

Affirm Investor Forum

November 14, 2023



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, including the Company’s partnerships with certain key merchants and commerce platforms as well as its engagement with existing and prospective originating bank partners; the development, innovation, introduction and performance of, and demand for, the Company’s products, including Affirm Card; the Company’s ability to maintain funding sources to support its business; acquisition and retention of merchants and consumers; the Company’s future growth, investments, network expansion, product mix, brand awareness, financial position, gross merchandise volume, 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

existing originating bank partners 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 sustained profitability in the future; 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 continue to attract and retain highly skilled employees; and other risks that are described in its most recent Annual Report on Form 10-K, 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.

Panelist disclosure statement

All statements made and opinions expressed by the panelists are solely their own and do not necessarily reflect the views of Affirm or its affiliates. You should not treat any such statements or opinions as a recommendation to make a particular investment or follow a particular investment strategy. Neither Affirm nor its affiliates has verified the accuracy or completeness of such statements and opinions.

Use of Non-GAAP Financial Measures

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



Life on your terms

Introduction

Max Levchin

Founder &
Chief Executive Officer



Today's Agenda



Affirm's three growth pillars

Introduction

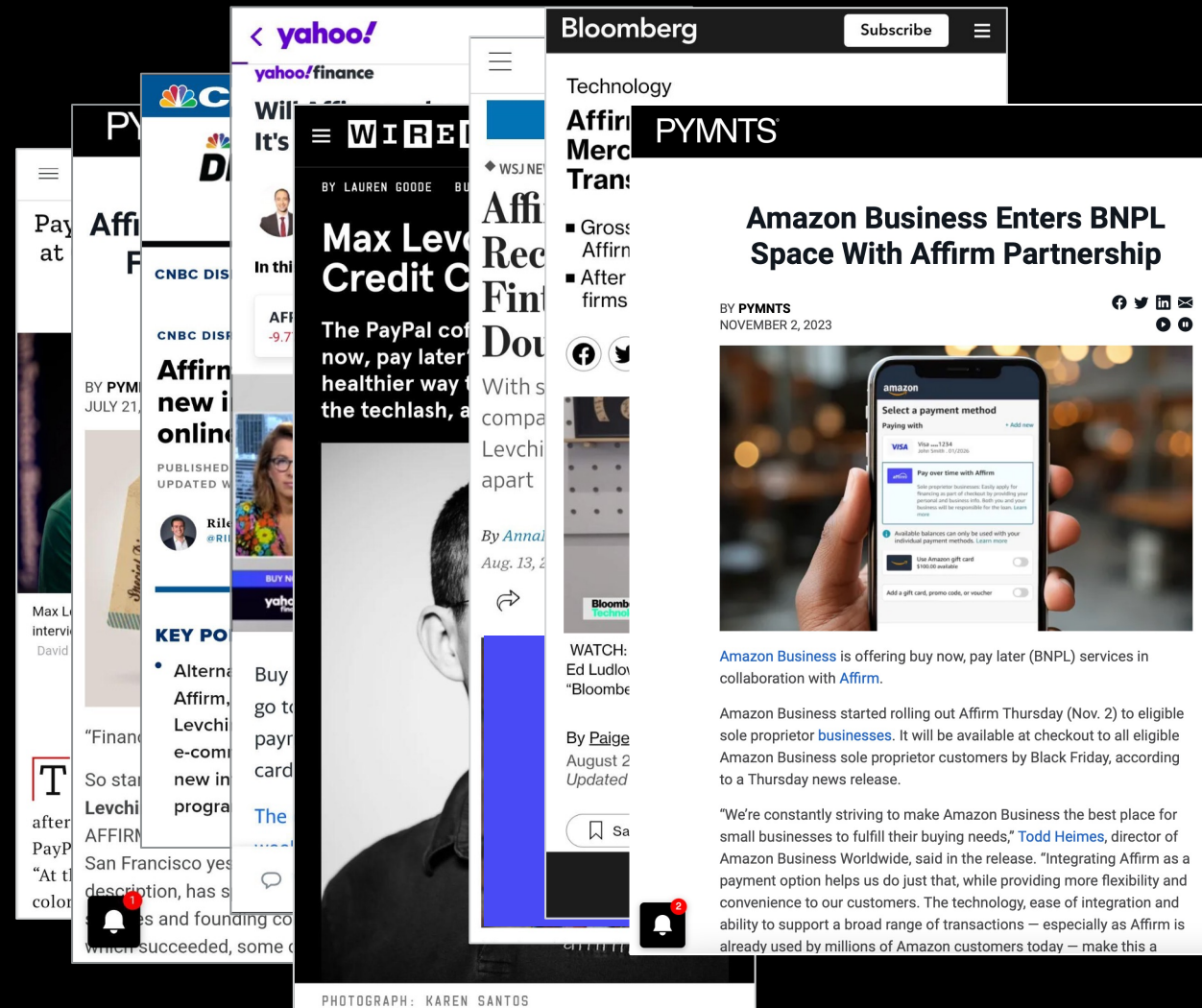
- | | |
|----|----------------------|
| 01 | Scaling Affirm Card |
| 02 | Winning at Checkout |
| 03 | Entering New Markets |
| 04 | Future of Affirm |

Future of Affirm and Growth Pillars Q&A

- | | |
|----|--------------------------------------|
| 05 | Funding Strategy and Financial Model |
|----|--------------------------------------|

Final Q&A

Honest financial products that improve lives



Scaling Affirm Card

Libor Michalek
President



Agenda

Scaling Affirm Card

01 Evolution of Affirm Card

02 Driving Growth

03 FY'24 Strategy

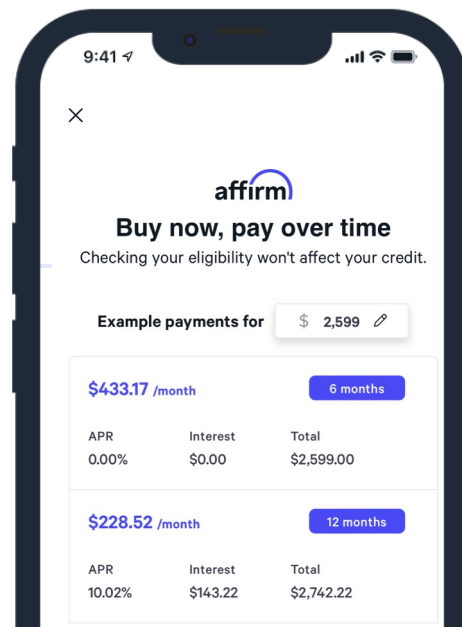
04 Long-Term Opportunity

Affirm Card

The next evolution of Affirm

Affirm at Checkout

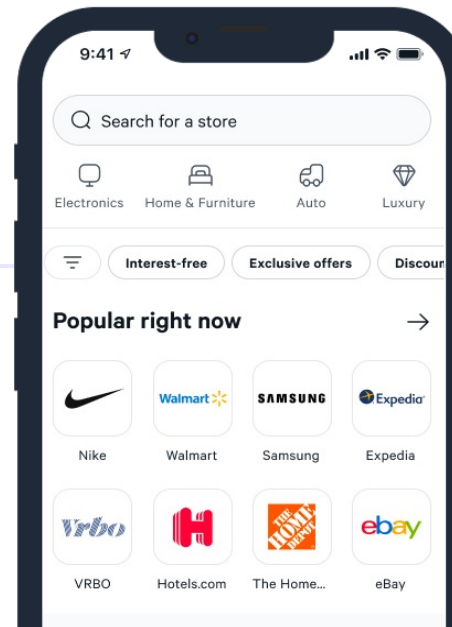
Pay over time with as low as 0% APR at our partner merchants.



ONLINE

Affirm Marketplace

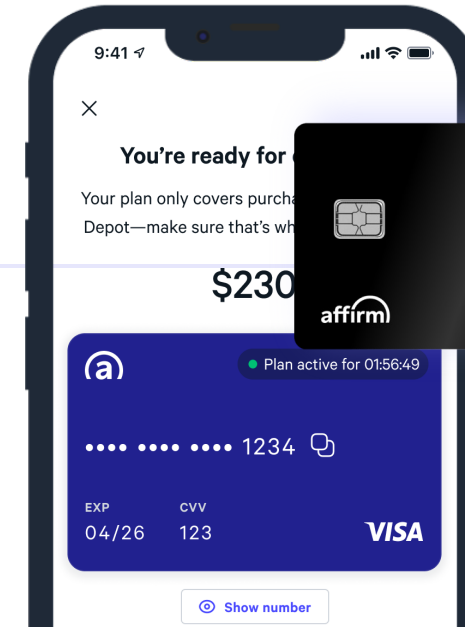
Featuring data-driven product discovery and personalized offers.



IN-APP

Affirm Card™

Pay now or request a payment plan, right from the Affirm app – online and in-store.



ONLINE & IN-STORE

Why consumers love Affirm Card

The go-to card for every purchase



Payment flexibility

A top of wallet product that gives consumers the **flexibility of installments with the control of debit**

- Supports both pay now and pay over time transactions
- Ability to split transactions pre- and post- purchase



Universal acceptance

A financial instrument that **combines the power of Affirm with the ubiquity of a Visa card**

- Suitable for low order value, daily spend transactions
- Unlocks merchant-funded offers (e.g. 0% APR, Pay in 4) on a card product



Gets better over time

Affirm Card is the **'hardware that gets upgraded'**

- Consumers can unlock features as they graduate through the Affirm ecosystem
- Gives Affirm a natural platform to cross-sell products

...but don't
take it
from us

Affirm Card

Customer Testimonials

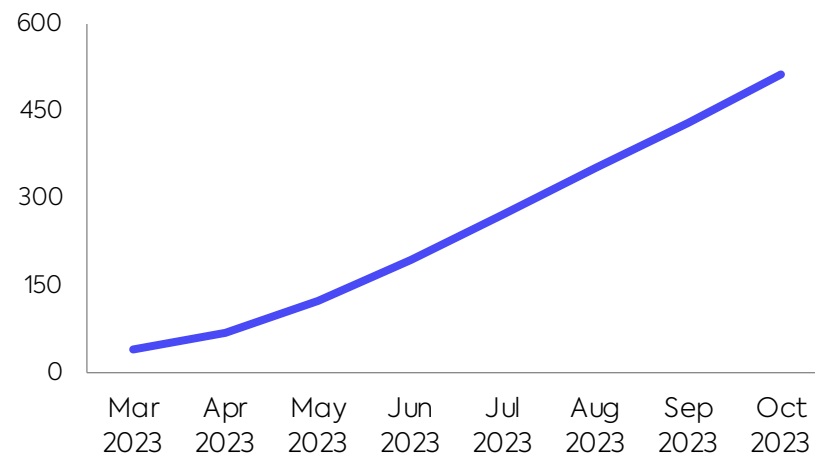
Driving Growth



Accelerating product adoption while improving unit economics

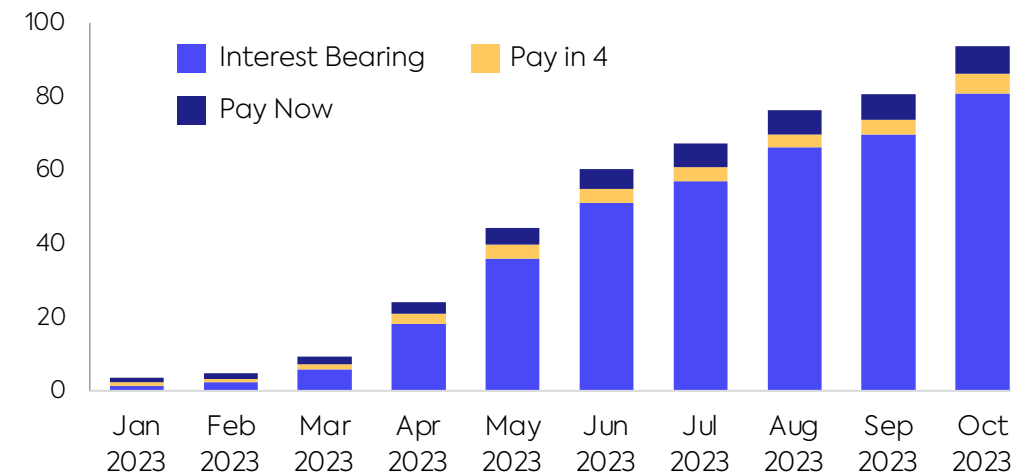
We see encouraging signs of product-market fit across all major metrics

Affirm Card active consumers¹ ('000s)



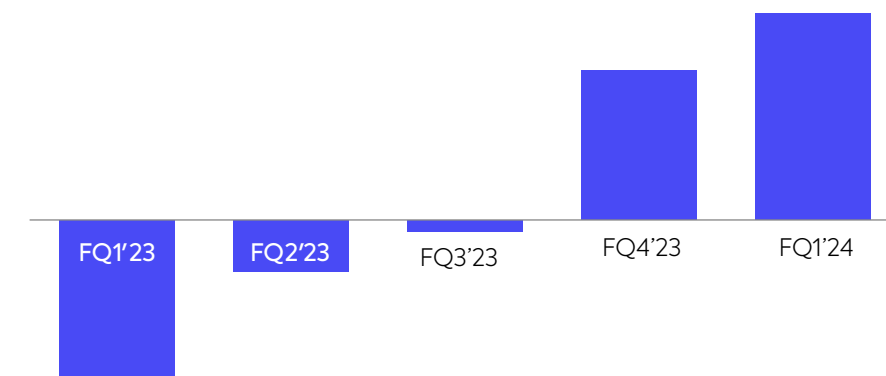
>500k active in October

Monthly GMV (\$M)



