

William Blair 45th Annual Growth Stock Conference

# Introduction to Affirm

Michael Linford, Chief Operating Officer

June 5, 2025



# Safe Harbor Statement/Use of Non-GAAP Financial Measures

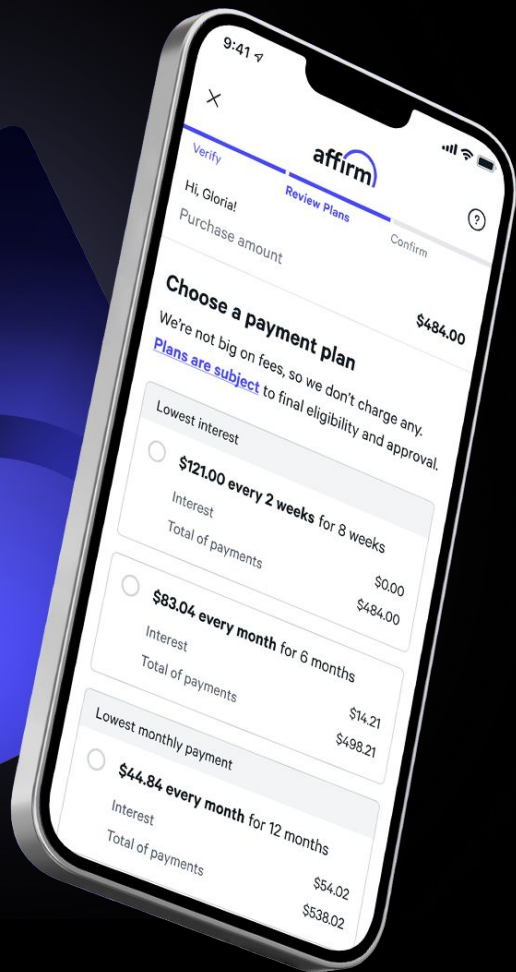
## Cautionary Note About Forward-Looking Statements

This presentation 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 merchant partners and commerce platforms as well as its engagement with existing and prospective originating bank partners and card issuing bank partners; the development, innovation, introduction and performance of, and demand for, the Company's products, including Affirm Card; the Company's ability to execute on its initiatives; the Company's ability to maintain funding sources to support its business; acquisition and retention of merchant partners, commerce platforms 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 merchant partners, commerce platforms and consumers and retain and grow its relationships with existing merchant partners, commerce platforms 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 card issuing bank partners and engage additional originating bank partners and card issuing 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 elevated market interest rates and corresponding 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, ongoing recessionary concerns, uncertainty relating to the magnitude, duration and impact of tariffs on global trade, the potential for more instability of financial institutions, the financial performance of its merchant partners and commerce platforms, 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; 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.

## 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, adjusted operating income (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. Definitions of each non-GAAP financial measure and reconciliations of each historical non-GAAP financial measure with the most directly comparable GAAP financial measure are included in this presentation. However, a reconciliation of adjusted operating income (loss) to the comparable GAAP measure is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future. Our management uses these non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of our annual operating budget, as a measure of our operating results and the effectiveness of our business strategy, and in evaluating our financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, and our use of these non-GAAP financial measures has limitations as an analytical tool. Accordingly, you should not consider these non-GAAP financial measures in isolation or as substitutes for analysis of our financial results as reported under GAAP, and these non-GAAP measures should be considered along with other operating and financial performance measures presented in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.



- 01 How we started
- 02 What we have built
- 03 Delivering financial results
- 04 Setting the record straight

Our mission:  
**Deliver honest financial products  
that improve lives**



It's time to  
reinvent credit



Revolving credit products should be called

Buy now, pay **forever**

**\$1.2T**

Total U.S.  
credit card debt<sub>1</sub>

**\$10K**

Revolving  
credit card debt  
per U.S. household<sub>1</sub>

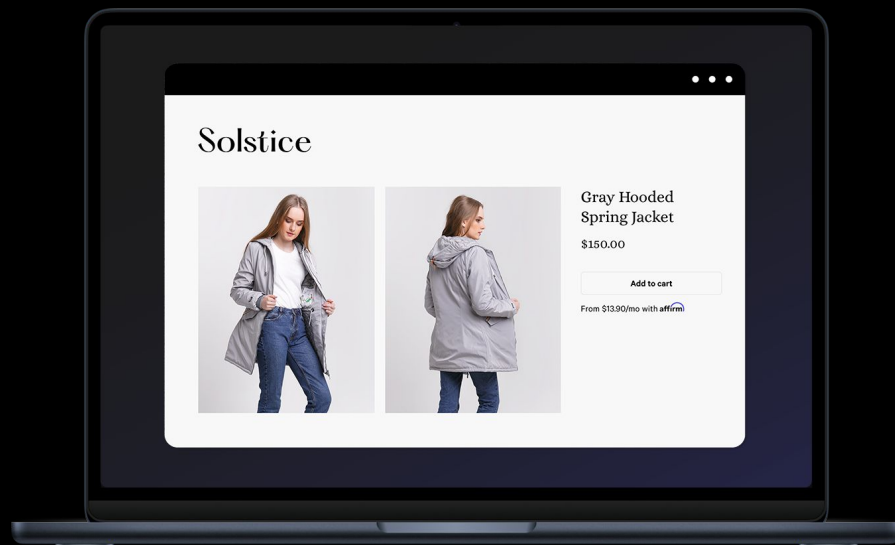
**\$15B**

Credit card  
late fees per year<sub>2</sub>

Affirm directly addresses this problem

## Buy now, pay over time with Affirm

A flexible way to pay  
Simple terms  
No compound interest  
No hidden fees



# By aligning our incentives with consumers'



## Underwriting

Open line of revolving credit  
(~\$30K avg limit)<sub>1</sub>

Transaction level, closed-end credit  
(~\$300 avg)

## Interest methodology

Compounding

Interest capped at checkout

## Late or junk fees

Yes

Never

## Merchant-funded 0% APR offers

Limited or none

25% of GMV in FQ3'25

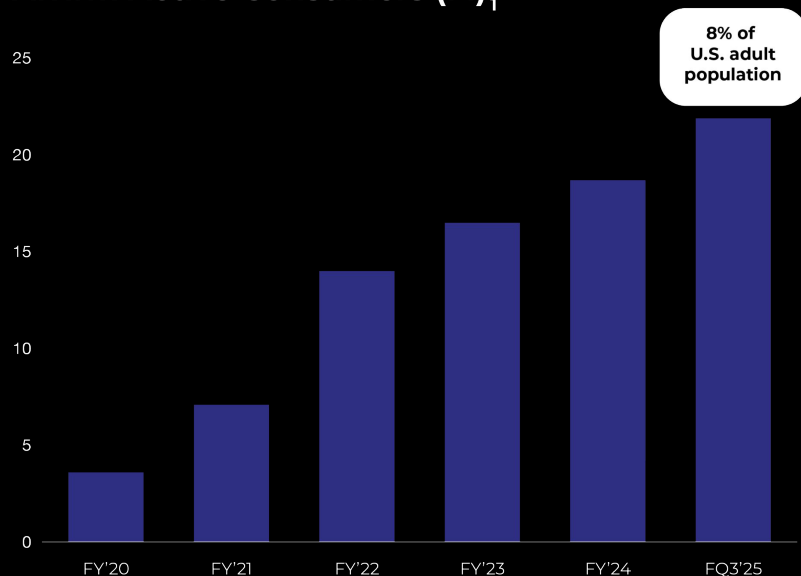
## Main incentive(s)

Get customer to revolve  
Late and junk fees as a profit pool

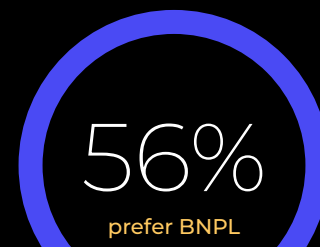
Lend what the customer can afford  
Utilize merchant-funded offers

