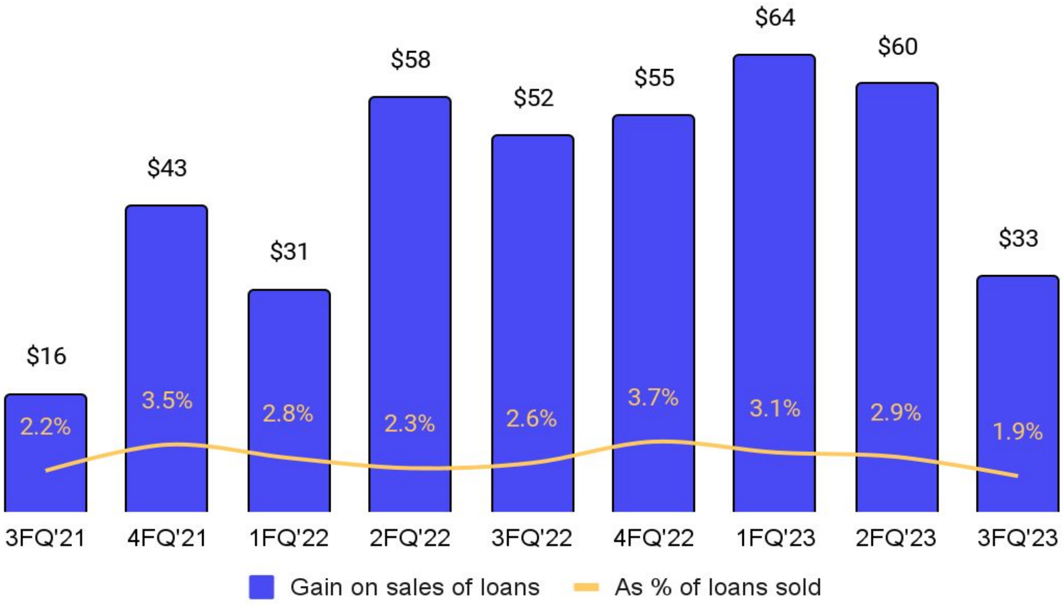
Drivers

- Average balance of loans held for investment (LHFI)
- LHFI mix between interest-bearing and 0% APR, including Pay in 4
- Pricing initiatives

Metrics are unaudited.

Gain on sales of loans

in $ millions and as a % of loans sold



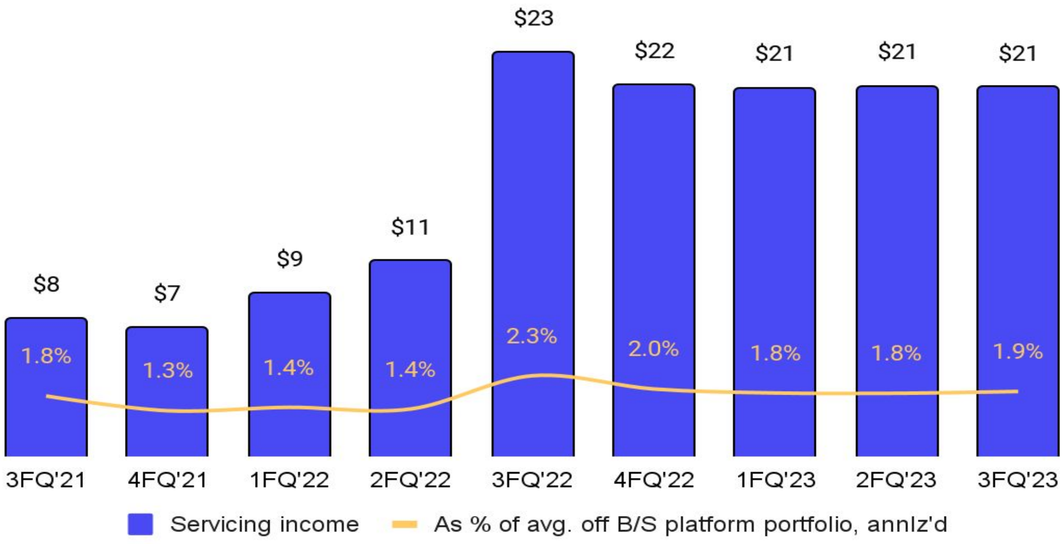
Drivers

- Loans sold during quarter
- Funding market conditions
- Benchmark interest rates and credit spreads
- Average APR on loans sold
- Credit quality of loans sold

Metrics are unaudited.