~\$100M monthly GMV³

Revenue less transaction costs ("RLTC")²
as a % of GMV

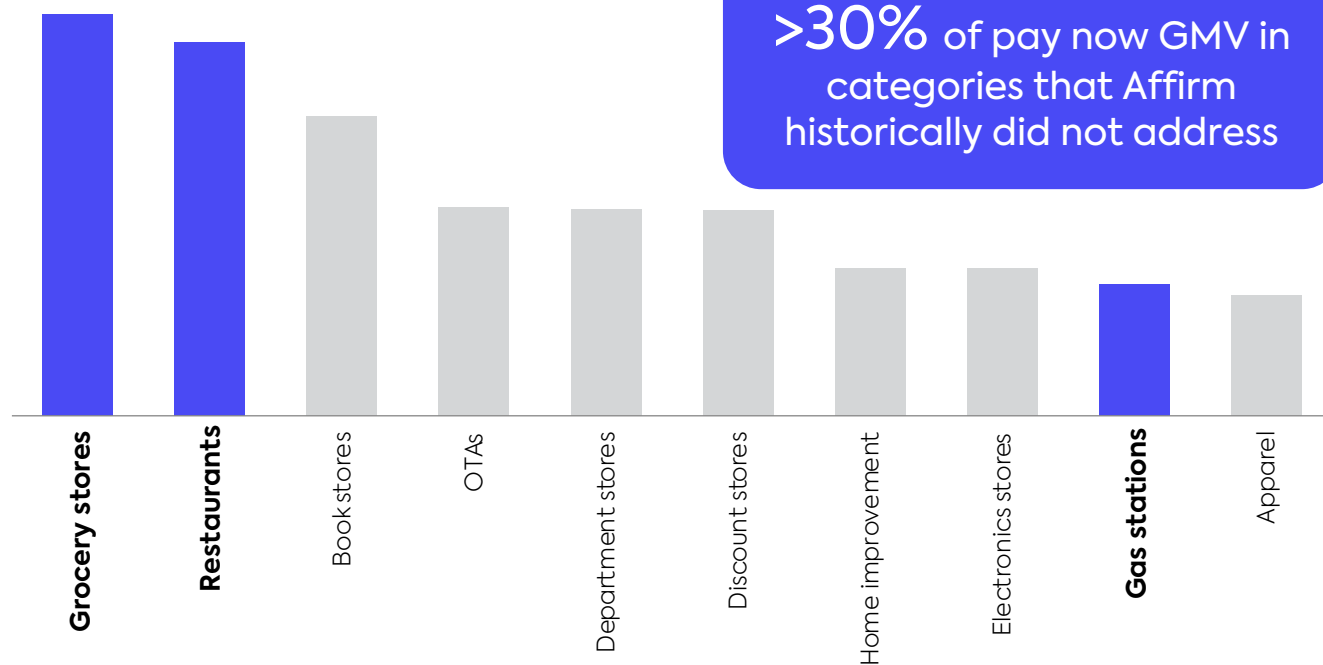


Improving unit economics

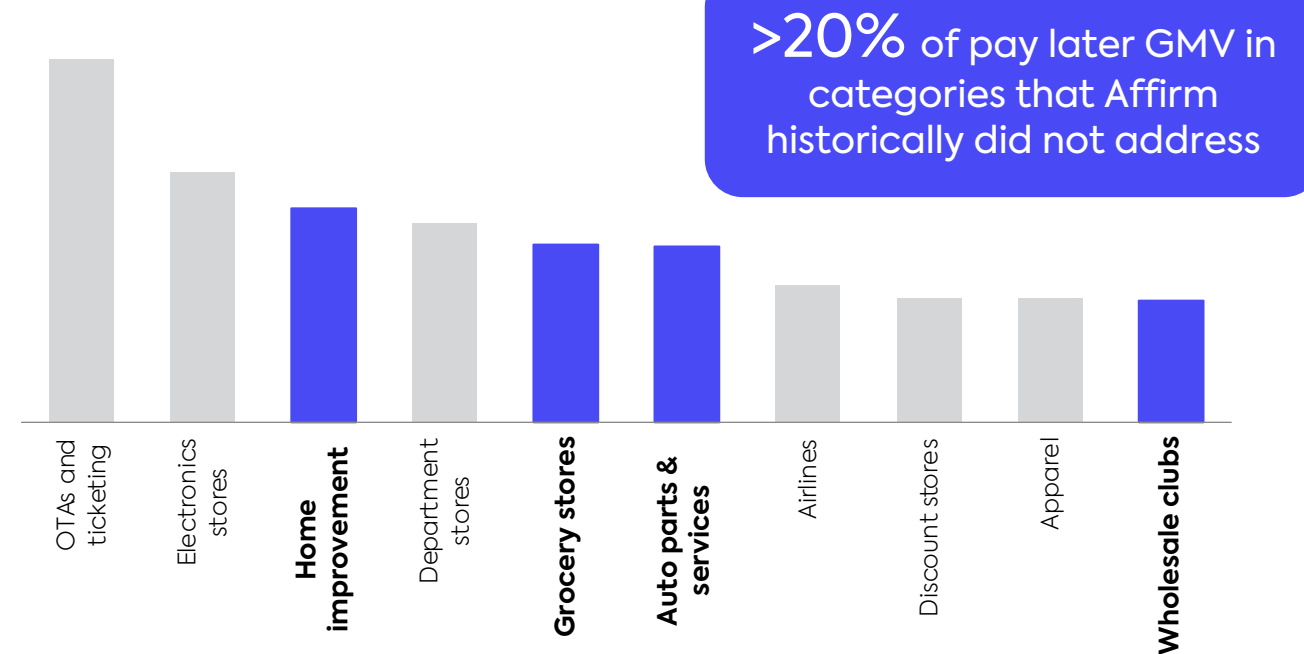
Tapping into new spend categories

Affirm Card users are transacting in categories that Affirm has historically not addressed

Top 10 pay now categories by GMV



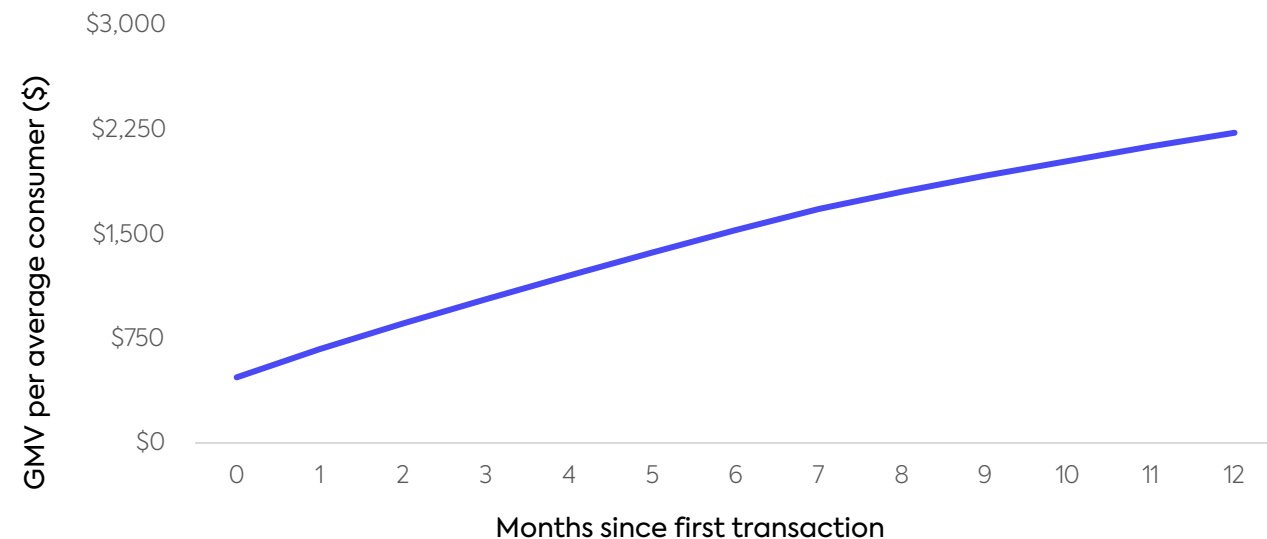
Top 10 pay later categories by GMV



Leading to strong Affirm Card cohort and mix data

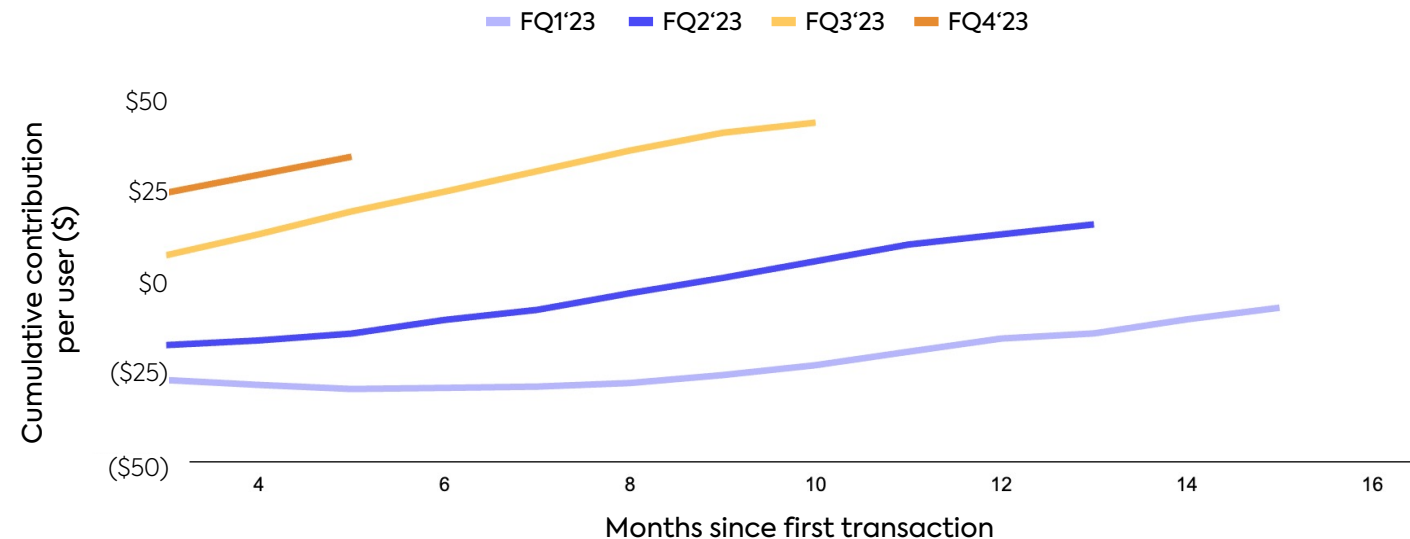
GMV and cumulative contribution per average user show encouraging trends

Cumulative spend per average user



Increasing GMV over time

Cumulative contribution per average user by quarterly acquisition cohort ¹



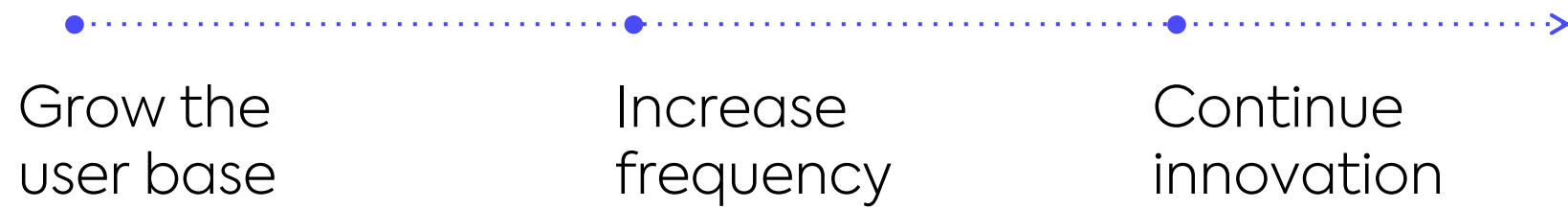
Ongoing improvement in unit economics

FY'24 Strategy



FY'24 Affirm Card strategy

Your go-to card for every purchase



Grow the user base



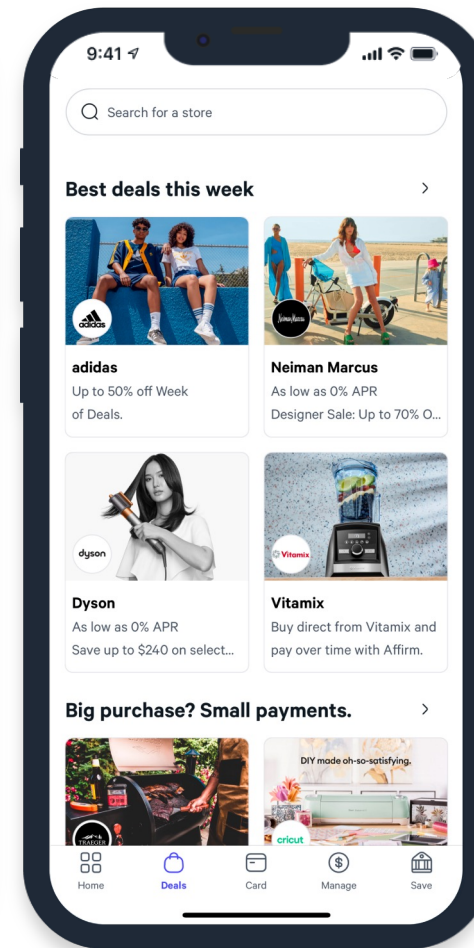
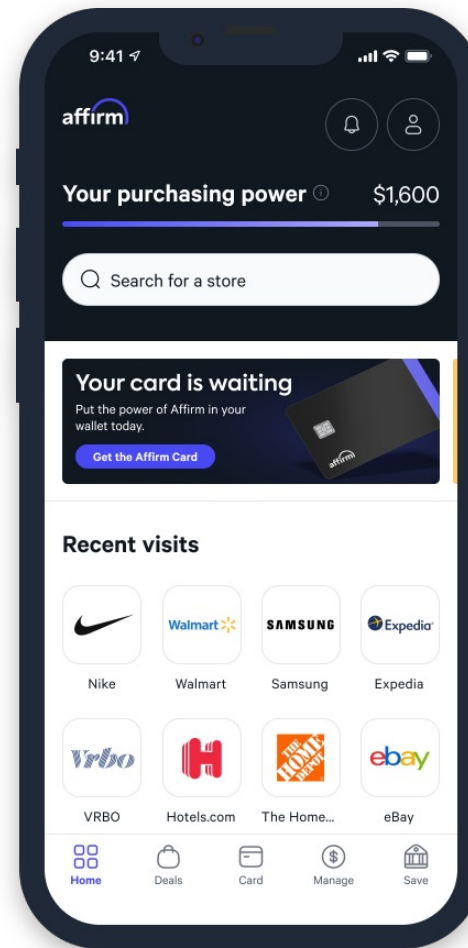
Broaden availability

Supercharge Affirm Card top of funnel through Affirm-owned channels, and leverage our huge audience for cost-effective user acquisition



Extend merchant-funded offers

Leverage existing merchant partnerships to offer great, Affirm-exclusive deals to more users while giving merchants access to new, highly engaged consumers



Increase frequency



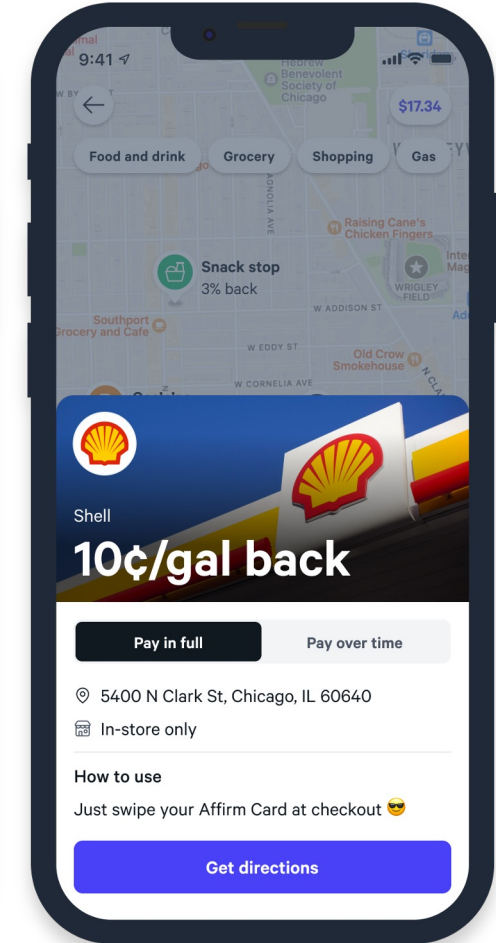
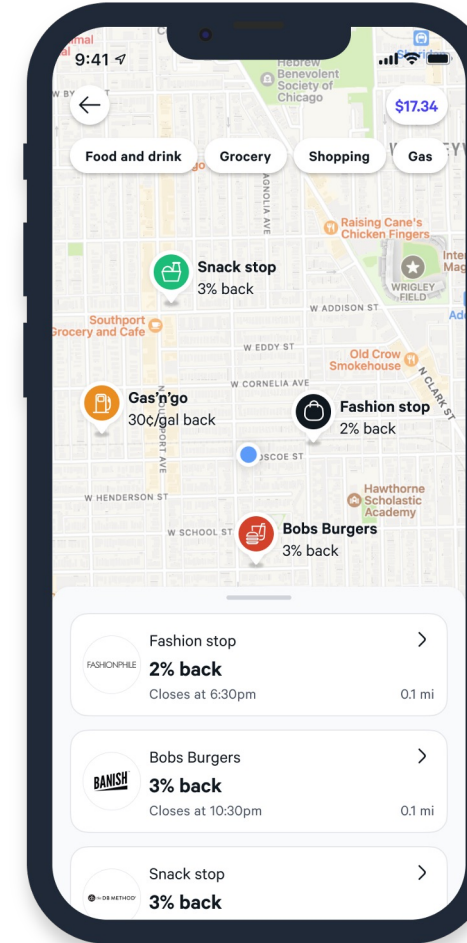
Offer perks and rewards

Earn the right to be top of wallet through daily spend incentives on Affirm Card



Expand checkout options

Support more merchant categories, lower cart floors, and introduce additional low AOV checkout options