# Making the adoption of Affirm a secular trend

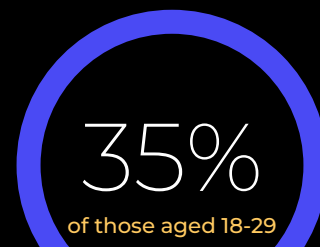
## Affirm Active Consumers (M)<sub>1</sub>



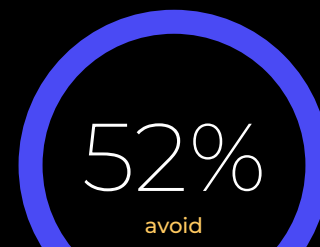
would have delayed or not purchased without Affirm<sub>2</sub>



to credit cards<sub>3</sub>



do not own a credit card<sub>4</sub>

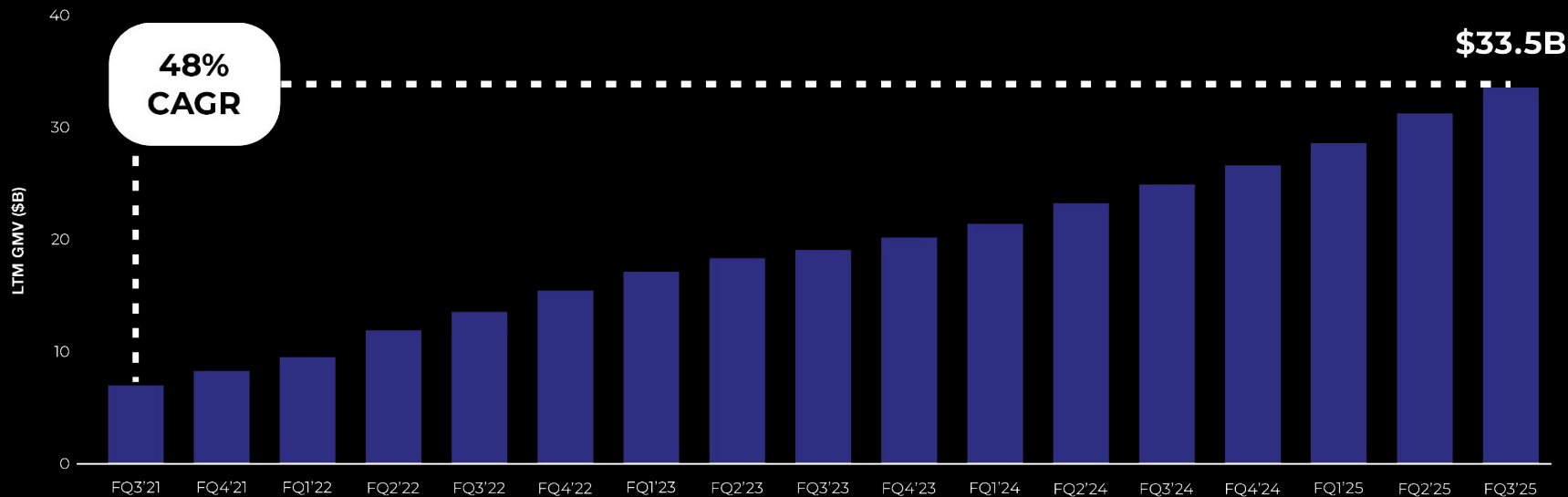


certain payment methods due to concerns about hidden fees<sub>3</sub>

<sub>1</sub>Active Consumer defined as a consumer who engages in at least one transaction on our platform during the 12 months prior to the measurement date, presented as of the end of the period. Active Consumers includes consumers who engaged in at least one transaction on the PayBright and Returnly platforms during the 12 months prior to the measurement date and prior to the acquisitions of PayBright and Returnly by Affirm. A Returnly Active Consumer is defined as a consumer who engaged in at least one Returnly transaction and no Affirm transactions on our platform during the 12 months prior to the measurement date, presented as of the end of the period. <sub>2</sub>Affirm consumer study. <sub>3</sub>PYMNTS February 2022 Buy Now, Pay Later tracker. <sub>4</sub>U.S. Federal Reserve Report on the Economic Well-Being of U.S. Households in 2023 - May 2024.

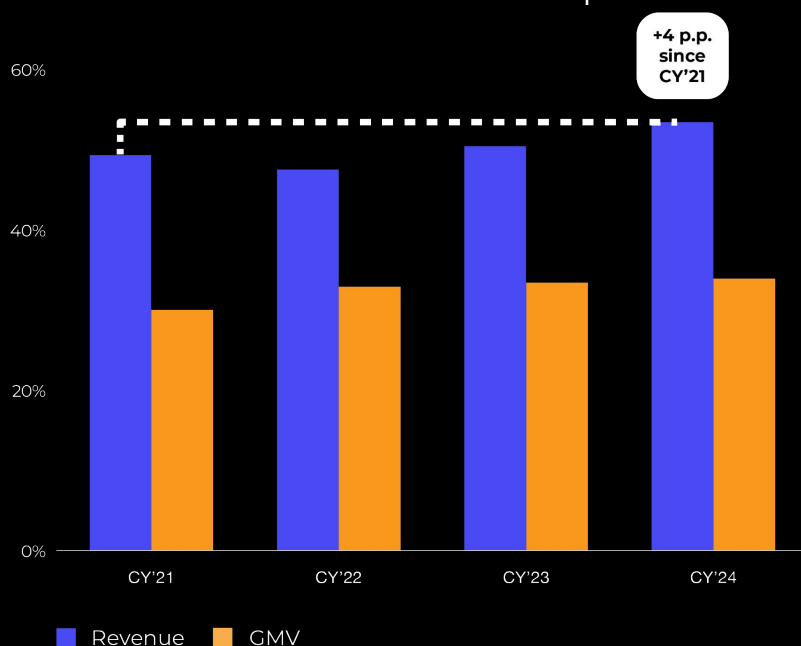
# Leading to a revolution in payments

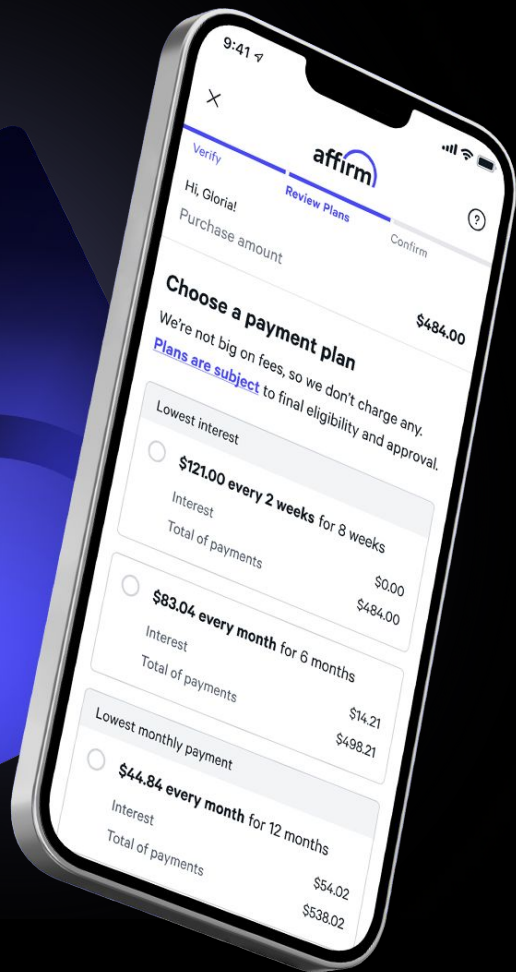
## Trailing twelve month GMV



# Affirm is the clear market leader

## Affirm Market Share in North America<sub>1</sub>





- 01 How we started
- 02 **What we have built**
- 03 Delivering financial results
- 04 Setting the record straight