Servicing income

in $ million and as a % of average off balance sheet platform portfolio



Drivers

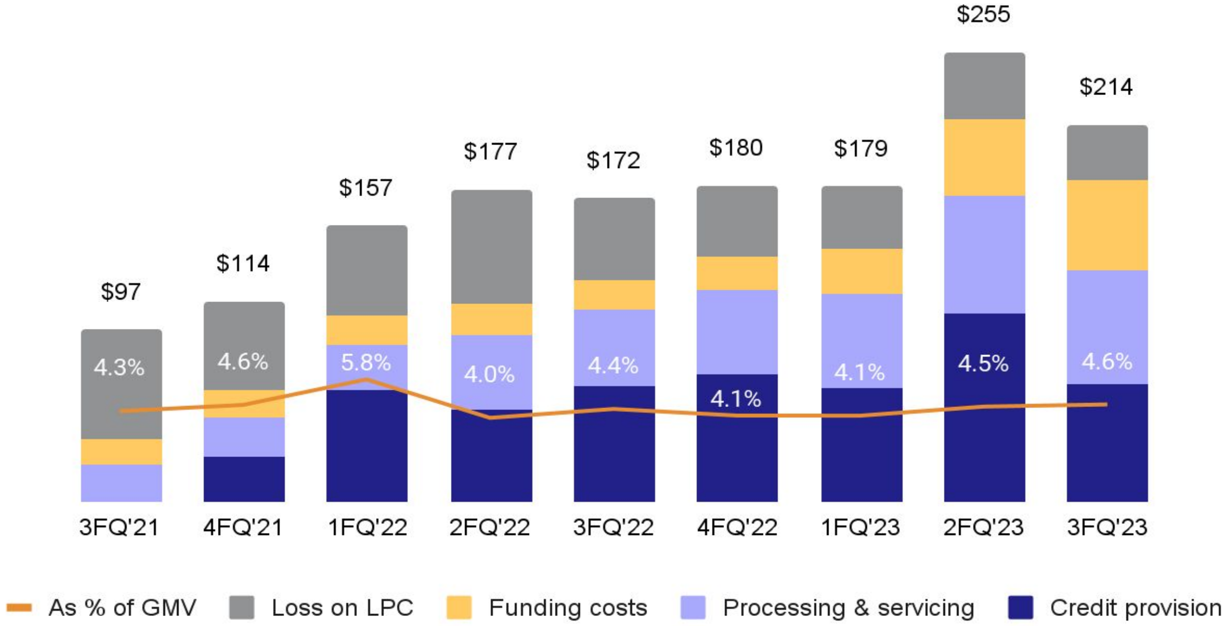
- Average balance of platform portfolio held off balance sheet

Metrics are unaudited.

Transaction Costs

Transaction cost overview

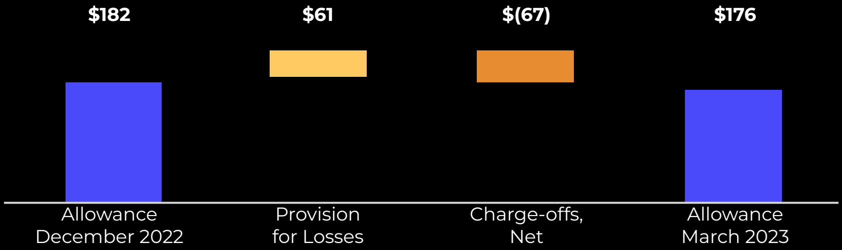
in $ million and total transaction costs as a % of GMV