Continue innovation



Launch Affirm Money Account

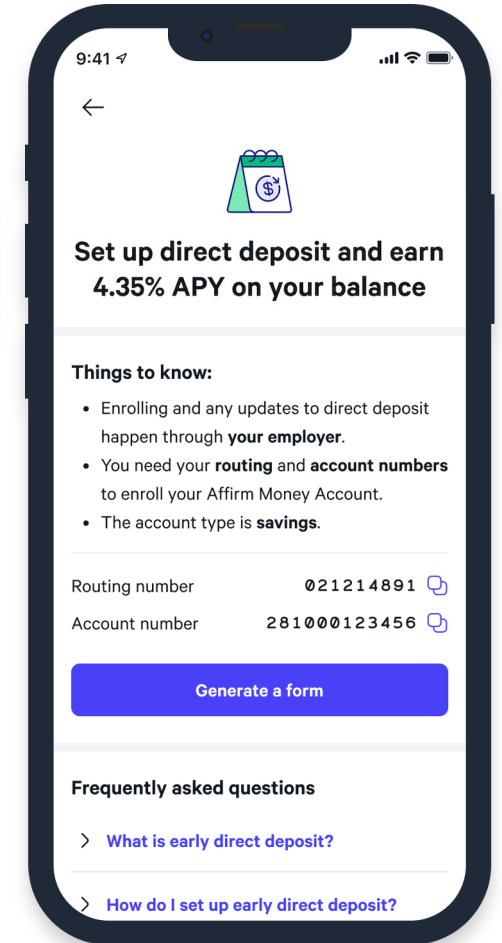
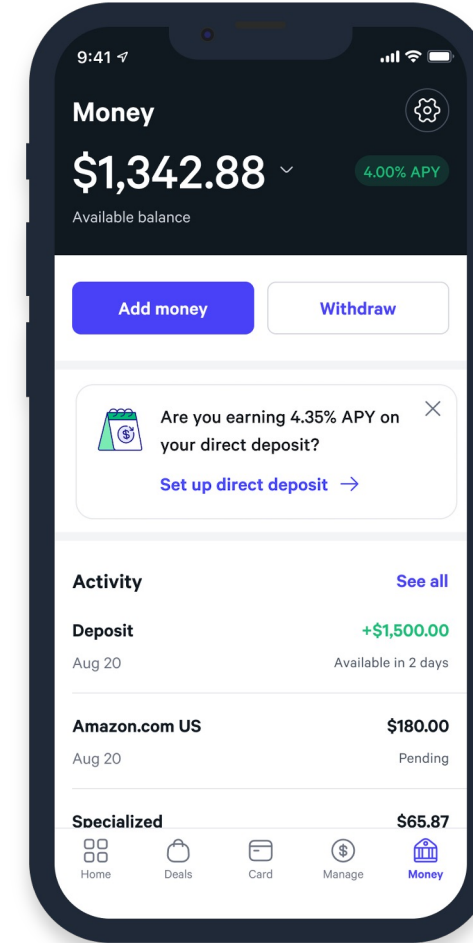
Introduce **transactional account capabilities** to back Affirm Card and deliver a full-featured debit experience, including:

- Savings APYs
- ATM access and instant debits
- Direct deposit



Introduce new capabilities

Encourage transaction frequency and consumer retention with products such as Pay in 6 or deposit APR boosts



Sizing the Long-Term Card Opportunity

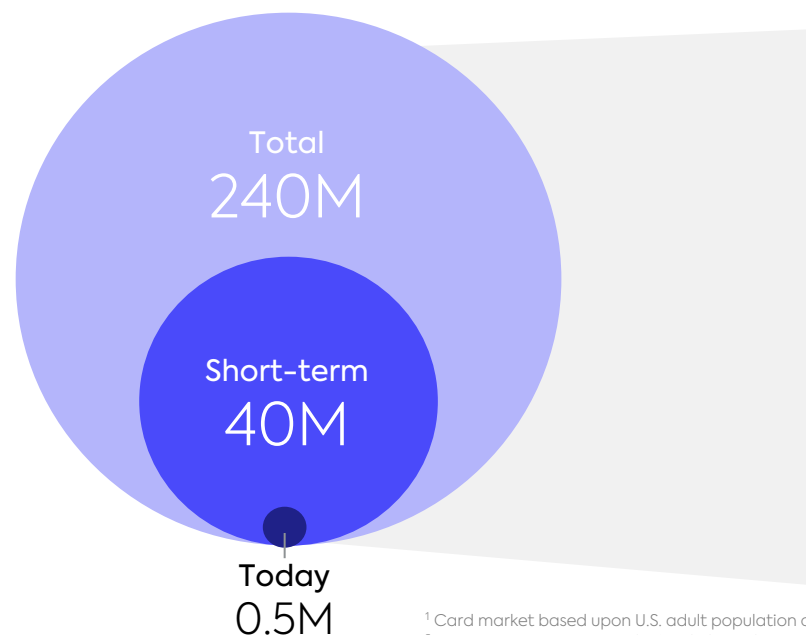


Sizing the long-term Affirm Card opportunity

Substantial untapped opportunity within Affirm's existing customer base with eyes on the broader market

Scale, frequency, and continued innovation create the opportunity for growth now, and enable an ever-improving product for the entire market

**U.S. Addressable
Affirm Card
Market (Users)**



Market Segment	Addressable Market (Users)	Penetration
Card Market ¹	~240M	0.2%
Prime to Near-Prime Credit Card plus Debit Card Users ²	~150M	0.3%
Affirm Registered Users ³	~40M	1.25%
Affirm Marketplace ⁴	~7M	7.1%
Affirm Card Active Consumers ⁵	~0.5M	

¹ Card market based upon U.S. adult population according to 2021 U.S. Census Bureau data and card penetration rate according to the 2022 Payment Card Adoption and Payment Choice study by the Atlanta Fed.

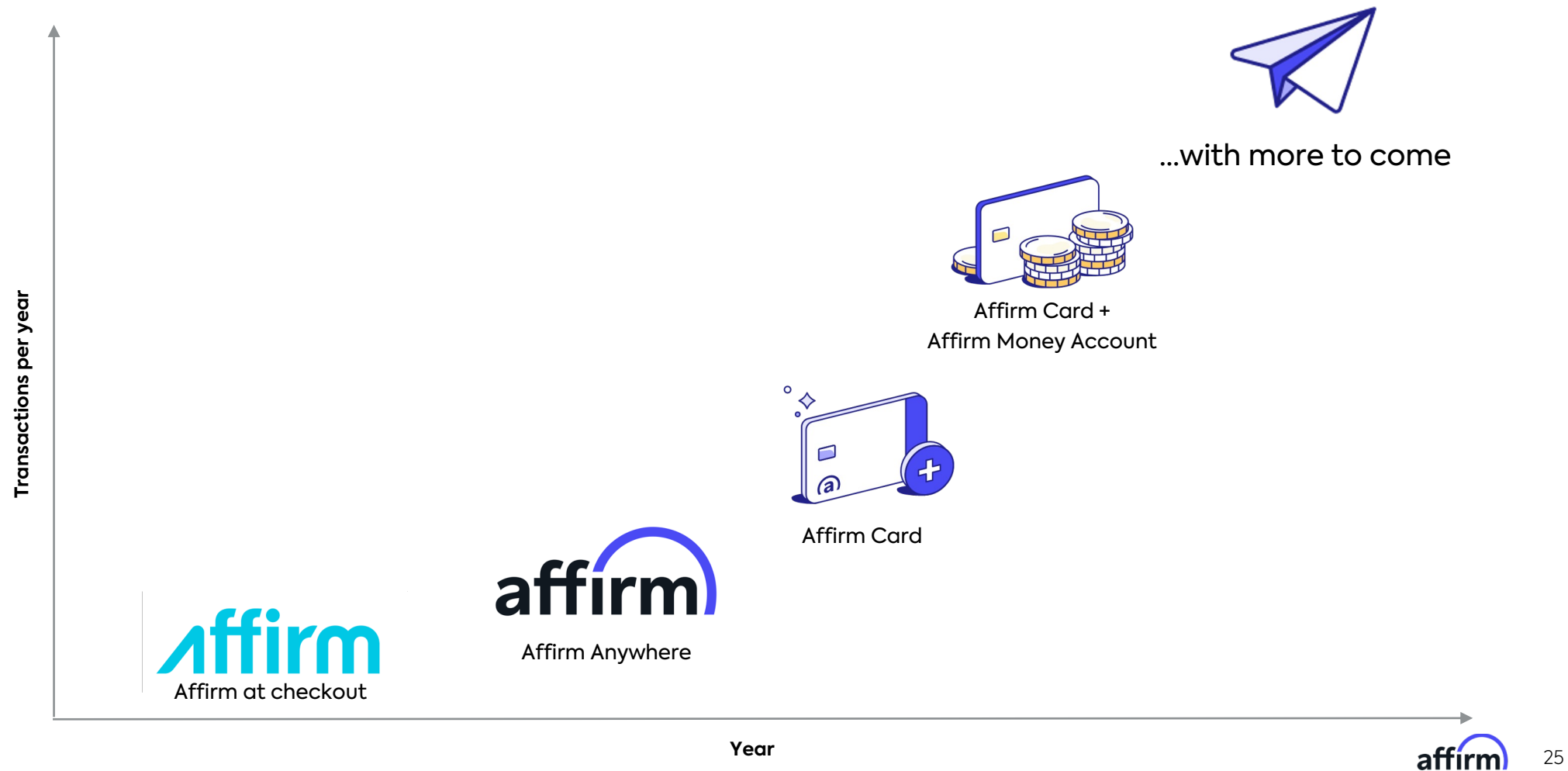
² Prime to Near-Prime Credit Card plus Debit Card Users defined as credit card plus debit card users with a prime or near-prime credit score.

³ Affirm Registered Users based upon all-time Affirm registered marketable users.

⁴ Affirm Marketplace based upon all-time Affirm direct to consumer transacting users.

⁵ Affirm Card active consumer defined as a consumer who engages in at least one Affirm Card transaction during the 12 months prior to the measurement date, presented as of the end of the period.

Affirm Card: the next evolution of Affirm



Winning at Checkout

Wayne Pommen
Chief Revenue Officer



Affirm's three key strategies to win at checkout



Unlock new merchants and segments

A large, unpenetrated merchant opportunity still exists in the U.S., in both existing and new market segments



Grow share of cart at existing partners

Proven "land and expand" playbook to increase our impact and grow our share of spend after initial launch



Accelerate distribution through partnerships

Reaching the long tail of merchants and consumers at scale through e-commerce platforms, PSPs, browsers and wallets

Unlocking New Merchants and Segments



Why do merchants choose Affirm?



A powerful network of shoppers
with access to transparent
and honest financial products

MERCHANT REACH

+60%

integrated partners
share of U.S.
e-commerce

LEADING AWARENESS

49%

aided awareness –
highest among the
peer group

HONEST AND TRANSPARENT

\$0

charged in late fees
or compounding
interest

Demographic data

GENDER:²

43% male

57% female

AGE:³

48% Millennial

28% Gen X

Why do merchants choose Affirm?

Superior performance through underwriting, user experience, and product options to meet merchant and consumer needs

INCREMENTAL TRANSACTIONS

76%

of shoppers would have delayed or not purchased without Affirm¹

INCREASED AOV

+60%

lift in average order values²

ENHANCED CONVERSION

28%

fewer abandoned carts compared to third party installments solution³

HIGH REPEAT RATES

91%

of loan transactions are by repeat customers⁴

¹ Data from 3-week period during pilot period (2021), 3268 responses

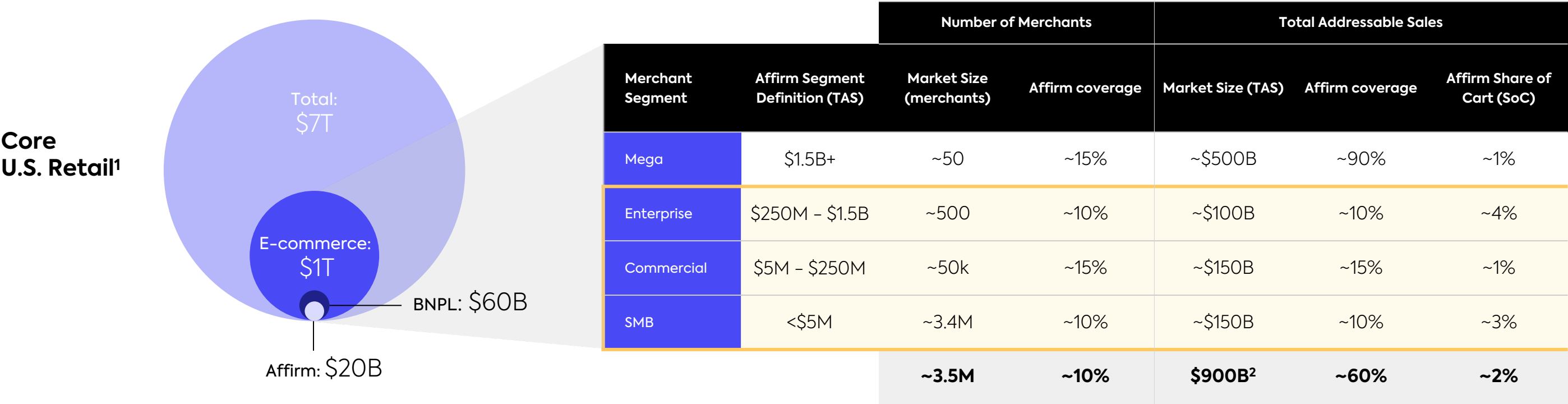
² Compared to not having Affirm in checkout. AOV Lift: Affirm Commercial KPIs (based on purchases made in CY 2022)

³ Cart Abandonment: External study from Shopify: Shop Pay Installments Blog Post (Jan. 2021)

⁴ Repeat transaction rate in FQ1'24

Core markets: tapping into an abundant U.S. e-commerce opportunity set

40% of U.S. e-commerce by sales is still untouched by Affirm



Core markets: expanding our merchant base

21,000 merchants added
in the last 12 months

Notable wins: last 12 months

		
	NET-A-PORTER	
	Booking.com	

Ongoing traction among new
and unpenetrated merchants

Core market expansion opportunities



Low AOV

~80% of U.S. e-commerce
transactions are under
\$150



Third-party marketplaces

adapting our offering to
address the fastest
growing segment of
e-commerce



Side-by-side opportunities

merchants willing to have
>1 provider at checkout

Unlocking new sources of TAM
historically not addressed by Affirm

Expansion markets:

activating segments of consumer spend beyond our historical focus on e-commerce retail and travel



Growing Share of Cart



‘Land and expand’ motion to increase our share of cart

We have an extensive playbook to drive additional value for merchants

Prequalification

Show prepurchase spending power

▲ **6%** more likely to convert¹

▲ **34%** AOV uplift¹

Adaptive Checkout

Dynamic plan choices offered to consumers

▲ **26%** conversion increase

Financing Plan Customization

Add promotional and longer-term plans

▲ **20%** GMV uplift when offering 0% APR
(or +50% GMV uplift when offering
0% APR and longer terms)¹

Brand Sponsored Promotions

0% or other offers funded by underlying vendors

▲ **115%** GMV uplift (and +15% AOV uplift)
when offering BSP¹

OTHER GROWTH LEVERS:

- Omnichannel via Affirm Card and in-store POS integration
- Category expansion
- Eligible cart size expansion
- Partner marketing campaigns
- Marketplace participation
- International expansion
- B2B customer expansion

Growing our share of cart

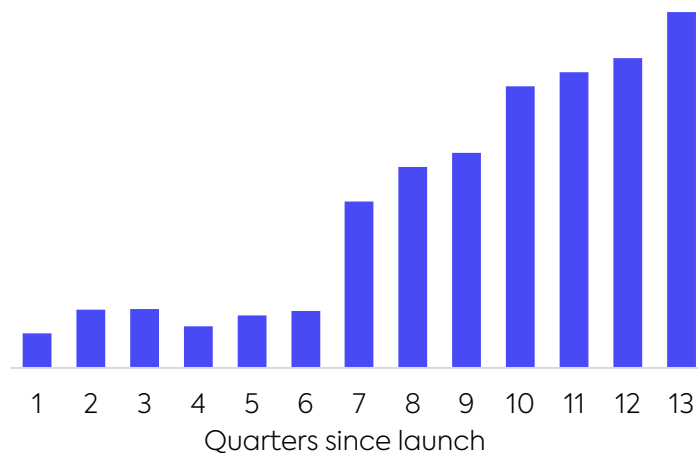
Multiple levers drive increased share of spend over time after merchant launch

Travel Portfolio¹

Key Expansion Initiatives:

- Financing plan optimization
- 0% APR campaigns
- Steady expansion across travel categories (flights, vacations, car rental, hotels, etc.)
- Enhanced up-funnel messaging
- Channel expansion beyond web (e.g., app, telesales)

Affirm Share of Cart

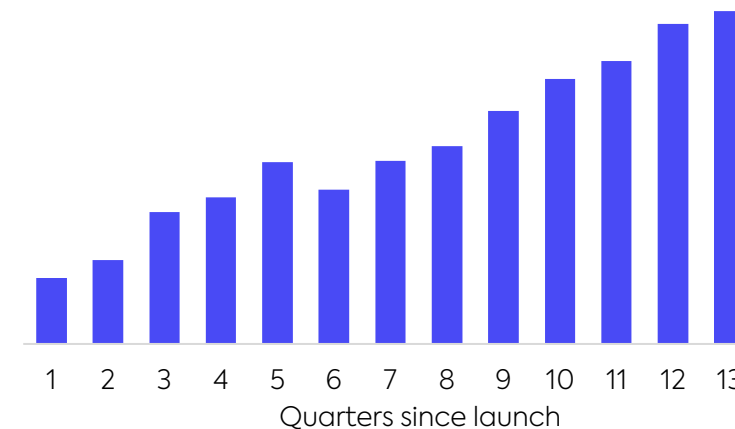


General Merchandise Portfolio²

Key Expansion Initiatives:

