Affirm to acquire Returnly

April 21, 2021

Transaction Adds Online Return Solutions to Affirm's Product Portfolio



SAN FRANCISCO – April 21, 2021 – Affirm Holdings, Inc. (NASDAQ: AFRM) today announced that it has entered into a definitive agreement to acquire Returnly, a leader in online return experiences and post-purchase payments. Under the terms of the agreement, Affirm will acquire Returnly for total cash and equity consideration of approximately $300 million.

Returnly serves more than 1,800 merchants, has helped process more than $1 billion in returns, and has been used by over eight million shoppers. With Returnly, eligible consumers receive an instant merchant credit upon initiating a return, allowing them to order a new or replacement item immediately versus waiting until their return is fully processed. Returnly takes the product return risk and settles orders in real time, making returns and exchanges seamless and helping merchants drive higher return-to repurchase rates, increased revenue from returns and higher customer satisfaction.

"Over the last few years, alongside the rapid growth of online shopping, consumers' expectations of accommodations for returns and exchanges have increased significantly," said Max Levchin, CEO and founder of Affirm. "In 2019, Affirm invested in Returnly because we recognized their technology's ability to help merchants remove friction from returns, drive loyalty, and retain more customers. Store credit, issued before the item is actually returned, is now a practical requirement in highly competitive segments like fashion and lifestyle. We are excited to bring Returnly's powerful product to our merchants, and we are thrilled to introduce their more than eight million users to the transparent, gotcha-free version of buy-now-pay-later as made possible only by Affirm."

Affirm's acquisition comes as returns continue to be a source of increased costs and complexities for merchants. U.S. consumers returned an estimated $428 billion in merchandise to retailers in 2020. Online returns, which often occur at triple the rate of brick and mortar retail, more than doubled in 2020 from 2019.

"We started Returnly to fix the broken returns model that offered consumers and merchants nothing but downside and frustration," said Eduardo Vilar, CEO and founder of Returnly. "As returns continue to challenge and inhibit commerce, we believe that now is the right time to join forces with Affirm and expand the reach of our mission. We look forward to continuing to serve our customers and help more businesses offer the instant and easy returns experience that their shoppers have come to expect."

The transaction is expected to close in Affirm's fourth fiscal quarter ending June 30, 2021, and is subject to customary closing conditions. The acquisition is not expected to have a material impact on Affirm's second half 2021 fiscal year results of operations.

About Affirm

Affirm's mission is to deliver honest financial products that improve lives. By building a new kind of payment network — one based on trust, transparency and putting people first — we empower millions of consumers to spend and save responsibly, and give thousands of businesses the tools to fuel growth. Unlike credit cards and other pay-over-time options, we show consumers exactly what they will pay up front, never increase that amount, and never charge any late or hidden fees. Follow Affirm on social media: LinkedIn | Instagram | Facebook | Twitter.

About Returnly

Returnly is a leading provider of digital return experiences and post-purchase payments for direct-to-consumer brands. Returnly is the only return solution that lets customers get the right item before returning the wrong one. The result is a world-class shopping experience with an average consumer satisfaction score (CSAT) of 91%. Returnly takes the product return risk and offers merchants a turn-key solution around its financial technology that includes return management tools as well as hosted and fully brandable end-customer touchpoints like package tracking, online returns and exchanges and Green Returns. To learn more about Returnly's solutions, please visit www.returnly.com.

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Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements that involve risks, uncertainties and assumptions. In some cases, forward-looking statements may be identified by words such as "design," "expect," "may," "plan," "should," "will," "would," or the negative of these terms or other similar expressions. All statements other than statements of historical fact are forward-looking statements, including statements regarding: the expected benefits and costs of the transaction; management plans relating to the transaction; the expected timing of the completion of the transaction; the ability to complete the transaction considering the various closing conditions; statements of the plans, strategies and objectives of management for future operations; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. These statements involve known and unknown risks, uncertainties and other important factors that may cause Affirm'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 the possibility that expected benefits of the transaction may not materialize as expected; that the transaction may not be timely completed, if at all; that, prior to the completion of the transaction, Returnly's business may not perform as expected due to transaction-related uncertainty or other factors; that the parties are unable to successfully implement integration strategies; and the other risks that are described in Affirm's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2020 and in its other filings with the U.S. Securities and Exchange Commission. These forward-looking statements reflect Affirm's views with respect to future events as of the date hereof, and Affirm assumes no obligation to, and does not intend to, update these forward-looking statements.