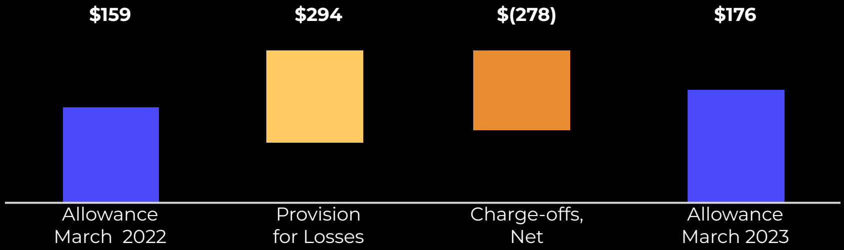
Metrics are unaudited.

Loan Loss Allowance Waterfall

QUARTERLY CHANGE IN ALLOWANCE



LAST 12 MONTHS CHANGE IN ALLOWANCE

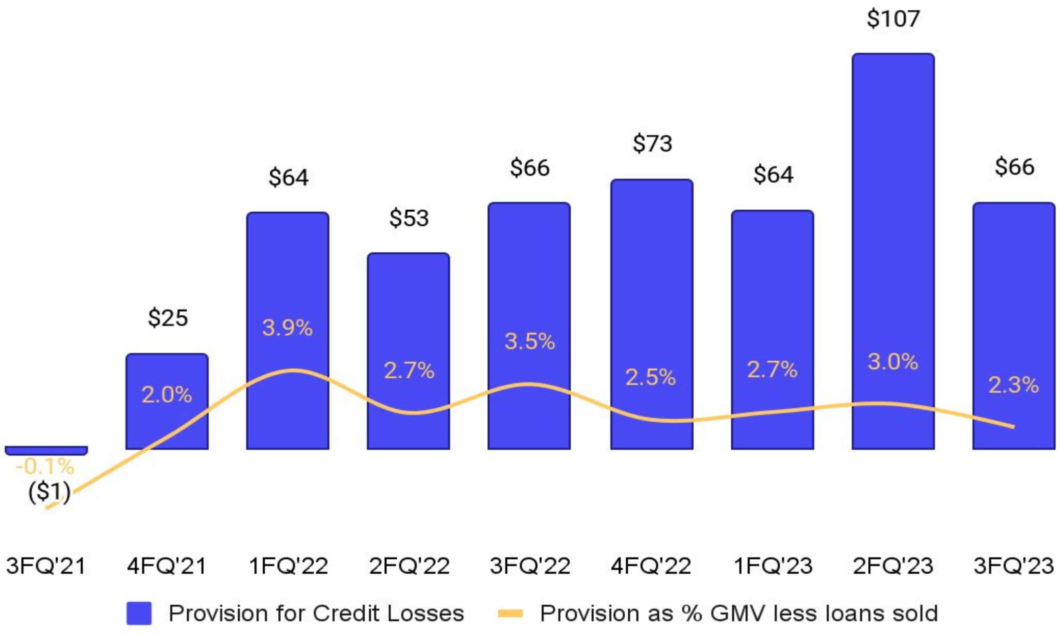


	QUARTER ENDING				12 MONTHS ENDING
	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	March 31, 2023	March 31, 2023
Beginning of Period Allowance	159	155	153	182	159
(+) Provision for Loan Losses	68	62	103	61	294
(-) Charge-offs, Net	(72)	(64)	(74)	(67)	(278)
End of Period Allowance	**$155**	**$153**	**$182**	**$176**	**$176**
Loans Held for Investment	$2,504	$2,682	$3,656	$3,776	$3,776
Allowance % of Loans Held for Investment	6.2%	5.7%	5.0%	4.7%	4.7%

Dollars in millions; metrics are unaudited.

Provision for credit losses

in $ million and as a % of GMV less loans sold during the quarter



Drivers

- Allowance for loans held at end of period
- Product and merchant mix
- Credit posture, reflected in ITACS mix
- Actual credit outcomes

Metrics are unaudited.