- Financing plan optimization
- 0% APR campaigns
- Prequalification
- Enhanced up-funnel messaging
- Addition of new retail categories
- Increase in cart ceilings and lowering of cart floors
- Channel expansion to in-store

Affirm Share of Cart



Driving expansion at existing merchant cohorts

Ongoing playbook to expand share of cart



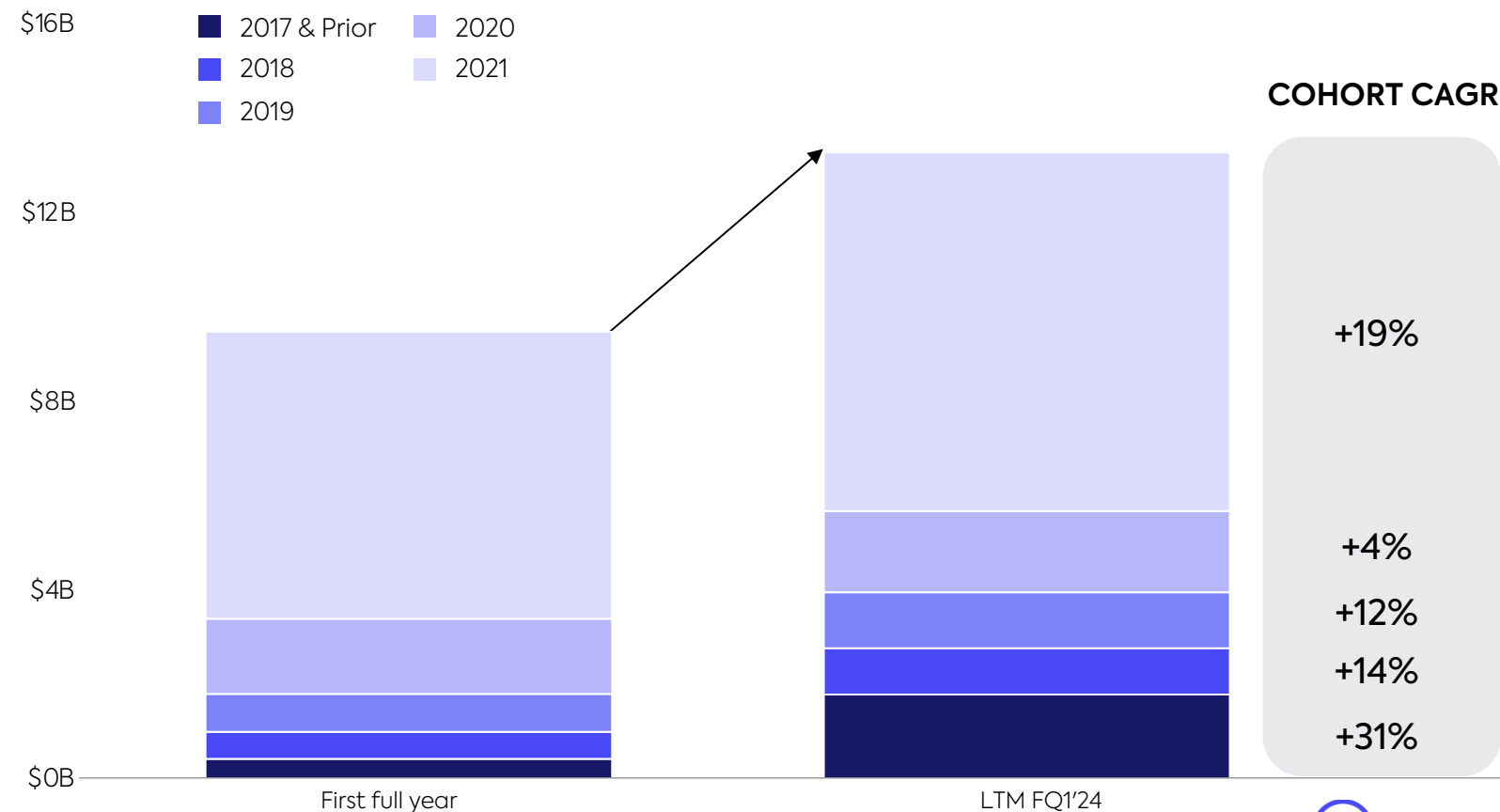
Excellent track record of renewals of key merchants

Strong long-term growth of each merchant cohort over time

115% dollar-based net expansion in FQ1'24

Dollar based net expansion based upon FQ1'24 GMV of merchants that were active as of the beginning of FQ1'23 / FQ1'23 GMV for merchants that were active as of the beginning of FQ1'23. This calculation excludes GMV from Affirm Canada, direct to consumer products such as Affirm Anywhere and Affirm Card, and Returnly.

Merchant GMV performance by calendar year cohort



Trailing twelve months as of September 30, 2023. This calculation excludes GMV from Affirm Canada, direct to consumer products such as Affirm Anywhere and Affirm Card, and Returnly.

Accelerating Distribution



Scaling our reach through distribution partnerships

E-commerce platforms

Enables SMBs selling online to seamlessly add Affirm as a payment method

Affirm has integrations with more than **75 e-commerce platform partners**



PSP platforms

Embeds Affirm within merchants' broader omnichannel payments product suite, ensuring streamlined onboarding and stickiness

Affirm has partnerships with **14 PSP platform partners**



Wallets and browsers

Reaching merchant checkouts and shoppers through wallet integrations and browser extensions

Affirm is integrated with Microsoft Edge, Shop Pay, and others



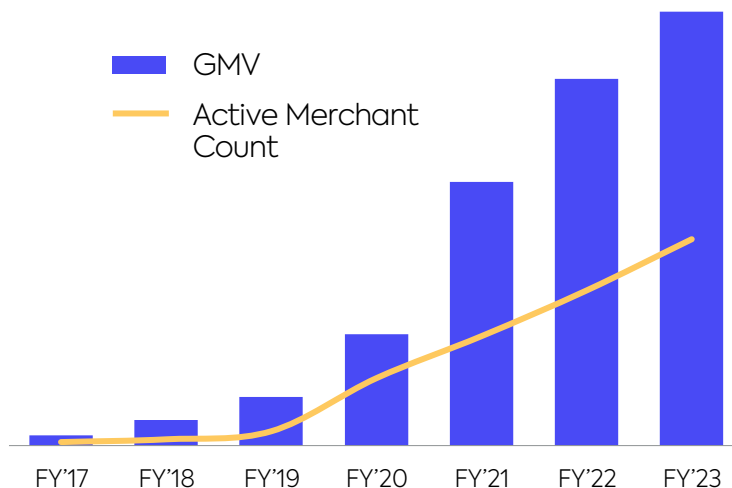
installments in partnership with **affirm**

Partnership distribution

E-COMMERCE PLATFORM BigCommerce

LAUNCH: September 2016

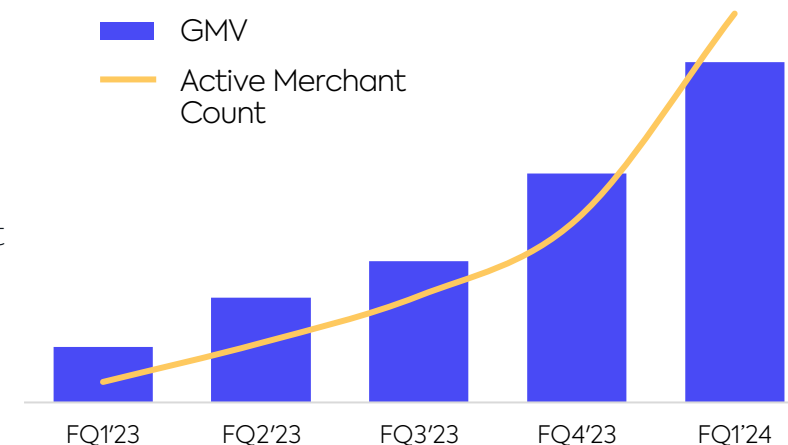
- Access to BigCommerce's U.S. merchants
- Affirm became BigCommerce's preferred provider in August 2022
- Delivered Embedded Onboarding in Feb 2023 to facilitate faster merchant launch



PSP Stripe

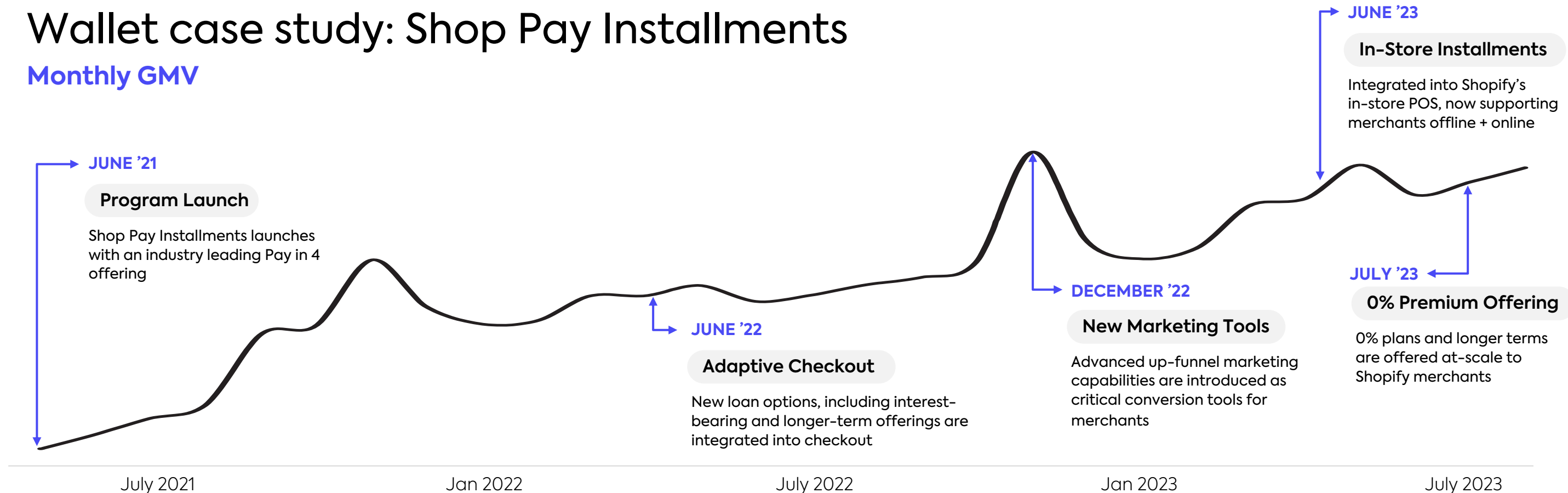
LAUNCH: May 2022

- Access to Stripe's hundreds of thousands of merchants
- Streamlined GTM approach to SMB sales
- Integration allows merchant enablement in minutes
- Expansion from U.S. to Canada in April 2023



Wallet case study: Shop Pay Installments

Monthly GMV



Entering New Markets

Pat Suh

Senior Vice President
Revenue



Agenda

Entering new markets

01 International

02 B2B

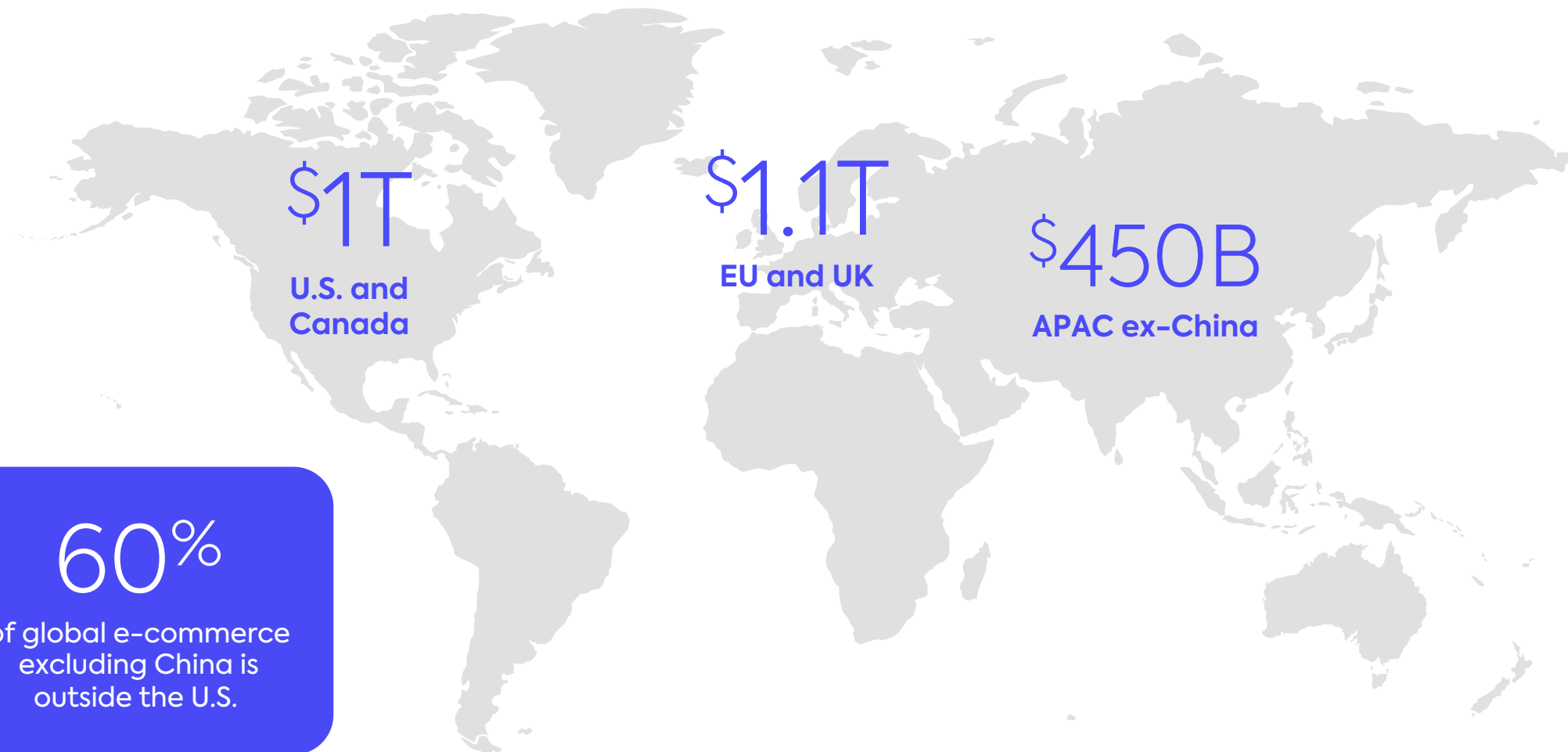


International



The case for international expansion

Affirm has large, untapped opportunity in markets outside of North America



60%

of global e-commerce
excluding China is
outside the U.S.