# Delivering value for consumers and merchants

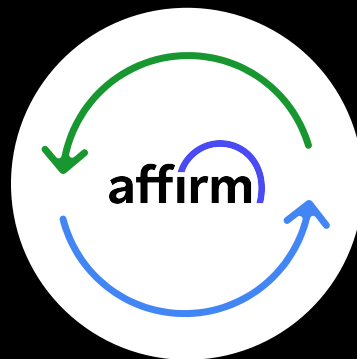
FOR CONSUMERS

**Flexible**  
payment term  
options

**No**  
late or  
junk fees

**Simple**  
Interest only

**Transparent**  
and easy to  
understand



FOR MERCHANTS

✓  
**Customer  
Insights**

✓  
**Greater  
Sales**

✓  
**Minimize  
Discounting**

✓  
**Satisfied  
Customers**

# Offering a diverse range of financial products

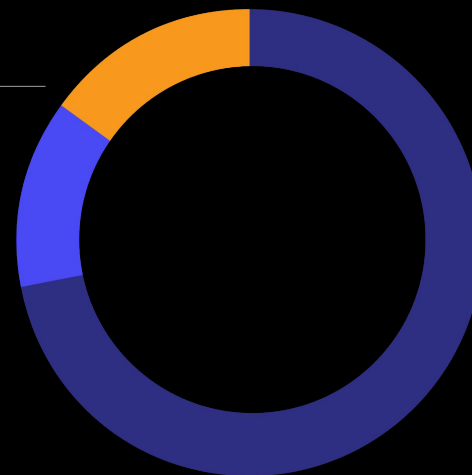
Illustrative ranges

	Interest Bearing	0% APR Monthly Loans	Pay in X
<b>Merchant discount rate</b>	~2%	6 - 12%	~5%
<b>Consumer APR</b>	>0 - 36%	0%	0%
<b>Term lengths</b>	3 - 60 months	3 - 60 months	30 days - 8 weeks
<b>Repayment frequency</b>	Usually monthly	Monthly	Usually bi-weekly
<b>Order value<sub>2</sub></b>	~\$350	~\$900	~\$100

Product mix as a % of GMV<sub>1</sub>

Pay in X  
**15%**

0% APR Monthly  
**13%**



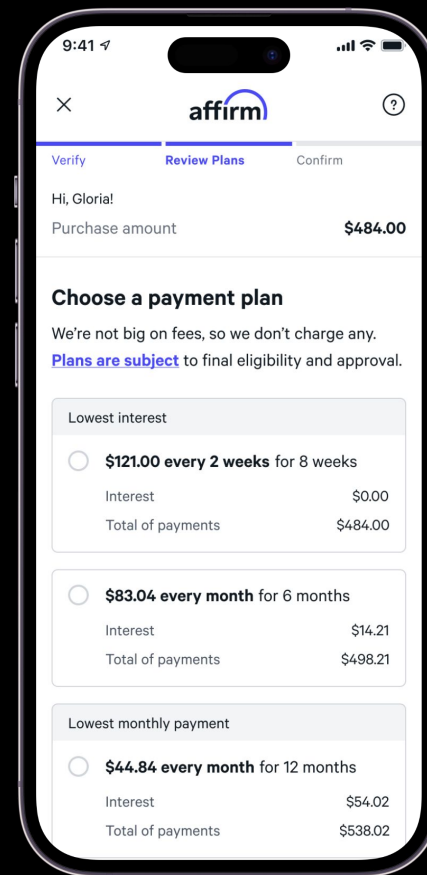
Interest-bearing  
**72%**

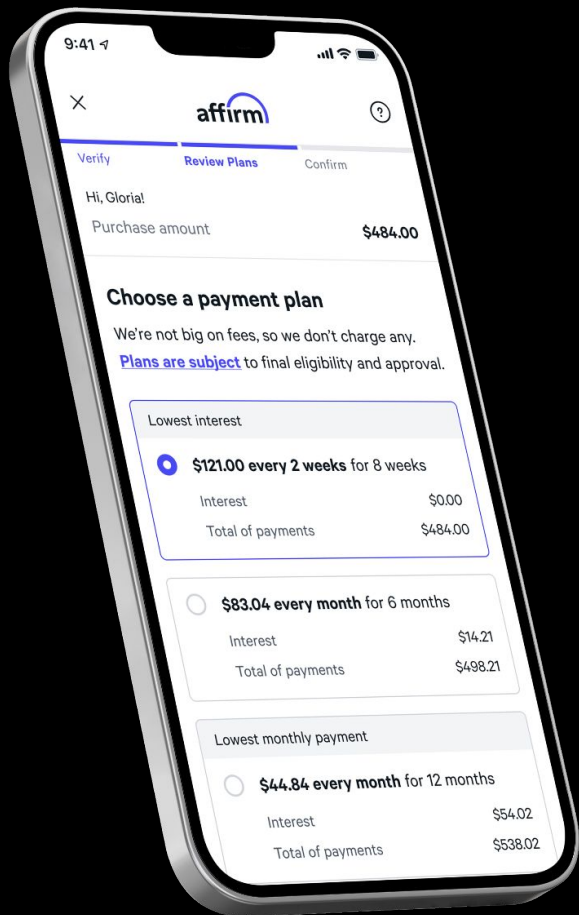
# Monthly installments

Split a purchase into payments with Affirm's signature point-of-sale financing solution.

- Equal, amortizing payments over **3–60 months**
- **Loans up to \$35,000** for eligible customers
- **0-36% APR**, never compounding

## Illustrative categories:



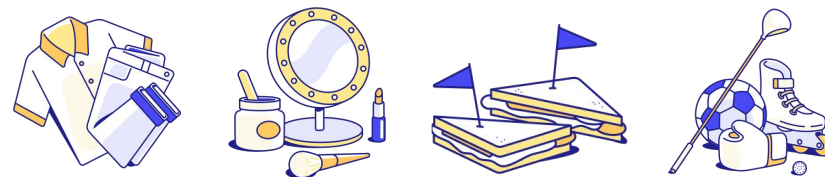


# Pay in X

Make purchases more accessible with biweekly, interest-free payments.

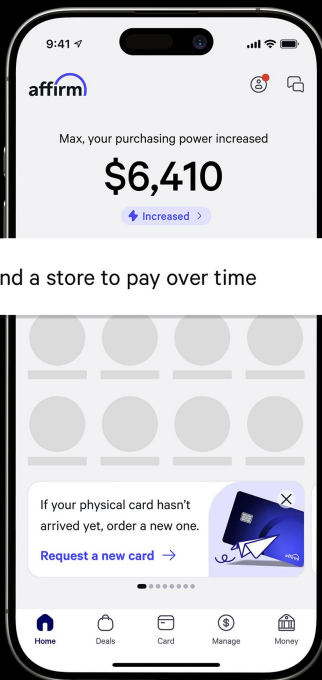
- A typical transaction has repayments **every 2 weeks** over 6-8 weeks
- Purchases **\$35-\$1,000** for eligible customers
- No hidden or late fees

## Illustrative categories:



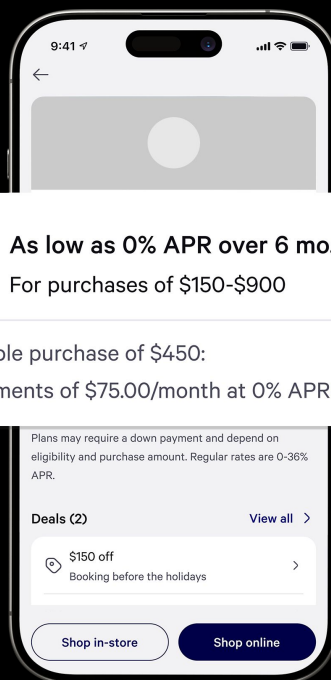
# Affirm marketplace

Home and Search



Find a store to pay over time

Deals



As low as 0% APR over 6 mo.

For purchases of \$150-\$900

Example purchase of \$450:

6 payments of \$75.00/month at 0% APR.