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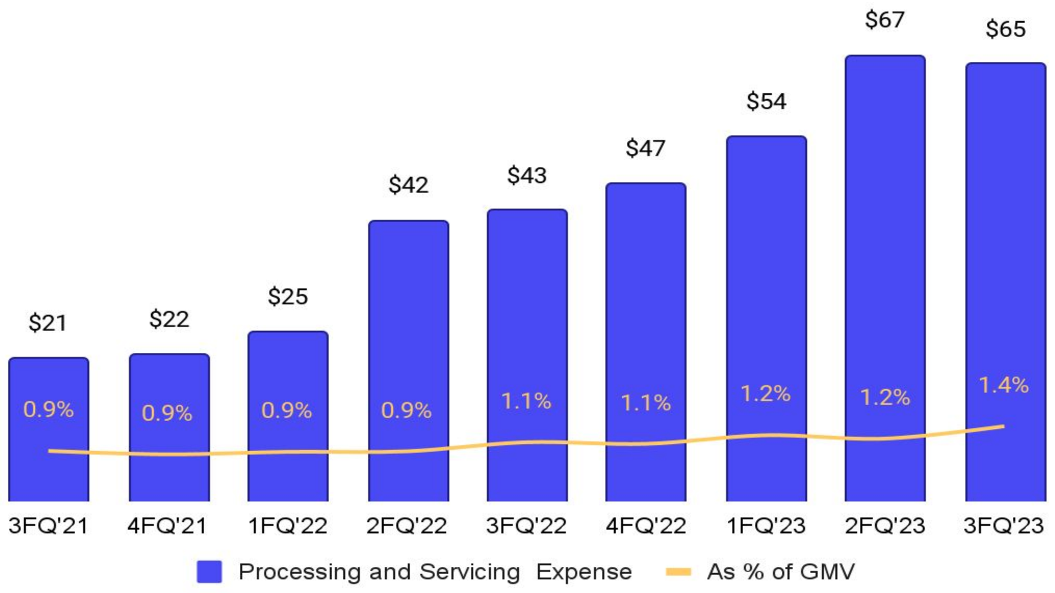
Processing and servicing expense

in $ million and as a % of GMV



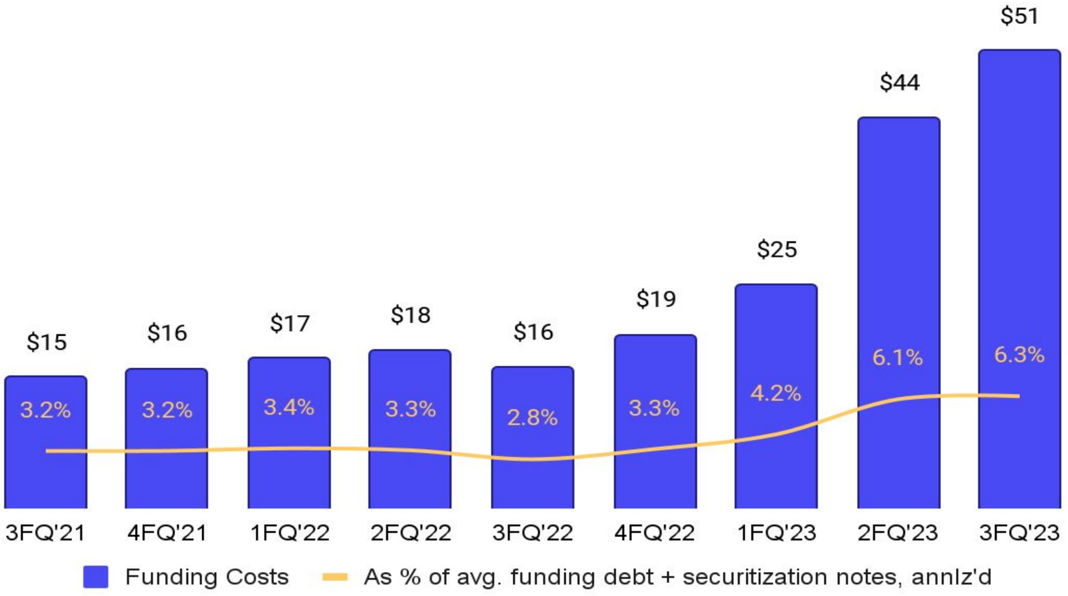
Drivers

- Total GMV and platform portfolio size
- Mix of GMV originated at a large enterprise partner with a revenue-share agreement
- Repayment mix and servicing optimizations

Metrics are unaudited.