Expansion driven by both merchant and consumer pull

Our merchants are asking us to expand with them and our consumer value prop resonates across markets



Deepen key merchant and partner relationships

- Our large North American merchants have global businesses and are **seeking a global partner**
- We **cement our merchant relationships** by serving the merchant in multiple geographies
- These relationships also give us a **path to scale** and **minimize risk** in new markets



Bring honest finance to tens of millions of new consumers

- Providing honest financial products is **differentiated** vs. many incumbent players (no late fees or gotchas, overall customer alignment)
- Market dynamics vary, but our approach and consumer value proposition has a **universal appeal**
- Affirm can **offer a wider range** of financing options vs. other competitors



International expansion evaluation framework

We take a disciplined approach to evaluating international opportunities

Total opportunity

Total Addressable Market (TAM)

- Large population + GDP
- High consumer propensity to adopt
- E-commerce TAM

Market share

Presence of key existing merchants and partners

- Existing partners with high regional market share
- Opportunity to differentiate with merchants from competitors in market

Economics

Product-market fit of profitable products

- Balanced financial program mix
- Consumer openness to paying interest

Speed

Product integration effort

- Market requirements that support appropriate unit economics
- Adjacency to current product capabilities and technology

INTERNATIONAL
EXPANSION CASE STUDY:

Canada

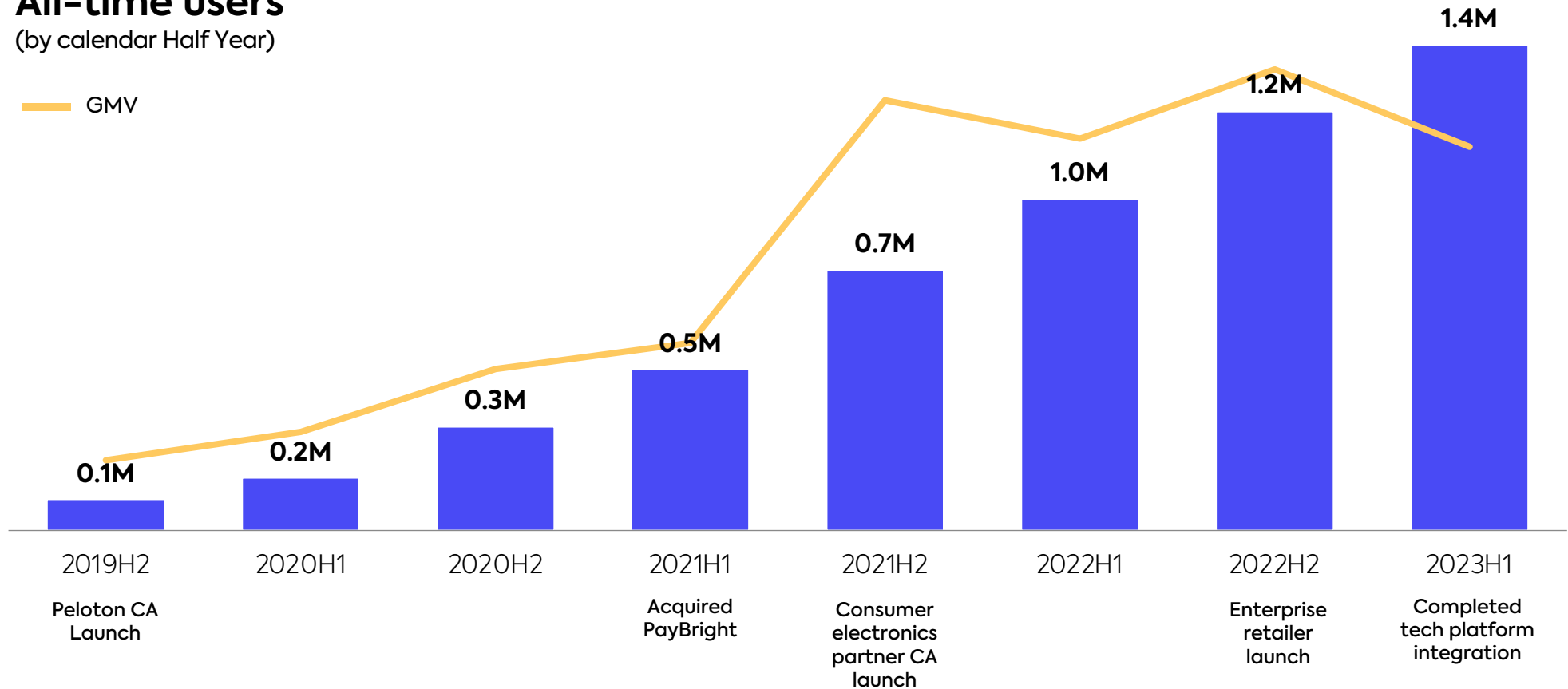


Combining both organic
and inorganic
approaches to win in the
Canadian market

All-time users

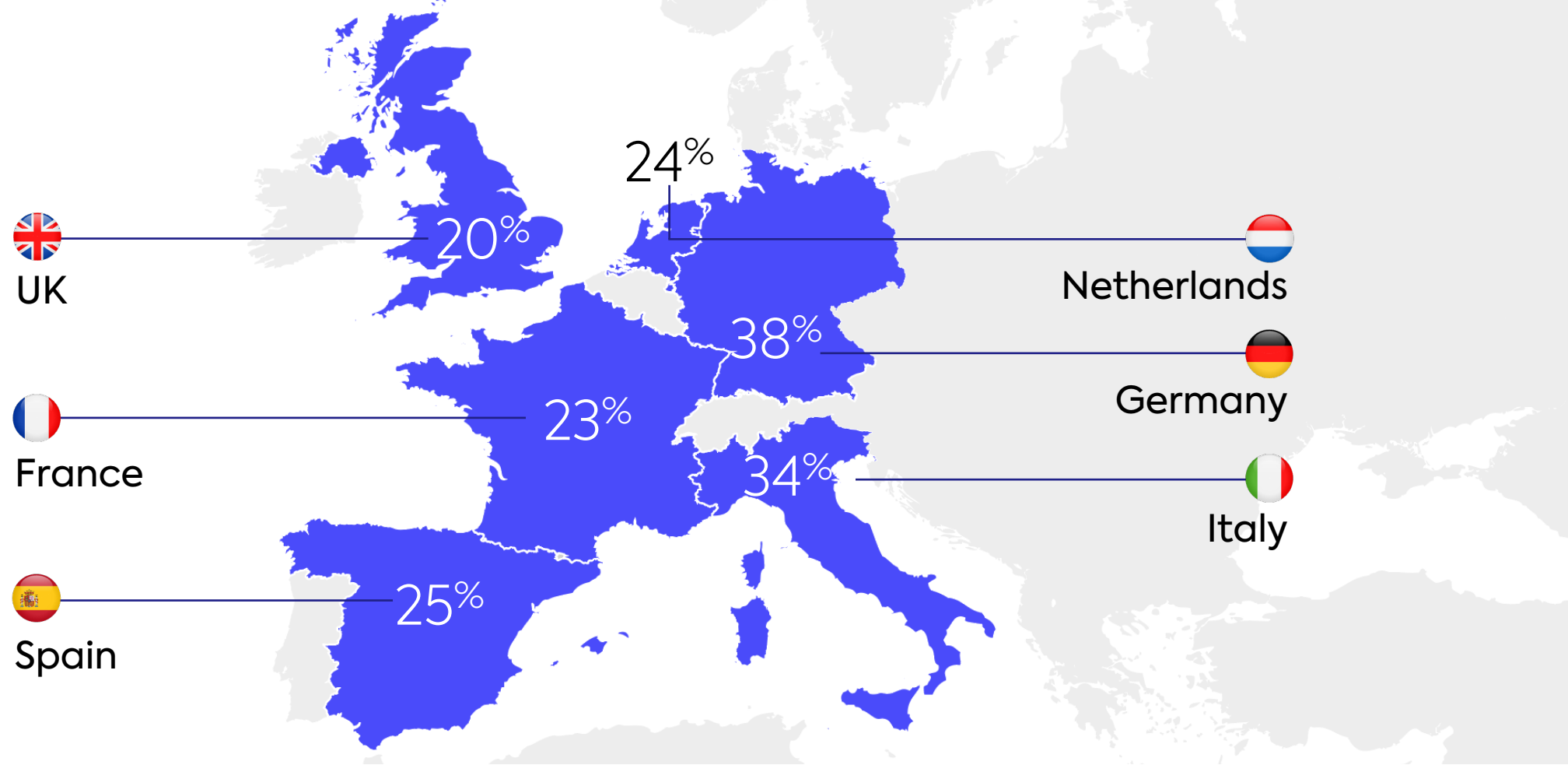
(by calendar Half Year)

— GMV



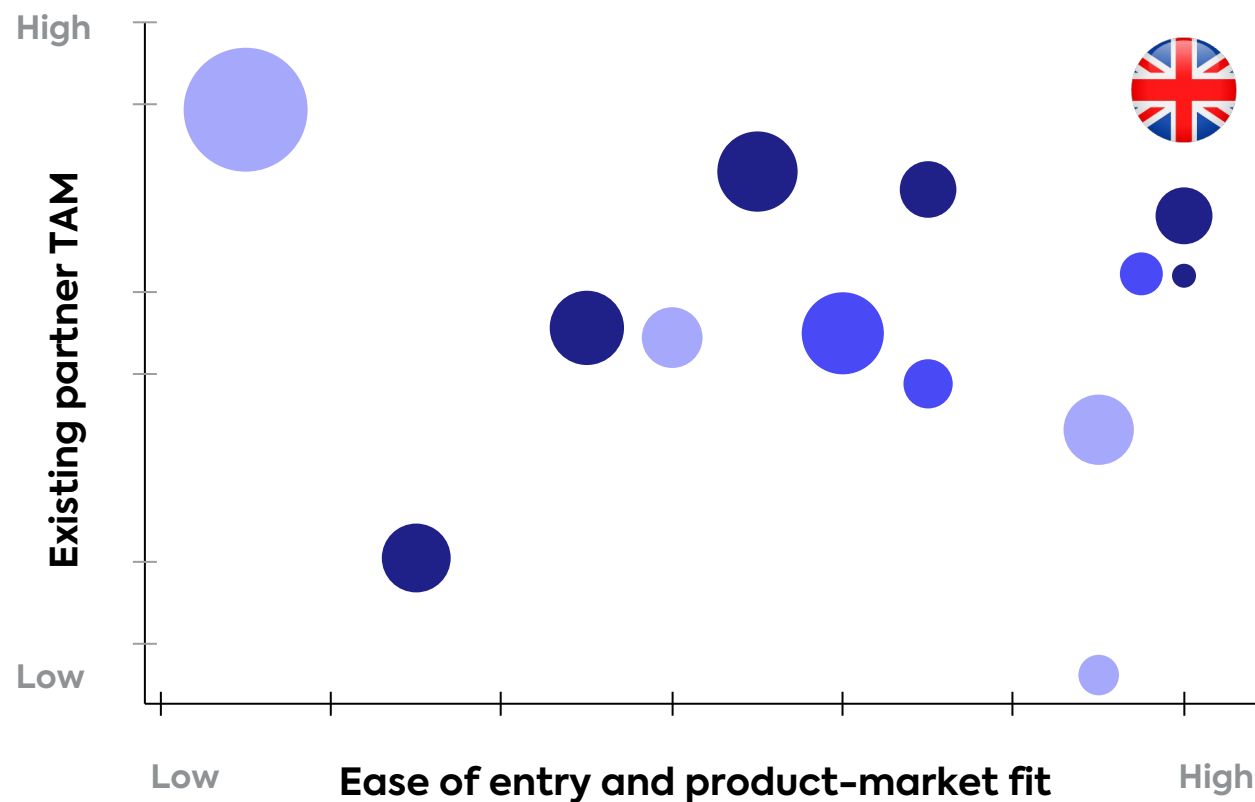
Key U.S. partners as potential international accelerators

Affirm's existing top 3
merchant and partners
as a % of select market TAM



Ranking potential new markets

The UK ranks highly due to the combination of product-market fit, ease of entry, and existing merchant partner TAM



UK MARKET FACTS

- \$133B TAM
- 20% penetration by existing partners
- Proven consumer demand
- Opportunity for more than Pay in 4

- Potential market size
- Low product market fit
- Moderate product market fit
- High product market fit

UK expansion

We are entering the UK market next and in discussions with potential launch partners.

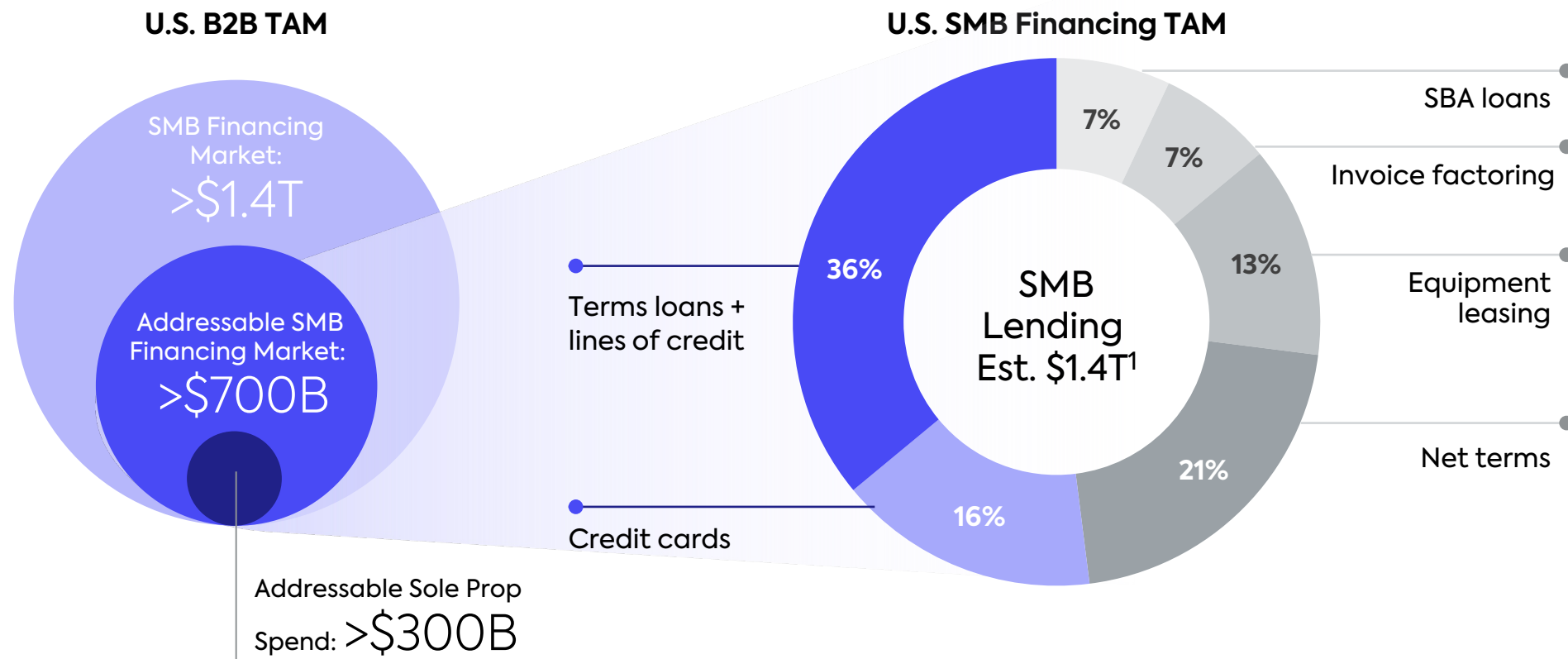
B2B



B2B transactions with sole proprietors are an immediate adjacent opportunity

The factors that enable us to win with consumers also allow us to support sole proprietor buyers

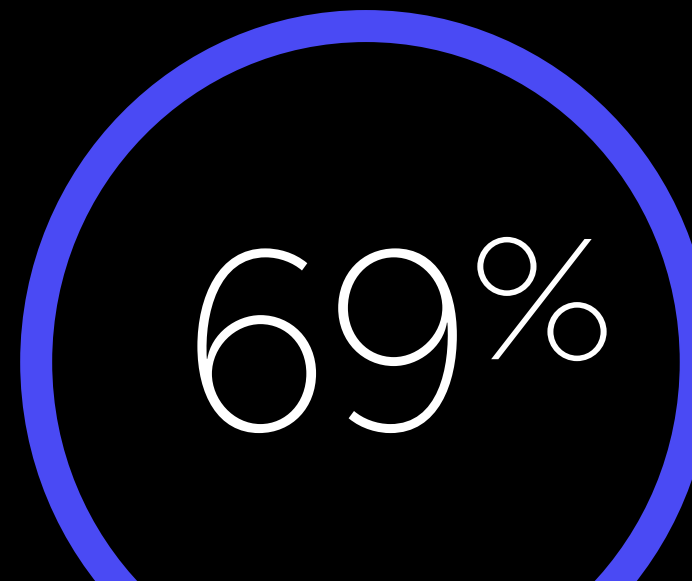
Beyond sole props *The overall B2B addressable market is substantial and untapped*



SMB Financing market size based upon 2017 CFPB data. Addressable SMB Financing Market based upon business credit card, term loans, and lines of credit available to SMBs according to 2017 CFPB data. Addressable sole prop spend defined as nonfarm sole prop spend on materials, supplies, and other purchases according to 2020 IRS data.

Why Affirm works

Affirm has the opportunity to leverage its core B2C capabilities – **fraud, underwriting, checkout, and brand trust** – to seamlessly extend into the sole proprietorship market



of sole props <2 years old
were declined for requested
financing in 2022

Addressing the pain points for B2B buyers and sellers



Buyer pain points

- **Limited financing options**
Sole props are often ineligible for credit cards or loans and require a personal guarantor
- **Cash capacity constrained**
Lack cash runway to spend especially during peak seasonal periods



Seller pain points

- **Poor credit options**
Credit cards and lines of credit don't underwrite or approve businesses effectively
- **Need to unlock growth**
Want the same incrementality benefits of financing for the business buyer

CASE STUDY

B2B: launching and scaling with Amazon Business

Improving conversion by
offering sole proprietors
the terms they need



Launch

Launched B2B with Amazon Business on November 2nd.

Millions of sole proprietors are now empowered to shop and purchase on Amazon Business using Affirm.



Impact

Tested B2B with Amazon Business during FY'23 to gather insights; conversion rates far surpassed expectations, demonstrating strong demand.



Opportunity

Thrilled to deepen our partnership with Amazon by offering both B2B & B2C financing.