Plans may require a down payment and depend on eligibility and purchase amount. Regular rates are 0-36% APR.

Deals (2)

View all >

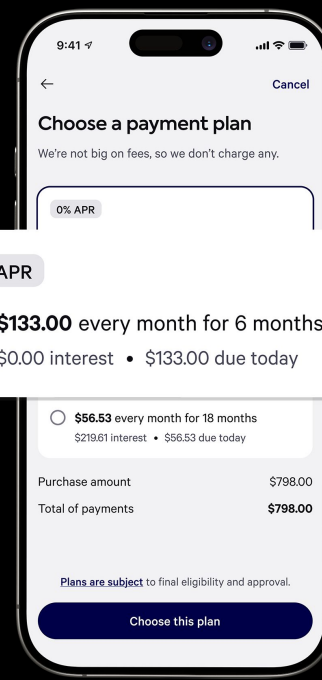
\$150 off

Booking before the holidays

Shop in-store

Shop online

Checkout



0% APR



\$133.00 every month for 6 months

\$0.00 interest • \$133.00 due today

\$56.53 every month for 18 months  
\$219.61 interest • \$56.53 due today

Purchase amount \$798.00

Total of payments \$798.00

Plans are subject to final eligibility and approval.

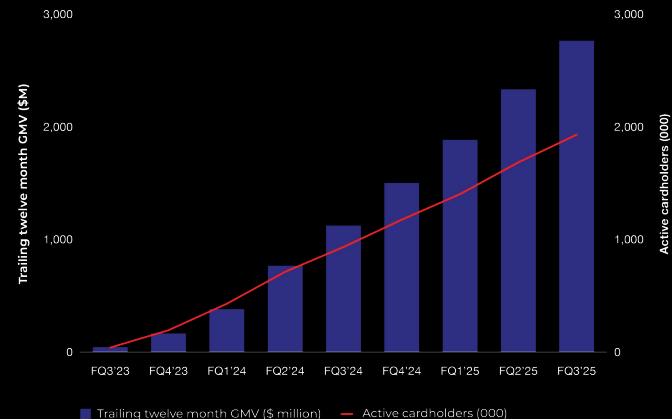
Choose this plan

# Affirm Card

Combines the power of pay over time with the convenience of a physical card

- A debit card with credit extension available through the Affirm app or website
- >90% of GMV is 'Pay Later'
- 10x in-store spend mix vs. Affirm overall

## Affirm Card since GA launch



# Our consumers are loyal and highly engaged



active consumers

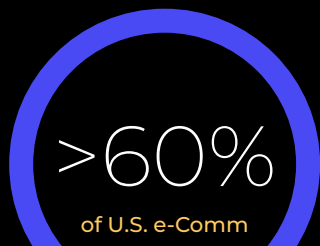


of transactions are from  
repeat consumers



average annual transactions  
per active consumer

# We are broadly accepted by merchants



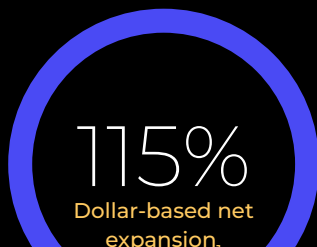
is captured by merchants and platforms that are partnered with Affirm