Funding costs

in $ million and as a % of funding debt & securitization notes



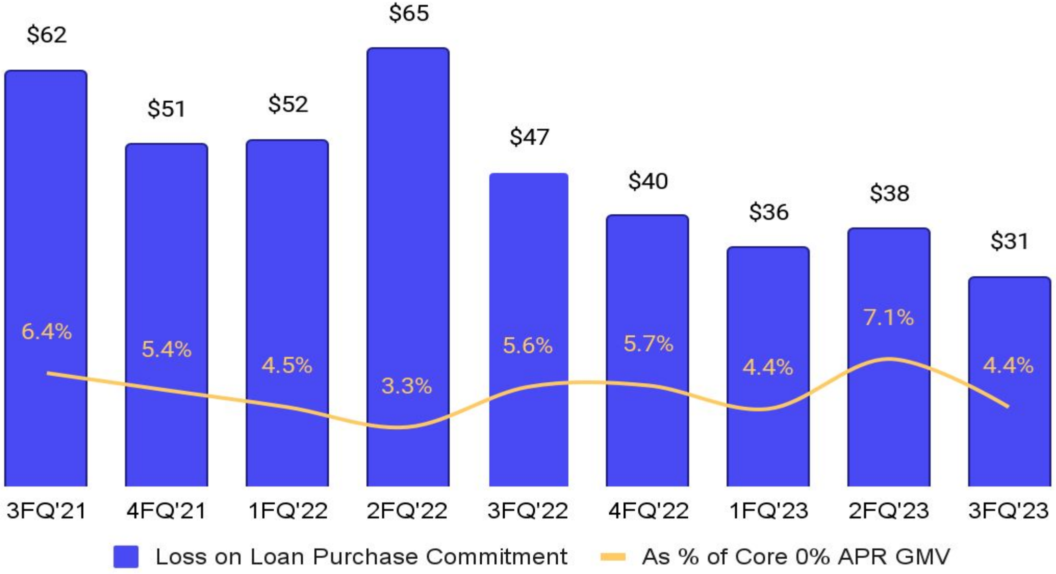
Drivers

- Average balance of funding debt plus securitization notes
- Average funding cost (benchmark rate + credit spreads)
- Loans held for investment

Metrics are unaudited.

Loss on loan purchase commitment

in $ millions and as a % of GMV from 0% APR products excluding Pay in 4



Drivers

- 0% and Low APR loans held on balance sheet originated by partner banks
- Duration of 0% APR loans originated by partner banks

Metrics are unaudited.

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Top Down Approach

RLTC as a % of GMV

Recent drivers of RLTC as a % of GMV

Driver	Business Impact	FY'23 RLTC impact
Affirm / BNPL Industry Specific Dynamics		
Pricing initiatives	• Higher APRs increase consumer interest and gain on sale • Higher merchant fees increase network revenue	Tailwind
Product mix	• Our loan products have differing profitability profiles, with interest bearing loans typically being the most profitable loan product	Tailwind
Merchant mix shift	• Enterprise partners and lower order values increase frequency and network size, but potentially at lower RLTC as a % of GMV • Increase in platform fees due to success of certain partnerships	Headwind
Product efficiency improvements	• Underwriting optimizations reduce credit provisions, driving up margin	Tailwind
Macroeconomic Factors		
Consumer spending trends	• Discretionary purchases tend to have higher AOVs, which generally have a higher RLTC as a % of GMV	Headwind
Funding costs	• Higher benchmark interest rates and credit spreads increase the cost to fund on-balance sheet loans and reduce gain on sale	Headwind
Holiday seasonality	• Rapid sequential GMV growth drives up 2FQ provision expense which is dilutive to RLTC as a % of GMV within quarter	Headwind
Consumer credit environment	• Impacts loan loss provisions and gain on sale	Headwind