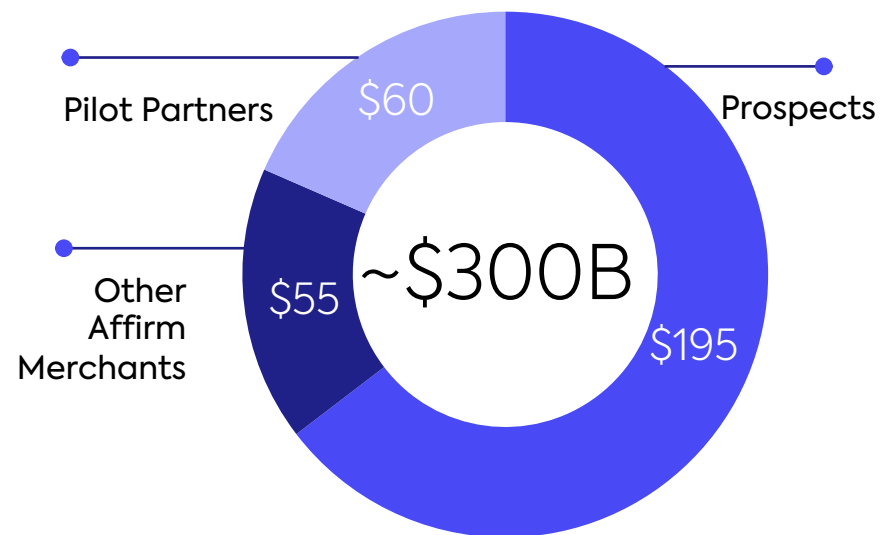
Affirm has 40M registered users and B2B resonated most with previous customers who are also sole proprietors.²

¹ Small business and sole proprietor count based upon 2023 Frequently Asked Questions About Small Business published by the SBA.

² Affirm Registered User based upon all-time Affirm registered marketable users.

Large B2B TAM with existing merchant partners and prospects

Estimated \$300B sole prop TAM within the U.S., of which ~\$115B is served by current Affirm merchants and pilot partners



INITIAL INDUSTRIES



B2B MERCHANT CHAT:

Best Buy for Business



Pat Suh

Affirm, SVP, Revenue



Jai Holtz

Best Buy, VP, Financial Services



Future of Affirm

Max Levchin

Founder &
Chief Executive Officer



Agenda

Future of Affirm

01 Affirm Today

02 What's Next

03 How We Get There

We have built a unique *network*

16.9M+

Active consumers



266k+

Active merchants

Constant **innovation**

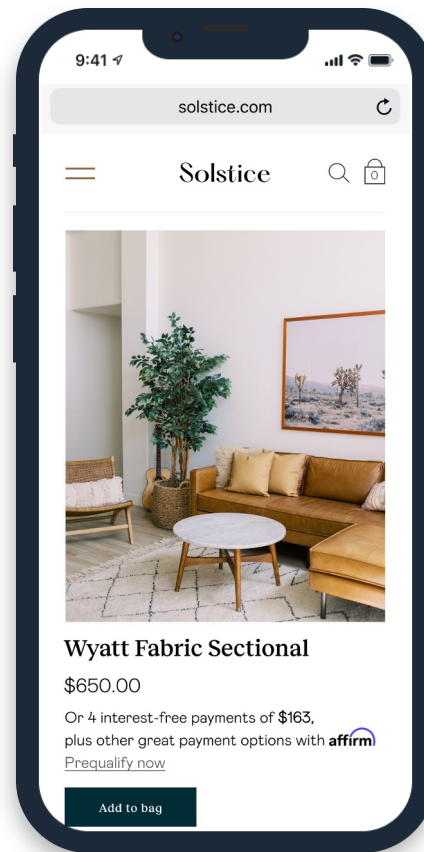
Underwriting expertise

Tech excellence

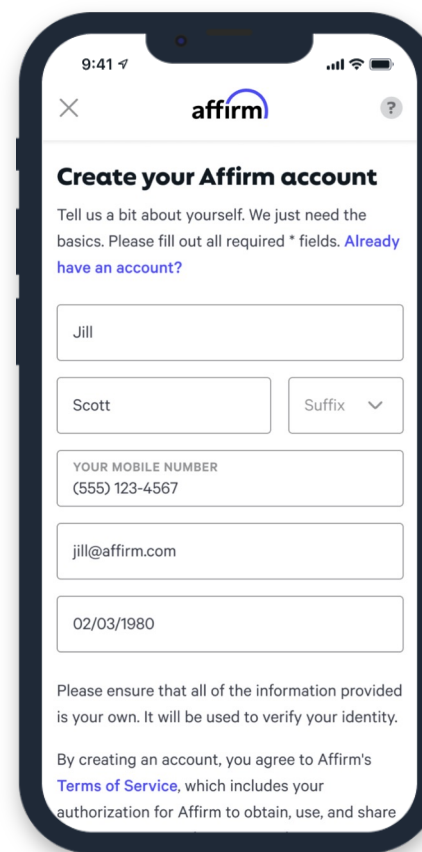
Top **partnerships**

Driving merchant growth

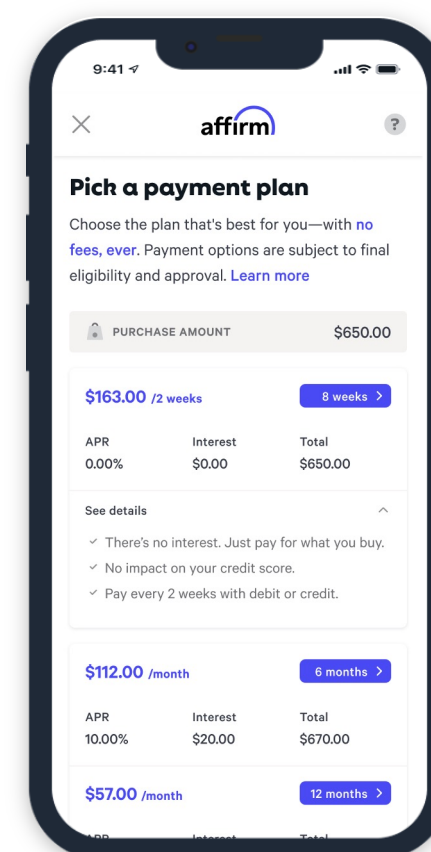
the ultimate conversion machine



**Dynamic
messaging**



**Frictionless
signup**



**Personalized
payment options**

Our users love us 🥰

Affirm is great. It's better than using your credit cards. I'm able to pay off each item instead of paying off a credit card bill. Affirm also let you choose the amount of monthly

🌸 I affirm that Affirm is the best credit experience I've ever or will ever have. Thx Affirm, ur the bestest of them all 💖 I don't even need for them to offer more like recipes or rewards programs. If and when I find out they do they're only becoming better than themselves 💖 [\(link\)](#)

The app is great!! 👍. Very easy to use. Find out what you're qualified for right in the app. No calling and waiting to speak with someone to make a purchase or payment. Simple as 1-2-3. Need to get it now and pay later. Get Affirm! I love Affirm! I have making purchases for 3 yes now and still NO complaints. Thanks Affirm! 😊💖💖💖 [\(link\)](#)

Affirm has made it easy for me to purchase items that I need right away. My sons mattress needed to be replaced and I could not afford the lump sum amount all at once. Making payments on this item was easy to accept into my budget and my son is happy he has a better mattress to sleep on. Thanks Affirm! Shari New Berlin [\(link\)](#)

I have used this app many times to pay for big and small purchases. I prefer to pay with Affirm because it's becoming more widely accepted by more merchants as a payment source. It's not difficult to pay off the items, unlike a typical credit card. [\(link\)](#)

This app has allowed me to purchase what I really want now, without breaking the bank. I have bought designer shoes and purses as well as tickets to events, that I otherwise could not buy directly. However with affirm you can pretty much get whatever you want. You must pay on time every time and your buying power increases. I love it. [\(link\)](#)

Affirm is awesome. I'm currently a family caregiver and while taking care of my elderly and disabled relative is rewarding, it's no where near lucrative. My tight budget doesn't allow me to buy some items that I want or need, so Affirm is a lifesaver. [\(link\)](#)

Great app! I love it! I have a top of the line Samsung Galaxy and the ability to pay for it over time. Affirm really does reward a good payment history. Thanks, I have not only the best wireless service out there but the best financiers. Just love, love, love it!!! [\(link\)](#)

Expanding our network



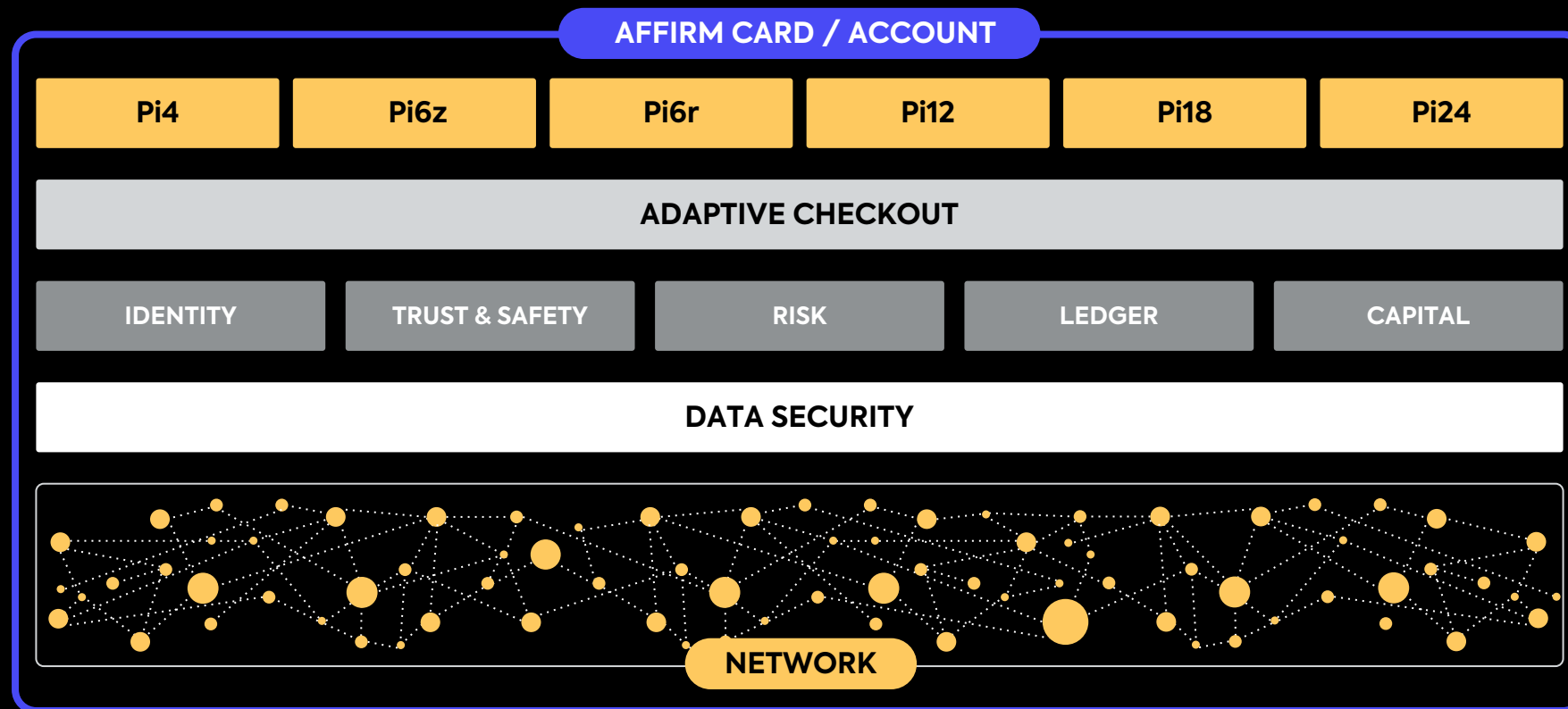
Affirm is the better way
to make big purchases.
**Now we are going to
reinvent the rest.**

A photograph of two women relaxing on a light-colored sofa in a bright, modern living room. The woman in the foreground, with blonde hair and a polka-dot shirt, is lying back on a patterned pillow, smiling broadly while holding a laptop. The woman in the background, with curly hair and a striped shirt, is also lying back, looking at her laptop. A thick, brown, shaggy blanket is draped over the sofa. Large windows in the background let in natural light, and a bookshelf is visible in the distance.

The next wave of
honest financial
products.

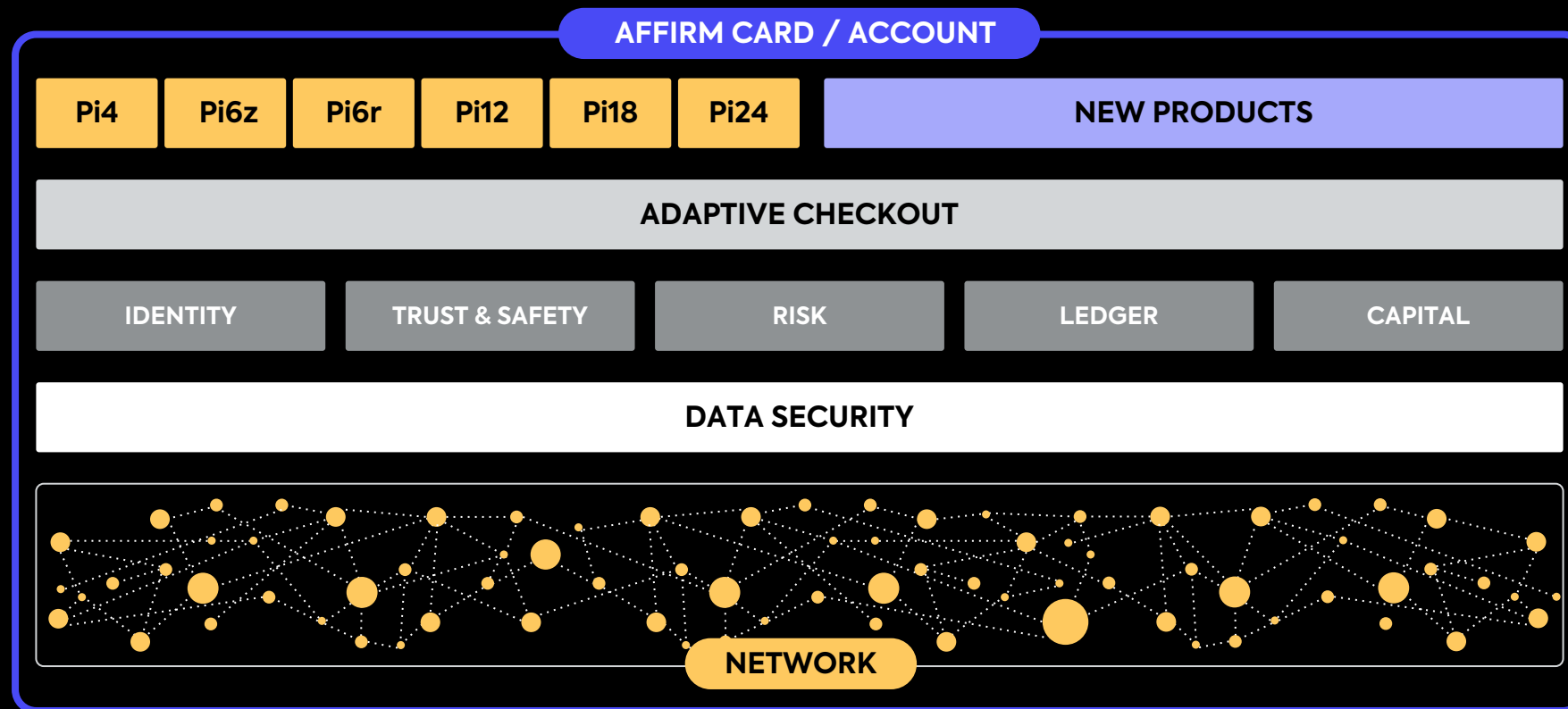
Affirm is more than a network

It's a software development platform for financial applications with built-in distribution



Affirm is more than a network

It's a software development platform for financial applications with built-in distribution



The future of Affirm looks like much more than a network,
it looks like an operating system.