brands are partnered with Affirm

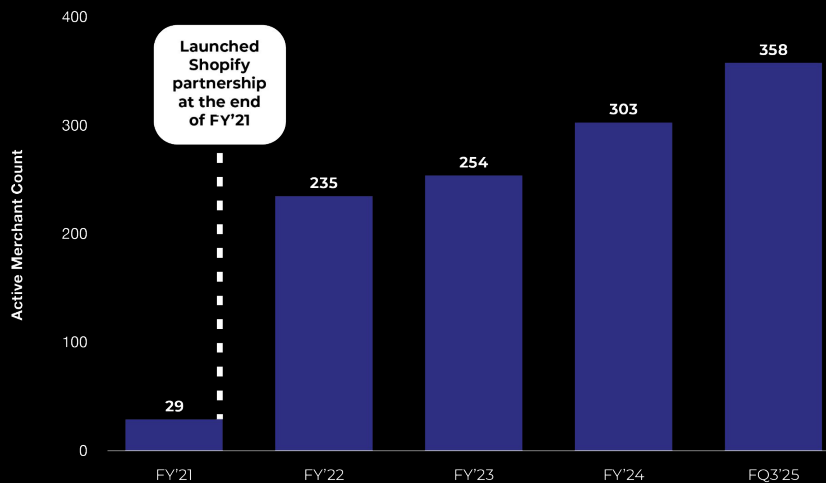


offer Affirm as an embedded payment option

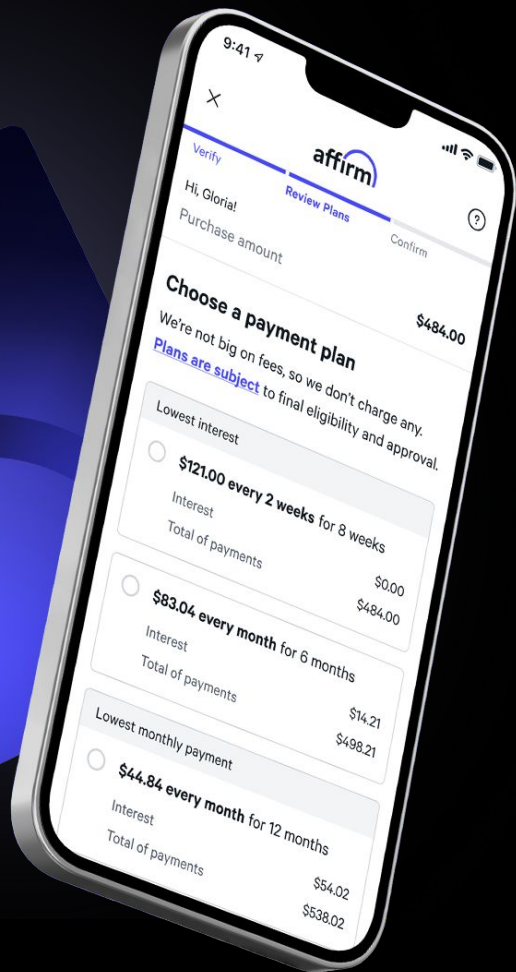


driven by a 'land and expand' motion with merchants

## Affirm Active Merchant Count (000)



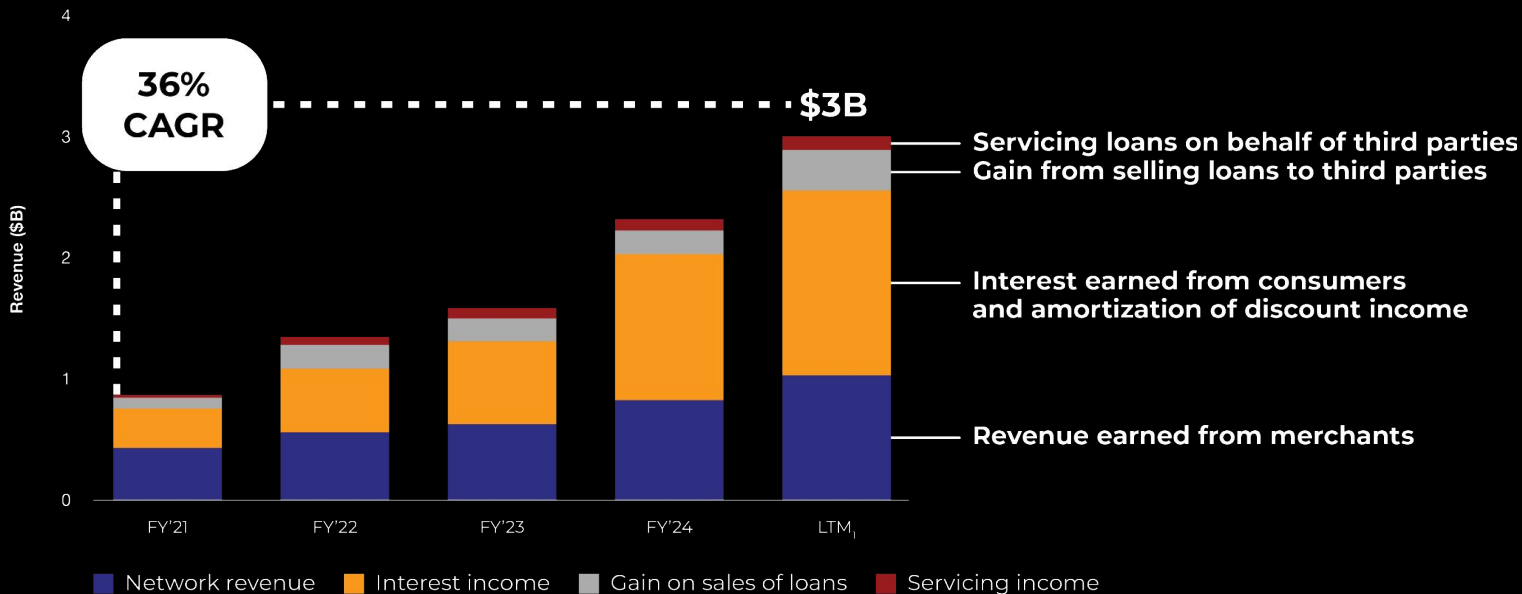
<sup>1</sup> Dollar-based net expansion defined as the quarterly GMV generated by merchants who were active during the same quarter in the prior fiscal year, divided by the GMV generated by that same group of merchants during the same quarter in the prior fiscal year. This calculation excludes GMV from outside the U.S., as well as GMV from Returnly, and direct-to-consumer products such as Affirm Card and one-time virtual cards. The Company believes dollar-based net expansion is a useful performance indicator to both the Company and investors as it reflects the ability to retain and grow GMV from its existing merchant base over time.



- 01 How we started
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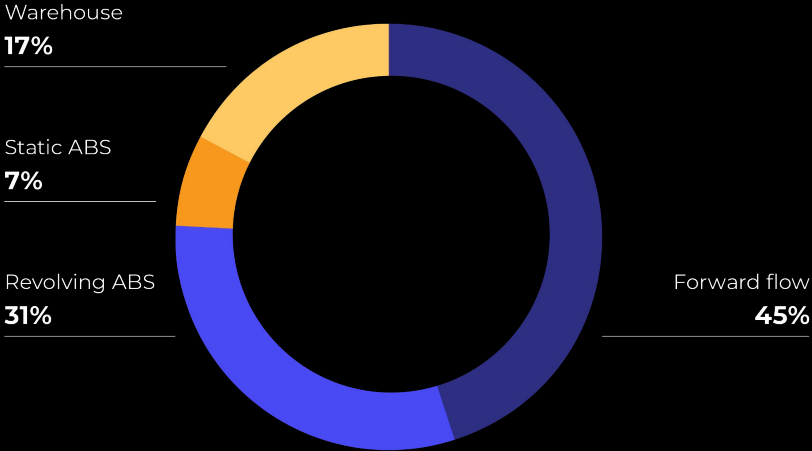
# How Affirm makes money

## Affirm Revenue by Income Source

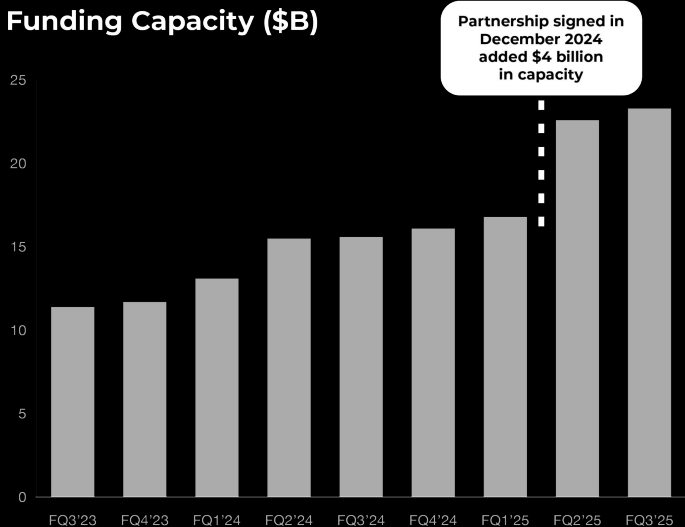


# How Affirm funds loans

## Platform portfolio and funding mix<sub>1</sub>



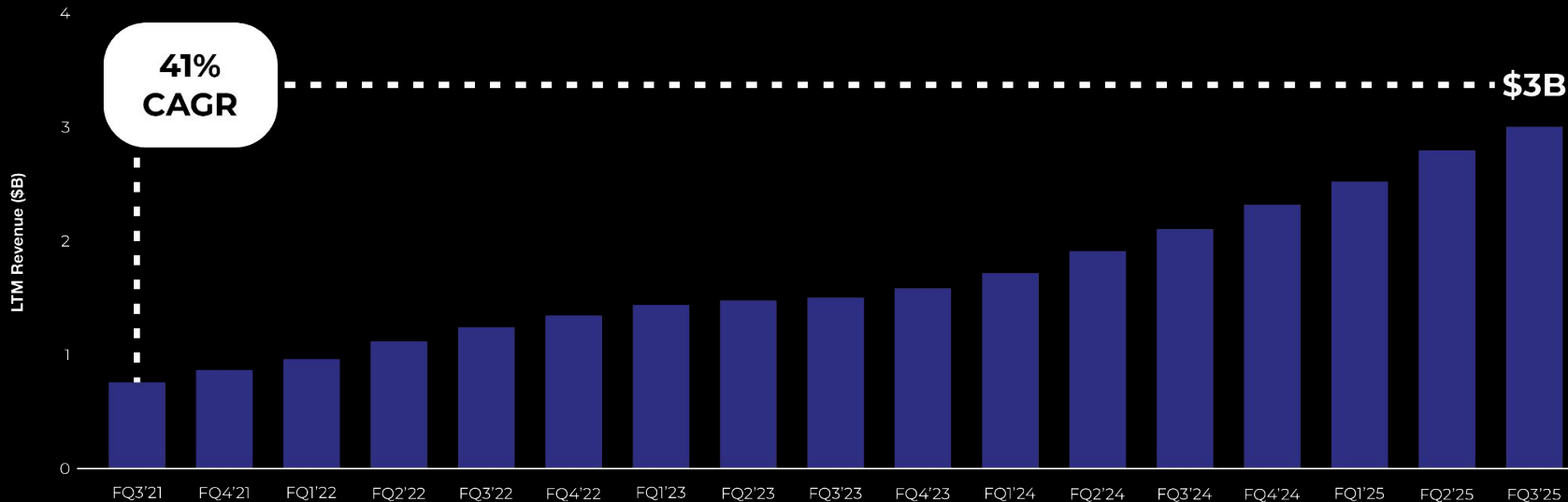
## Funding Capacity (\$B)



<sub>1</sub>As of FQ3'25, Warehouse includes loans pledged as collateral in warehouse financing vehicles or held by Affirm and consolidated on Affirm's balance sheet. Revolving ABS includes loans pledged as collateral in securitizations and consolidated on Affirm's balance sheet. Forward flow includes loans held by third parties and not consolidated on Affirm's balance sheet. Static ABS includes loans pledged as collateral in securitizations and not consolidated on Affirm's balance sheet.