Note: "FY'23 RLTC impact" refers to RLTC impact as measured through the first three quarters of FY'23

RLTC summary

in $ million and as a % of GMV

Final RLTC considerations

- **Macroeconomic factors have been a significant headwind** to RLTC as a % of GMV in FY'23
- **Affirm-specific factors have had a neutral impact** to RLTC as a % of GMV in FY'23
- **Pricing initiatives will take several quarters** to achieve maximum benefit
- **RLTC as a % of GMV is highly seasonal** with 2FQ seasonally softest

Note: References to impact on RLTC as a % of GMV in FY'23 relate to RLTC impact as measured through the first three quarters of FY'23

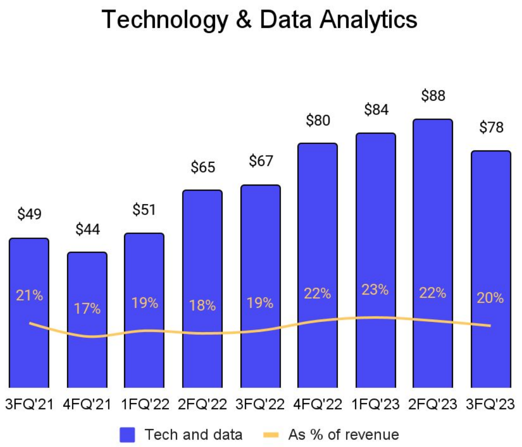
Metrics are unaudited.