**Our vision is to be there
for every transaction**



**– to become the preferred
way to pay for consumers.**

Five years from now...



the leader in payments

Future of Affirm and Growth Pillars

Question and Answer Session

Max Levchin, Libor Michalek, Wayne Pommen, and Pat Suh

Funding Strategy

Brooke Major-Reid
Chief Capital Officer



Capital by the numbers



VS 2 YEARS AGO

8

+75%



VS 2 YEARS AGO

65+

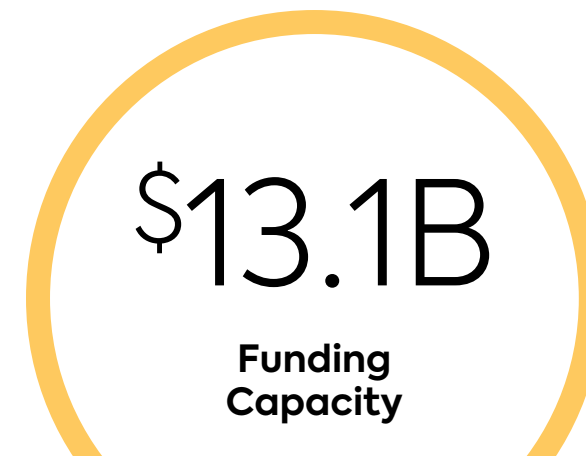
>+50%



VS 2 YEARS AGO

14

+50%

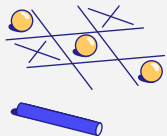


VS 2 YEARS AGO

\$7.3B

+80%

How we fund our business



Approach

- Support** continued growth by adding long-term capital partners across all funding channels
- Prepare** by aligning with the financial forecast in the context of the overall market environment
- Execute** on expansionary opportunities with a keen focus on maintaining pricing discipline and reducing complexity

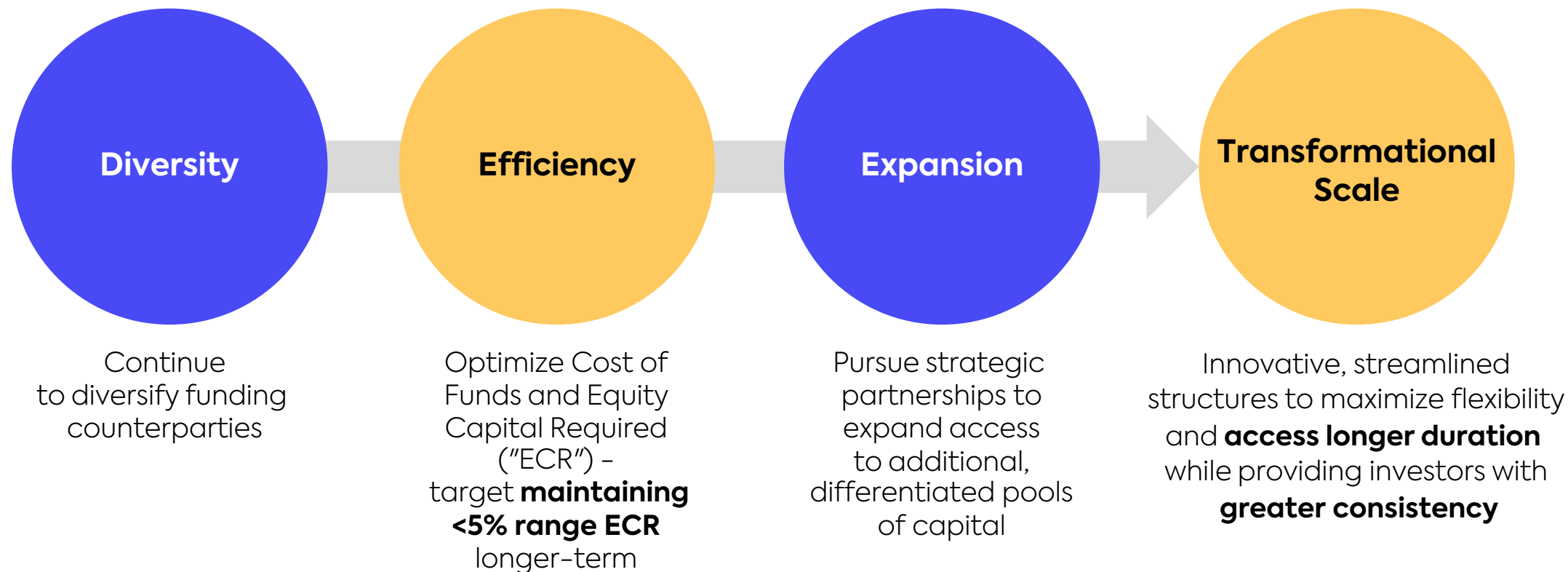
	Summary	Cost of Funds	Capital Efficiency	Market Volatility
Warehouse	Lending facilities with top tier global banks			
ABS	Static and revolving public bond issuances with fixed rate financing; buyers include a diverse range of asset managers			
Forward flow (loan sales)	Bilateral sale agreements with global financial institutions and asset managers, insurance companies, and other sophisticated institutional investors			

Least attractive

Most attractive

CAPITAL Future funding strategy

PRIORITIES



Funding partner roundtable



Hussain Abbas

CPPIB

Managing Director
Capital Solutions



Martin Attea

Barclays

Managing Director and Global Head
of Securitized Products Origination



Brendan Feeney

New York Life Investments

Managing Director
Structured Finance



Jem Tien

J.P. Morgan Investment Management

Vice President, Securitized Products
Investment Management



Alex Saporito

One William Street

Managing Director
Portfolio Manager



Michael Linford

Affirm

Chief Financial Officer



Brooke Major-Reid

Affirm

Chief Capital Officer

Financial Model

Michael Linford
Chief Financial Officer



Agenda

Financial model

01 Progress Since Our IPO

02 Path to \$50 Billion GMV

03 Medium-Term Financial Model

Delivering on our financial objectives since IPO

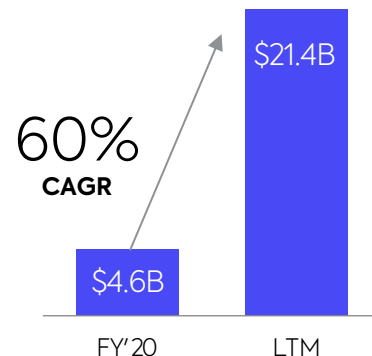
\$ million unless otherwise indicated



GMV

5x since FY'20

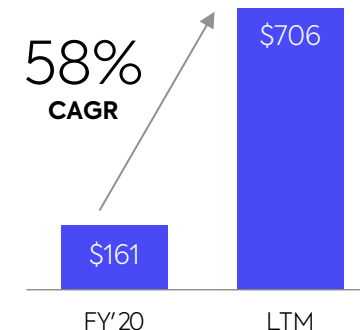
↑60% CAGR from FY'20-LTM
>20% YoY projected FY'24 growth



RLTC¹

4x since FY'20

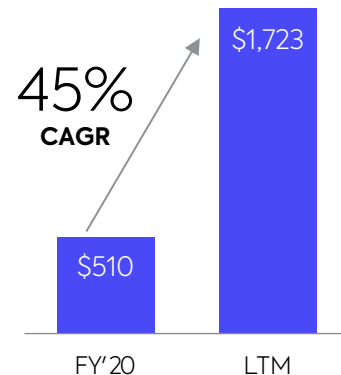
↑58% CAGR from FY'20-LTM
>20% YoY projected FY'24 growth



Total Revenue

3x since FY'20

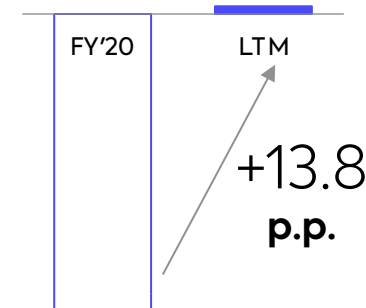
↑45% CAGR from FY'20-LTM
>20% YoY projected FY'24 growth



Adjusted Operating Margin¹

Achieving sustained profitability

> 13 p.p. improvement from FY'20-LTM
↑ 7 p.p. YoY projected FY'24 improvement



Path to \$50 Billion GMV

AFFIRM | 2023

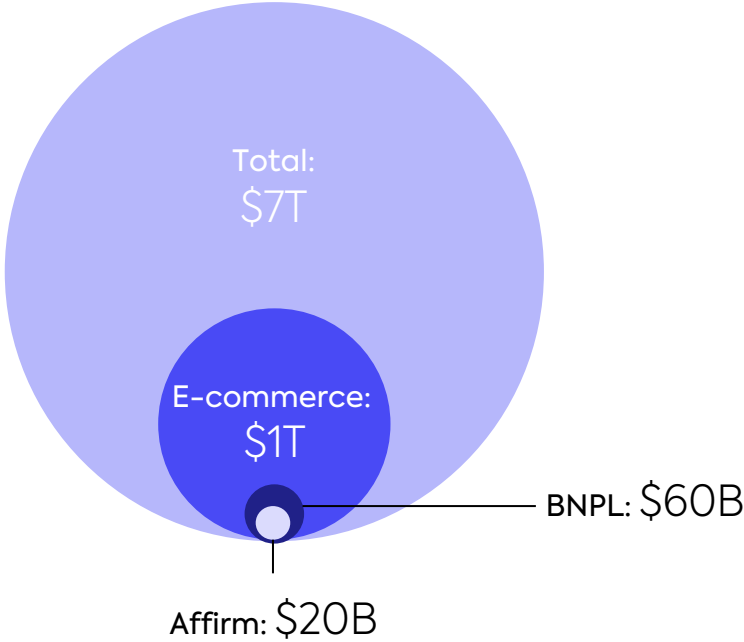


affirm

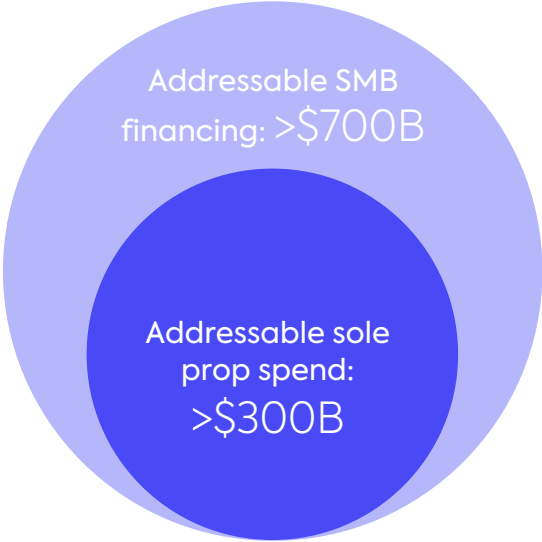
80

Low penetration of U.S. retail with attractive expansion opportunities

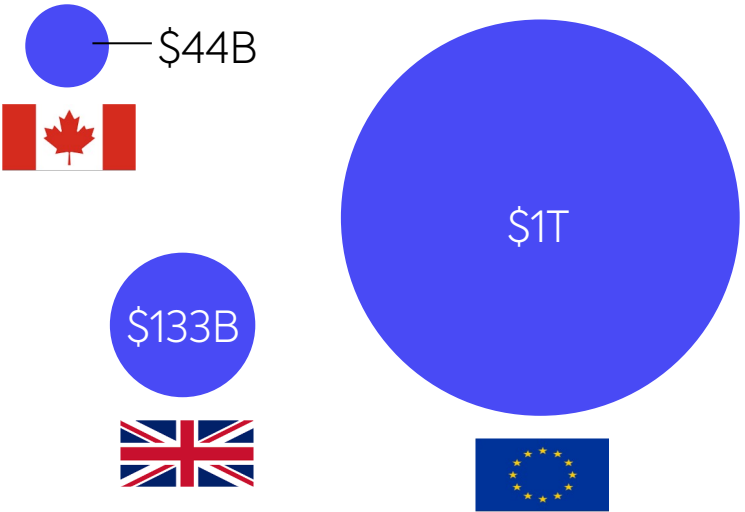
Core U.S. retail



U.S. sole prop B2B



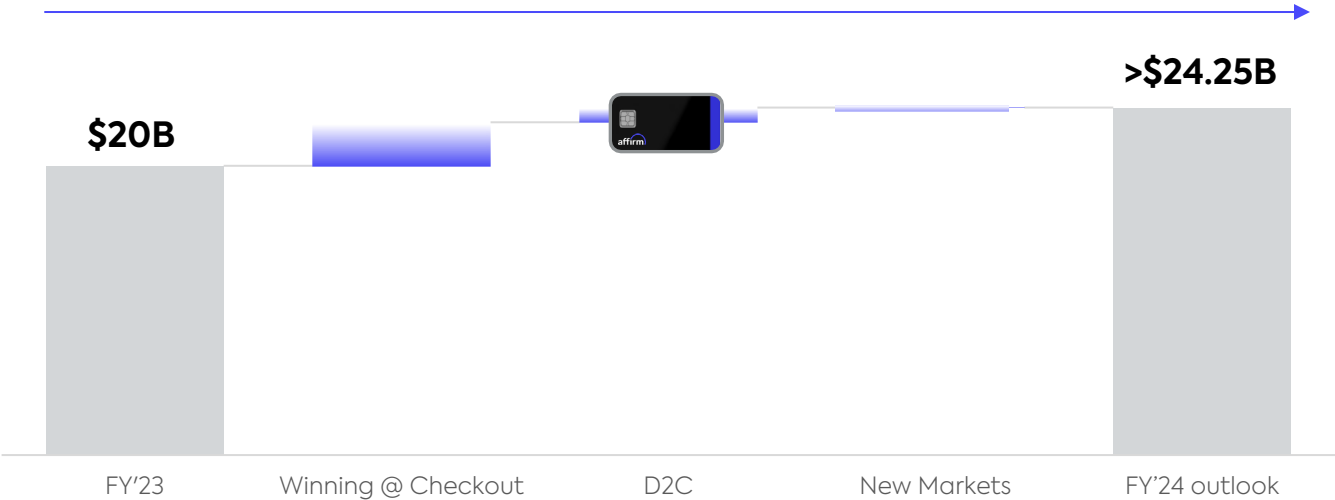
International e-commerce



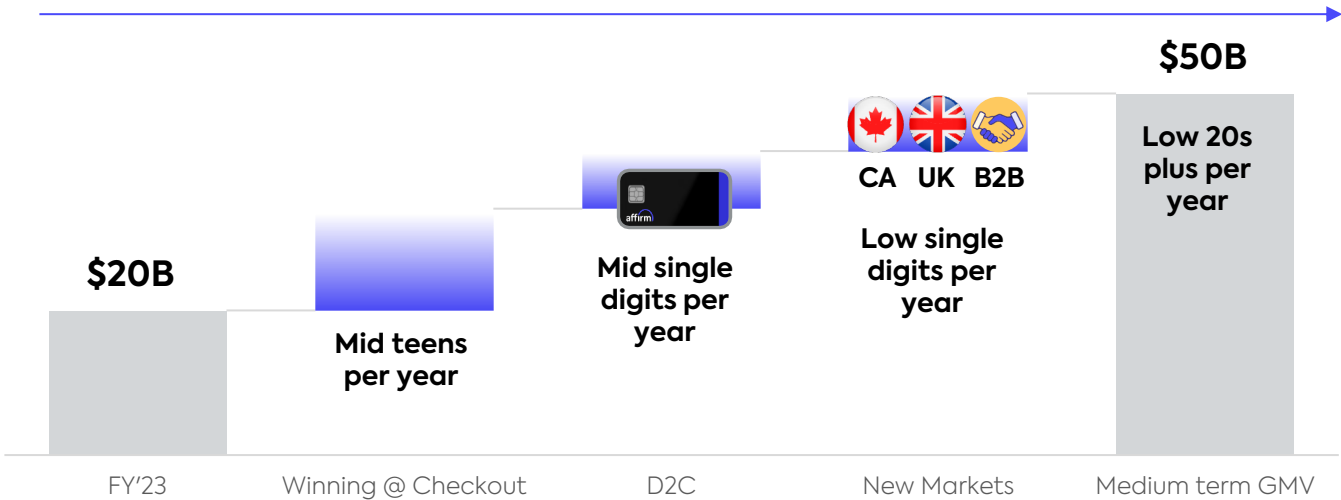
Path to \$50 Billion GMV

Potential growth drivers and their expected contributions in FY'24 and medium-term

FY'24:
Checkout button driven growth



MEDIUM-TERM:
Diversified growth across multiple drivers



Notes:
- FY'24 Outlook based upon the Financial Outlook provided on November 8, 2023.
- Winning @ Checkout includes Affirm's B2B2C business excluding B2B sole proprietorship GMV and GMV outside of North America; D2C includes Affirm Card and other direct-to-consumer offerings; New Markets includes GMV from B2B sole proprietorship transactions and GMV outside of North America.