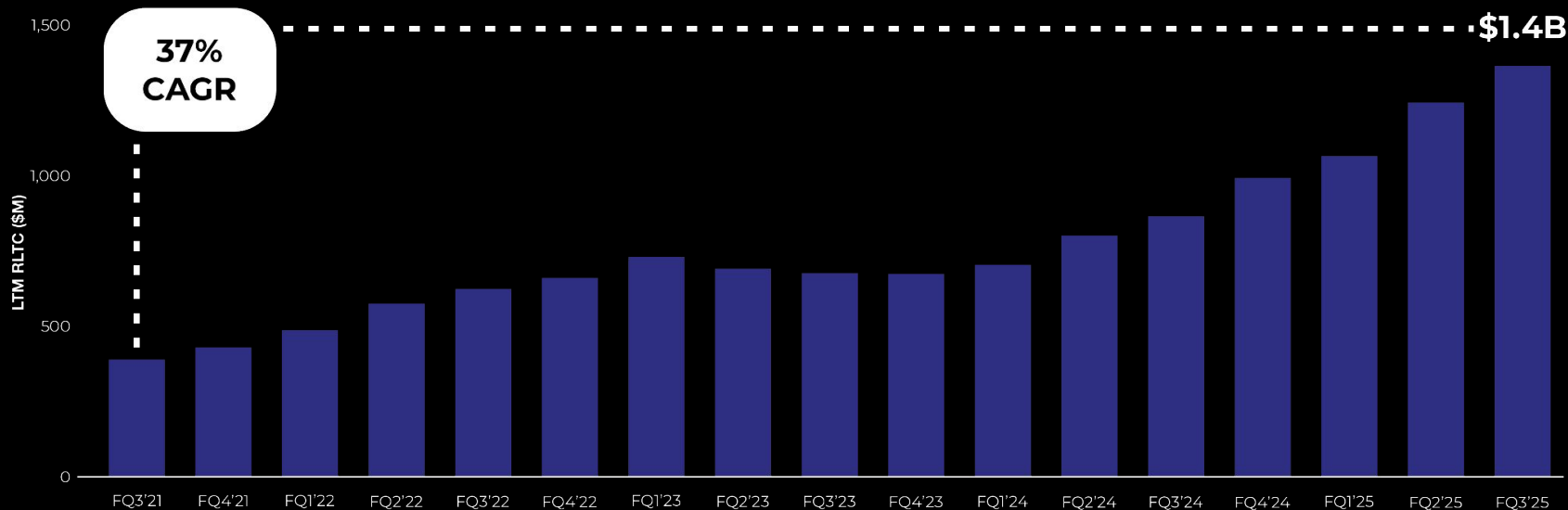
# We are compounding growth at a high rate

## Last twelve month revenue



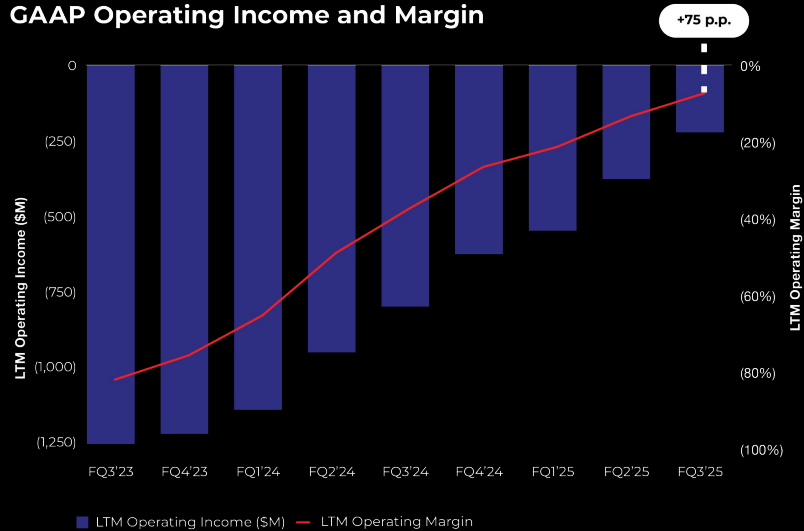
# Contributing to consistent RLTC growth

## Last twelve month RLTC<sub>t</sub>

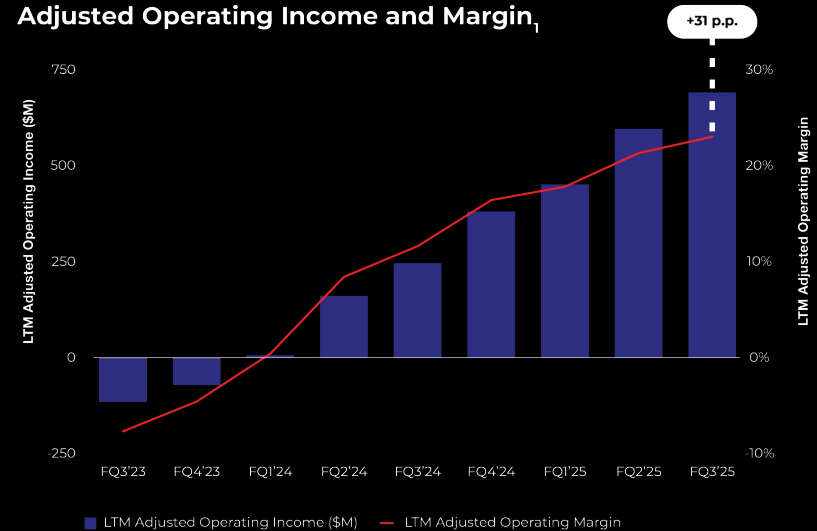


# Leading to substantial operating leverage

## GAAP Operating Income and Margin



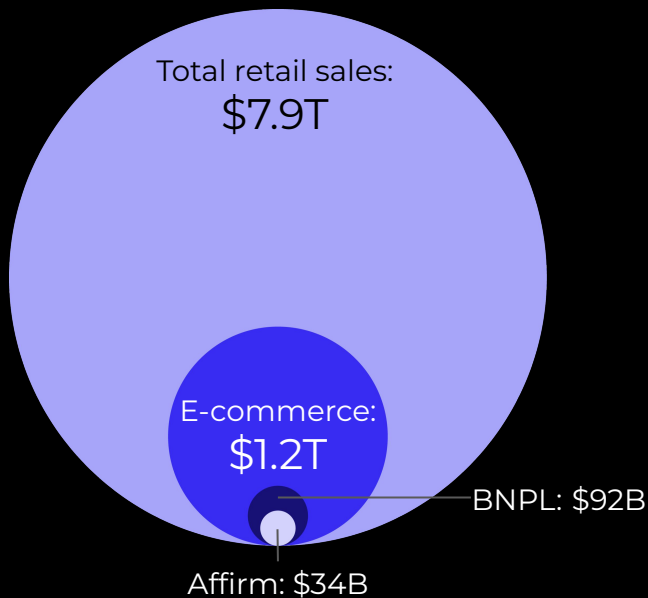
## Adjusted Operating Income and Margin<sub>1</sub>



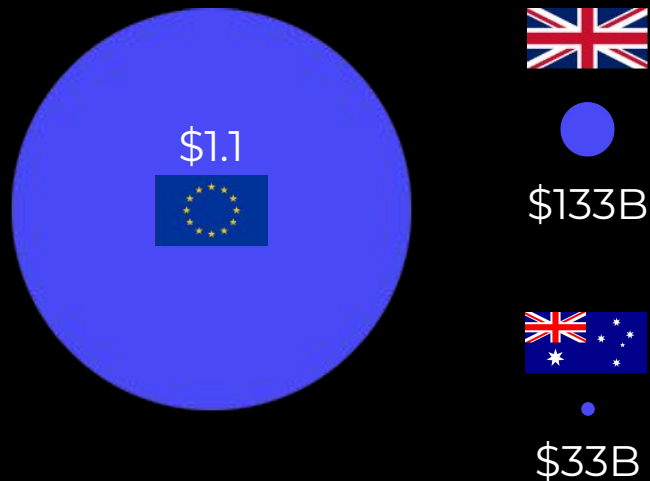
We expect to achieve **GAAP operating profit** this quarter (FQ4'25)