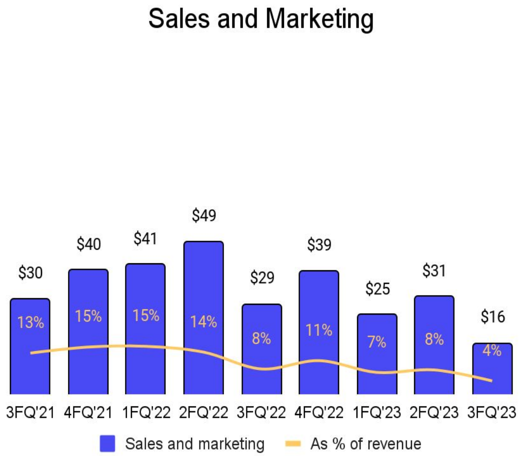
RLTC Q&A

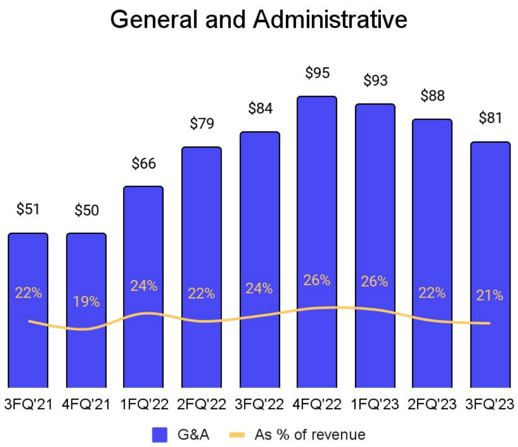
02 Operating expense walkthrough

Non-GAAP operating expenses

$ million



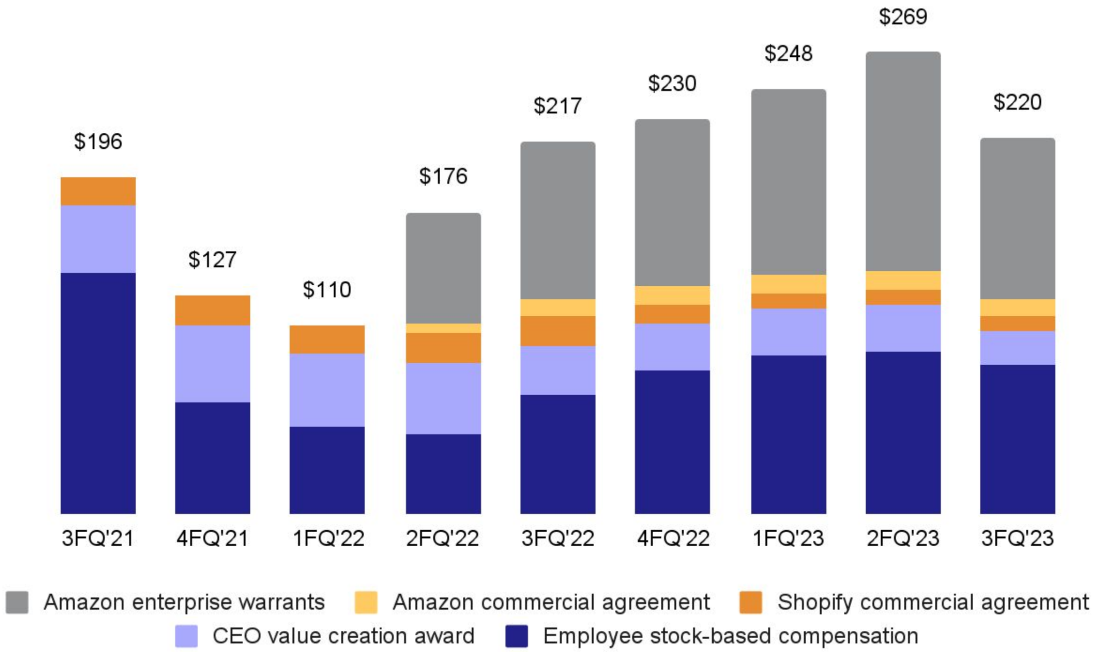




Non-GAAP operating expenses exclude (a) depreciation and amortization; (b) stock-based compensation included in GAAP operating loss; (c) expenses related to warrants and share-based payments granted to enterprise partners; and (d) certain other costs. Metrics are unaudited.

Share-based payment expense

$ million



Metrics are unaudited. Amounts above are included in Operating Expenses.

Share-based payment accounting

$ 000 unless otherwise indicated

	Total Stockholders' Equity
Balance as of December 31, 2022	**$ 2,510,148**
Issuance of common stock upon exercise of stock options	716
Vesting of restricted stock units	—
Vesting of warrants for common stock	93,922
Stock-based compensation	125,902
Tax withholding on stock-based compensation	(18,169)
Foreign currency translation adjustments	31
Unrealized gain on securities available for sale	4,520
Unrealized loss on cash flow hedges	(257)
Net loss	(205,677)
Balance as of March 31, 2023	**$ 2,511,136**

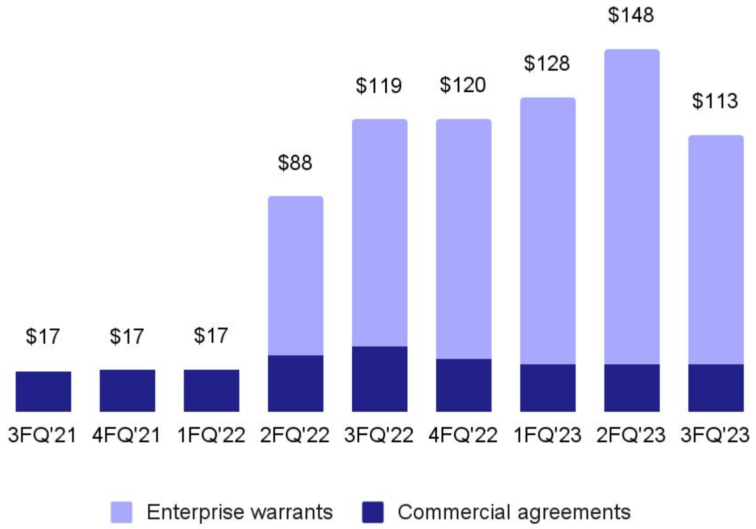
Considerations

- GAAP share-based expenses are added back to stockholders' equity at the end of each fiscal period
- The main impact of share-based expenses is dilution
- Since 3FQ'21, our shareholder equity has been stable at ~$2.5 billion despite substantial net losses

Metrics are unaudited.