Medium-Term Financial Model

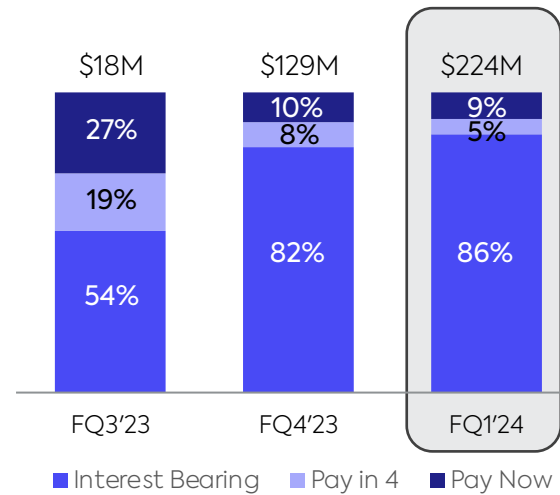


Affirm Card financial products

Affirm Card provides profitable options to penetrate untapped TAM from in-store and daily spend

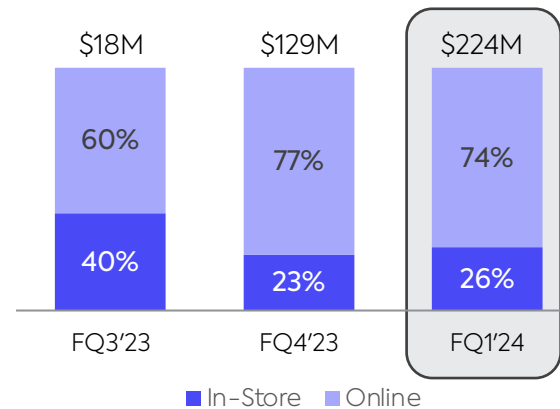
Financial Product Mix

As % of GMV unless otherwise indicated



In-Store vs. E-comm Volume Mix

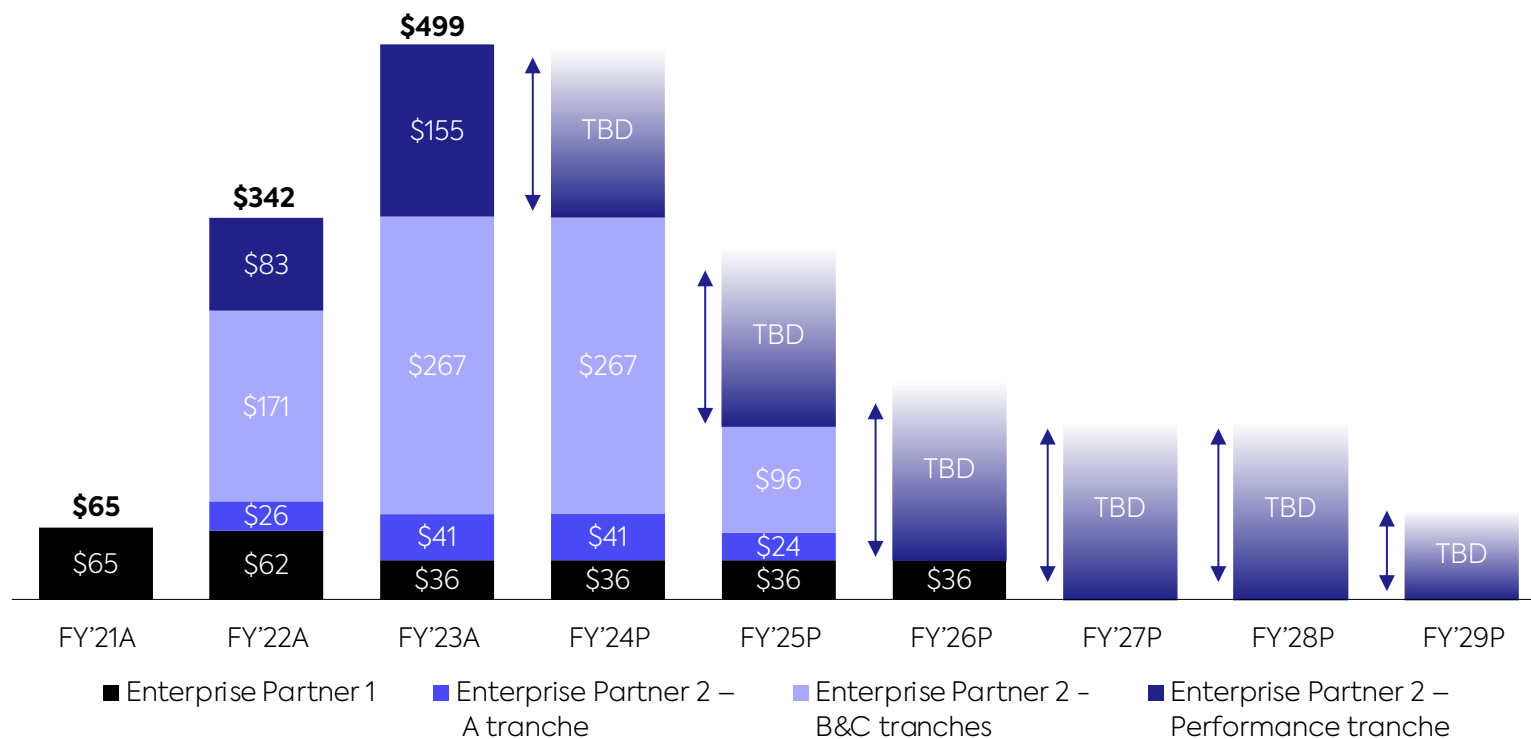
As % of GMV unless otherwise indicated



	Pay Now	Pay in 4	Interest-Bearing Installments
Cart Size	All	\$50 – \$3,000	\$50 – \$17,500
Typical AOV	\$1 – 50	\$50 – \$150	\$500 – \$1000
Term Length	Immediate	6 – 8 weeks	3 – 60 months
APR	0%	0%	10 – 36%
Repeat Velocity	Daily	Monthly	Monthly
Payment Frequency	One-Time Debit	Biweekly	Monthly
Blended RLTC % of GMV	3 – 4%		

Enterprise warrant expense and dilution

\$ million unless otherwise indicated



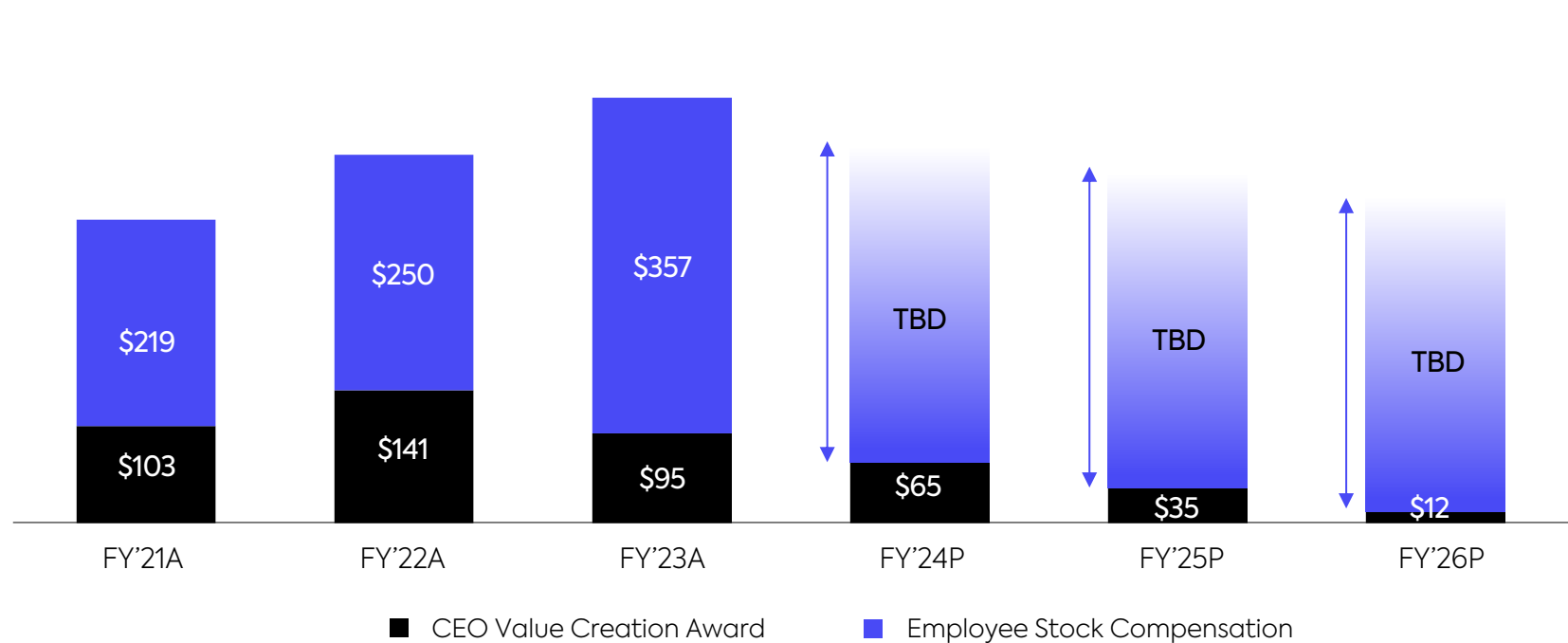
We expect total enterprise warrant and commercial agreement expense to **decline substantially** over time

Excluding remaining unearned and unvested warrants at \$100 strike price, we expect **< 1% annual dilution** from the remaining enterprise warrants

Merchant Agreement	Agreement Date	Warrants Issued	Strike Price	Unvested as of 9/30/23
Enterprise Partner 1	July 2020	20.3M (at Signing)	\$0.01	Fully Vested
Enterprise Partner 2 – A tranche	November 2021	1.0M (at Signing)	\$0.01	Fully Vested
Enterprise Partner 2 – B&C tranches	November 2021	6.0M (3 Year Vest)	\$0.01	2.2M
Enterprise Partner 2 – Performance tranche	November 2021	Max of 15.0M (Performance Based by FY'29)	\$100	11M Before 2029 Agreement End

Stock-based compensation expense and dilution

\$ million unless otherwise indicated



Employee Stock-Based Compensation

- Comprised of RSUs and stock options
- We establish an **annual dilution target**¹
- We expect $\leq 5\%$ annual dilution in the near-term, and $\leq 3\%$ over the medium-term

CEO Value Creation Award

- Consists of \$49 strike options issued in Jan 2021; up to 12.5M options can be earned
- Options earned based upon trailing VWAP thresholds and time-based vesting
 - 4M options have already been earned
 - **No incremental dilution** unless 90 day VWAP exceeds \$132 per share

Conclusion

- Unless Affirm's share price exceeds \$132, annual SBC dilution is expected to be $\leq 3\%$ over medium-term

Operating expense outlook (as % of revenue)

Plan to drive meaningful leverage over medium-term

	HISTORICAL RESULTS				MEDIUM-TERM MODEL	
	FY'21	FY'22	FY'23	LTM	>20% revenue growth	<= 20% revenue growth
Non GAAP OpEx % of Revenue^{1,2}						
Sales & Marketing	11%	12%	6%	5%	Low leverage (~low single digits)	
General & Administrative	19%	24%	21%	18%	Medium leverage (~mid single digits)	
Technology & Data Analytics	18%	19%	20%	18%	Medium leverage (~mid single digits)	
Adjusted Other Operating Expenses^{1,2}	48%	55%	47%	41%	32.5 - 35%	17.5 - 20%
Annual share dilution ³	n.a.	6.7%	3.5%	4.9%	< 5%	<= 3%

Profitability framework

Plan to drive meaningful leverage over medium-term

	HISTORICAL RESULTS				OUTLOOK	MEDIUM-TERM MODEL	
	FY'21	FY'22	FY'23	LTM	FY'24	>20% revenue growth	<= 20% revenue growth
Year-over-year revenue growth	71%	55%	18%	20%	>20%		
Revenue as a % of GMV	10%	9%	8%	8%	Similar to FY'23	6 – 8%	6 – 8%
Revenue Less Transaction Costs as a % of GMV	5%	4%	3%	3.3%	Similar to FY'23	3 – 4%	3 – 4%
Revenue Less Transaction Costs as a % of Revenue	50%	49%	43%	41%	n.a.	37.5 – 50%	37.5 – 50%
Adjusted Other Operating Expenses as a % of Revenue	48%	55%	47%	41%	n.a.	32.5 – 35%	17.5 – 20%
Adjusted Operating Margin	2%	(6%)	(5%)	0%	>5%	5 – 15%	20 – 30%

Affirm Investor Forum 2023

Final Question and Answer Session

All Presenters

Thank you

Questions?
Investor Relations: ir@affirm.com
Media: press@affirm.com

Appendix

Reconciliation of Non-GAAP Financial Measures

	Reconciliation of Transaction Costs to Total Operating Expenses (\$M)		
	FY 2021	FY 2022	FY 2023
Loss on Loan Purchase Commitment	247	204	140
Provision for Credit Losses	66	255	332
Funding Costs	53	70	183
Processing and Servicing	73	158	257
Transaction Costs (Non-GAAP)	439	687	912
Technology and Data Analytics	249	419	616
Sales and Marketing	182	532	638
Restructuring	-	-	36
General and Administrative	384	577	586
Total Operating Expenses	1,254	2,215	2,789

Reconciliation of Non-GAAP Financial Measures

	Reconciliation of Revenue Less Transaction Costs to Total Revenue (\$M)		
	FY 2021	FY 2022	FY 2023
Total Revenue	870	1,349	1,588
Less: Transaction Costs (Non-GAAP)	(439)	(687)	(912)
Revenue Less Transaction Costs (Non-GAAP)	431	662	676
Revenue Less Transaction Costs as a % of Revenue (Non-GAAP)	50%	49%	43%

Reconciliation of Non-GAAP Financial Measures

	Reconciliation of Adjusted Operating Income (Loss) to Operating Income (Loss) (\$M, except %)		
	FY 2021	FY 2022	FY 2023
Operating Income (Loss)	(384)	(866)	(1,201)
Less: Depreciation and Amortization	20	53	133
Less: Stock-Based Compensation	293	391	452
Less: Enterprise warrant and share-based expense	65	343	499
Less: Restructuring	-	-	36
Less: Other Costs ¹	21	1	9
Adjusted Operating Income (Loss) (Non-GAAP)	14	(78)	(72)
Divided By: Total Revenue	870	1,349	1,588
Adjusted Operating Margin (Non-GAAP)	2%	(6)%	(5)%

Reconciliation of Non-GAAP Financial Measures

	Reconciliation of Adjusted Other Operating Expenses to Total Operating Expenses (\$M, except %)		
	FY 2021	FY 2022	FY 2023
Total Operating Expenses	1,254	2,215	2,789
Less: Transaction Costs (Non-GAAP)	(439)	(687)	(912)
Less: Depreciation and Amortization ¹	(20)	(52)	(133)
Less: Stock-Based Compensation ¹	(290)	(389)	(447)
Less: Enterprise Warrant and Share-Based Expense	(65)	(343)	(499)
Less: Restructuring	–	–	(36)
Less: Other Costs ²	(21)	(1)	(9)
Adjusted Other Operating Expenses (Non-GAAP)	420	744	753
Divided By: Total Revenue	870	1,349	1,588
Adjusted Other Operating Expenses as a % of Revenue (Non-GAAP)	48%	55%	47%

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Adjusted Other Operating Expenses to Other Operating Expenses

FY'2023	GAAP	D&A	Stock-Based Compensation Expense	Enterprise Warrant & Share Based Expenses	Restructuring and Other	Other Costs	Non-GAAP
Technology and data analytics	616	112	181	–	–	–	322
Sales and marketing	638	18	26	499	–	2	93
General and administrative	586	3	240	–	–	7	337
Restructuring and other	36	–	–	–	36	–	–
Other Operating Expenses	1,876	133	447	447	–	9	753

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Adjusted Other Operating Expenses to Other Operating Expenses

FY'2022	GAAP	D&A	Stock-Based Compensation Expense	Enterprise Warrant & Share Based Expenses	Restructuring and Other	Other Costs	Non-GAAP
Technology and data analytics	419	40	117	–	–	–	262
Sales and marketing	532	8	23	343	–	–	158
General and administrative	577	4	249	–	–	1	324
Restructuring and other	–	–	–	–	–	–	–
Other Operating Expenses	1,528	52	389	343	–	1	744

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Adjusted Other Operating Expenses to Other Operating Expenses

FY'2021	GAAP	D&A	Stock-Based Compensation Expense	Enterprise Warrant & Share Based Expenses	Restructuring and Other	Other Costs	Non-GAAP
Technology and data analytics	249	15	77	–	–	–	158
Sales and marketing	182	2	17	65	–	1	97
General and administrative	384	3	197	–	–	20	165
Restructuring and other	–	–	–	–	–	–	–
Other Operating Expenses	815	20	290	65	–	21	420