# The road ahead for Affirm

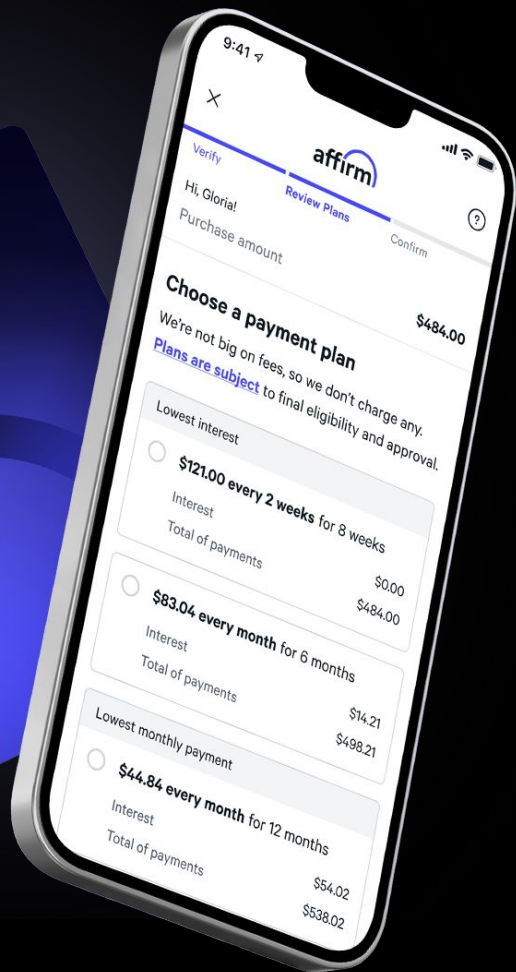
## North America



## International e-Commerce



All data except the UK market size as of 2024. North America retail sales and e-commerce market size based upon U.S. Census Bureau and Statistics Canada data. North America BNPL market size based upon Affirm internal estimates. UK e-commerce market size from Statista Market Research for 2022, EU e-commerce market size from 2025 Worldpay Global Payments Report, and Australia e-commerce market size from the Australia Bureau of Statistics.

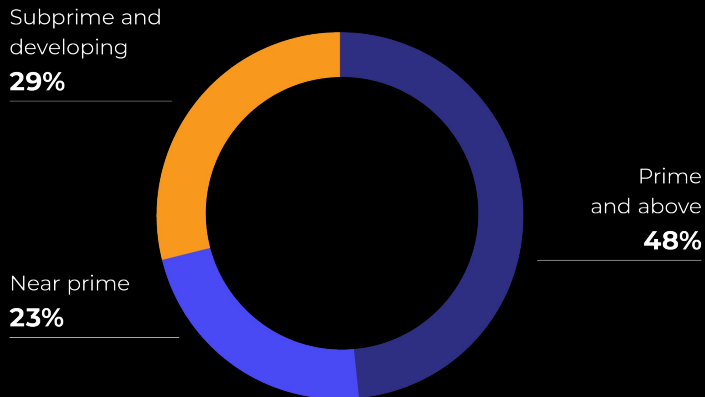


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- 04 **Setting the record straight**