Enterprise warrant and commercial agreement expenses

$ million unless otherwise indicated



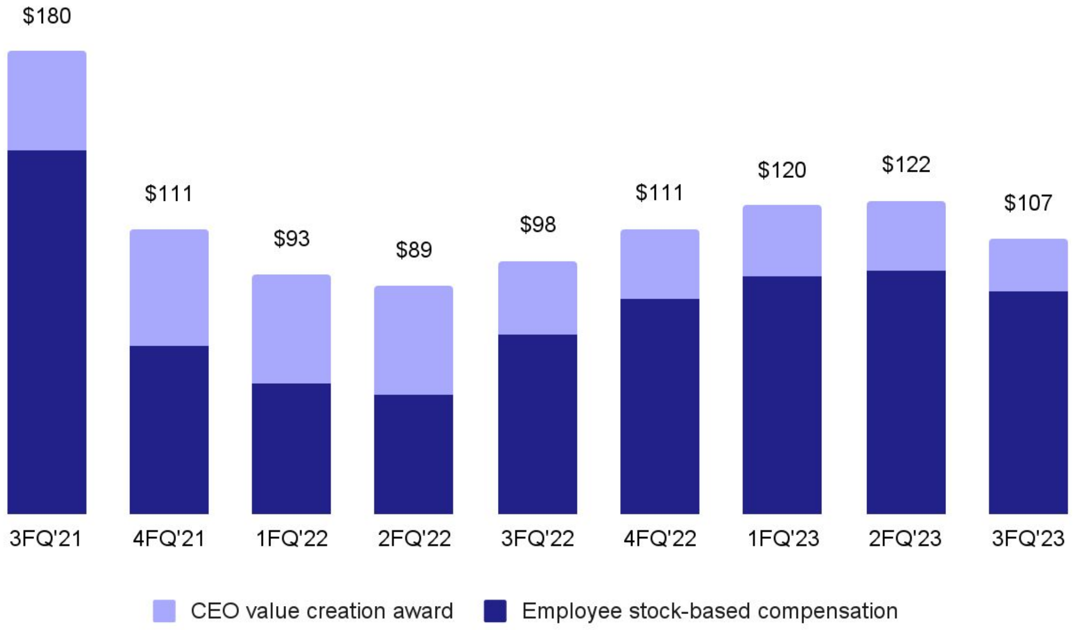
Item	3FQ'23 expense	Driver
Commercial agreement	$19 million	Fixed expense
Enterprise warrants	$94 million	Performance based

We expect total enterprise warrant and commercial agreement expense to **decline substantially by 2FH'25**

Metrics are unaudited.

Employee stock-based compensation

$ million unless otherwise indicated



Considerations

- We establish SBC based upon an **annual dilution target**, not GAAP expense
- Additional CEO Value Creation Award stock options will be **earned only if the 90 trading day VWAP of Affirm Class A shares exceeds $132**

Metrics are unaudited.

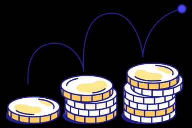
03 Conclusion

Final considerations when

Modeling our business

Focus on forecasting RLTC

- Consider using both bottom up and top down approaches
- Consider both the Affirm-specific and macroeconomic factors affecting RLTC as a % of GMV



Non-GAAP operating expenses

- We have demonstrated good non-GAAP sales and marketing and G&A expense leverage
- Non-GAAP tech and data analytics expense has scaled with GMV and customer growth

Share-based payments

- We target a certain amount of annual share-based dilution
- Vesting of CEO value creation award options is subject to high share price thresholds
- We expect enterprise warrant and commercial asset expense to decline substantially by FYE'25

Thank you and Q&A

Questions? ir@affirm.com

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