# Affirm reaches across a wide range of U.S. consumers

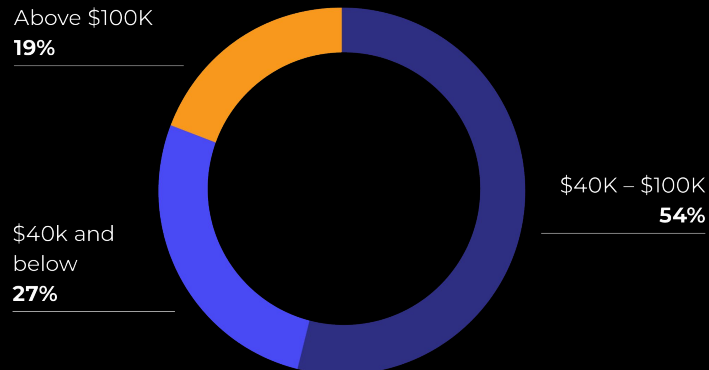
## FICO Score<sub>1</sub>

Affirm consumer average: 652



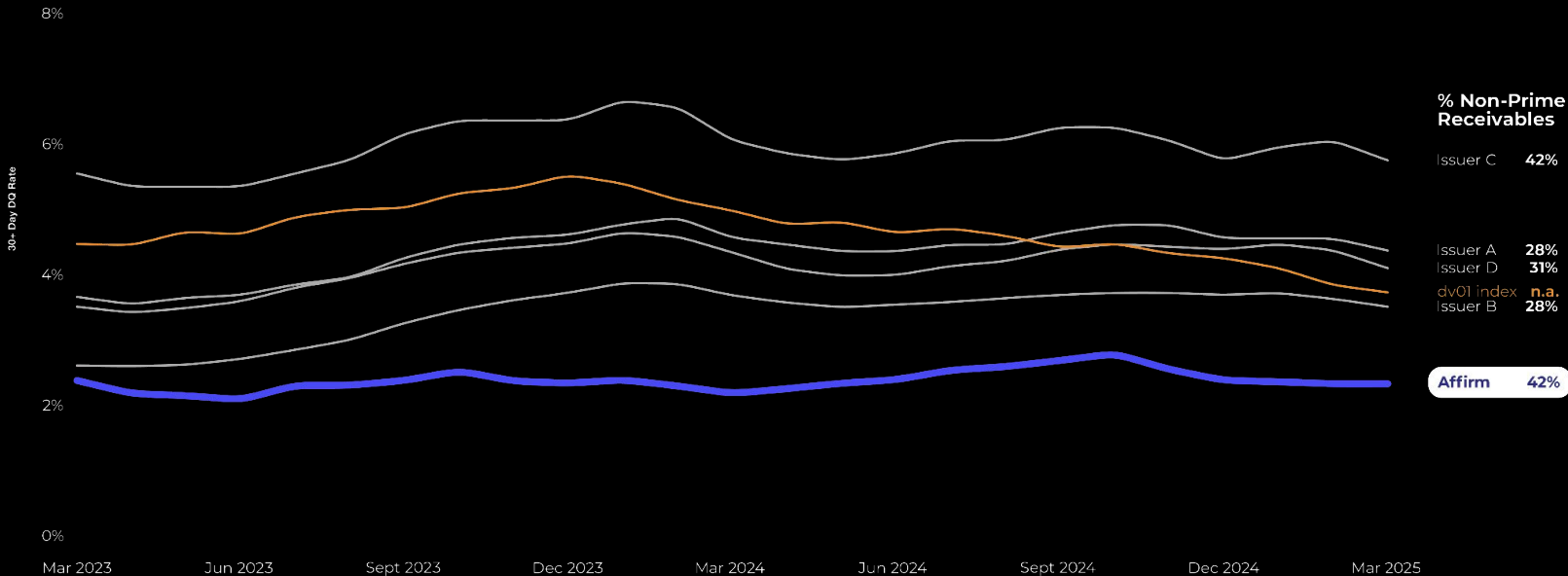
## Annual Income<sub>2</sub>

Affirm household average: \$74,000



# We have a differentiated approach to risk management

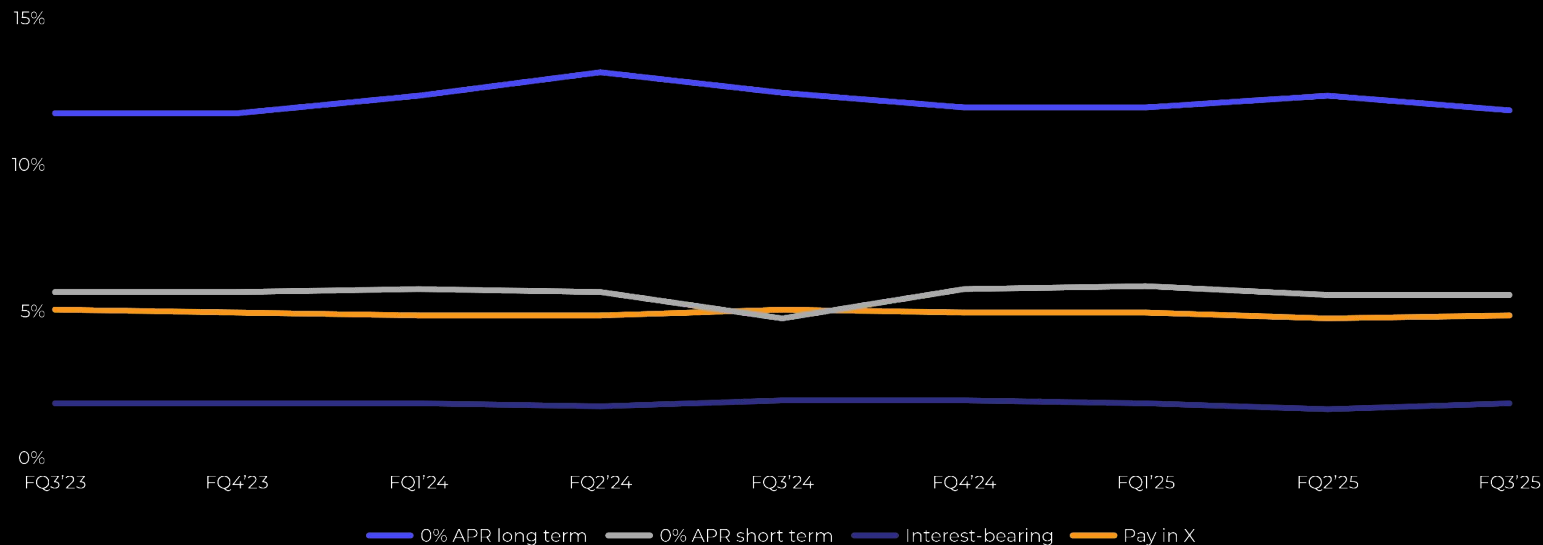
30+ Day Delinquency Rate vs. Select Consumer Lenders



Select consumer lenders include Bread Financial, Capital One, Discover, and Synchrony Financial. Non-Prime receivable mix as of March 31, 2025 or most recently available period based upon publicly available data. Non-Prime is generally defined as a FICO score below 650 to 660, U.S. loans only. Affirm 30+ day delinquencies and non-Prime Receivables mix excludes Pay in X and Peloton loans. The dv01 consumer unsecured index looks at over 4.9 million active loans from leading U.S. online consumer lenders. dv01 delinquency data is owned by, and used with the permission of, dv01, Inc. and may not be reproduced or redistributed outside of this letter without dv01, Inc.'s prior consent. dv01 data reflects 30+ day loan impairments, which includes delinquencies and loan modifications. dv01 data is subject to subsequent revisions.








# We have delivered consistent pricing while scaling

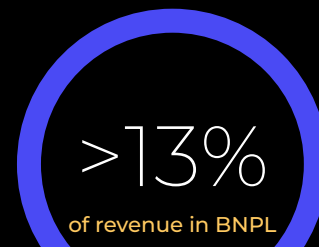
## Merchant Fee Rates



Includes lending transactions with Affirm integrated merchants in the US only. 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; Pay in X (formerly known as Pay in 4) includes loans with one to four 0% APR installments. Excludes Non-Integrated Virtual Card and Affirm Card interchange rates (which are principally set by card networks), loans made outside of the US, PayNow transactions and Returnly transactions. Metrics are unaudited.

# All pay later products are not created equal

		Afterpay	Klarna
<b>Late fees</b>	NONE		
<b>Reminder fees</b>	NONE		
<b>Snooze fees</b>	NONE	NONE	
<b>Admin fees</b>	NONE	NONE	
<b>Reports BNPL to credit bureaus</b>	YES		



comes from late fees and other junk charges, even when including Affirm,



in late fees, penalties, deferred interest, or compound interest

# Thank you

Investor Relations: [ir@affirm.com](mailto:ir@affirm.com)



# Appendix



# Non-GAAP Reconciliations by Fiscal Quarter<sup>3,4</sup>

34

	Three months ended								
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
<b>Income Statement Reconciliations (\$K)</b>									
<b>Total Revenue</b>	\$ 380,978	\$ 445,825	\$ 496,547	\$ 591,110	\$ 576,157	\$ 659,185	\$ 698,479	\$ 866,381	\$ 783,135
<b>Operating Expenses</b>									
Loss on loan purchase commitment	\$ 31,224	\$ 35,009	\$ 34,866	\$ 53,630	\$ 44,143	\$ 47,756	\$ 54,237	\$ 70,278	\$ 57,290
Provision for credit losses	66,438	94,483	99,696	120,880	122,443	117,609	159,824	152,980	147,252
Funding costs	51,188	63,008	73,931	84,617	90,449	95,256	104,145	107,762	107,631
Processing and servicing	65,229	71,247	75,671	90,203	88,209	89,166	95,146	115,960	118,398
<b>Total Transaction Costs</b>	\$ 214,079	\$ 263,747	\$ 284,164	\$ 349,330	\$ 345,244	\$ 349,787	\$ 413,352	\$ 446,980	\$ 430,571
Technology and data analytics	161,792	152,318	132,965	119,833	124,828	124,231	134,290	148,213	152,620
Sales and marketing	140,942	145,131	146,866	161,265	132,950	135,324	145,233	136,038	74,022
Restructuring and other	34,934	936	1,665	56	5,203	(156)	(255)	60	12
General and administrative	139,266	127,521	140,334	132,777	128,721	123,459	138,482	139,412	134,303
<b>Total Operating Expenses</b>	\$ 691,013	\$ 689,653	\$ 705,994	\$ 763,261	\$ 736,946	\$ 732,645	\$ 831,102	\$ 870,703	\$ 791,527
<b>Operating Income (Loss)</b>	\$ (310,035)	\$ (243,828)	\$ (209,447)	\$ (172,151)	\$ (160,789)	\$ (73,460)	\$ (132,623)	\$ (4,322)	\$ (8,393)
<b>Reconciliation from Revenue to Revenue Less Transaction Costs and Revenue Less Transaction Costs ex-Provision</b>									
Total Revenue	\$ 380,978	\$ 445,825	\$ 496,547	\$ 591,110	\$ 576,157	\$ 659,185	\$ 698,479	\$ 866,381	\$ 783,135
Less: Loss on loan purchase commitment	31,224	35,009	34,866	53,630	44,143	47,756	54,237	70,278	57,290
Less: Provision for credit losses	66,438	94,483	99,696	120,880	122,443	117,609	159,824	152,980	147,252
Less: Funding costs	51,188	63,008	73,931	84,617	90,449	95,256	104,145	107,762	107,631
Less: Processing and servicing	65,229	71,247	75,671	90,203	88,209	89,166	95,146	115,960	118,398
<b>Revenue Less Transaction Costs</b>	\$ 166,899	\$ 182,078	\$ 212,383	\$ 241,780	\$ 230,913	\$ 309,398	\$ 285,127	\$ 419,401	\$ 352,564
<b>Reconciliation from from Operating Income (Loss) to Adjusted Operating Income (Loss)</b>									
Operating Income (Loss)	\$ (310,035)	\$ (243,828)	\$ (209,447)	\$ (172,151)	\$ (160,789)	\$ (73,460)	\$ (132,623)	\$ (4,322)	\$ (8,393)
Plus: Depreciation and amortization	46,068	43,279	40,060	40,372	45,189	44,284	46,715	54,950	59,476
Plus: Stock-based compensation expense	106,789	103,337	112,359	90,164	77,075	64,913	94,233	86,098	75,607
Plus: Enterprise warrant and share-based expense	112,961	110,467	115,373	134,167	111,829	114,226	121,519	101,032	46,975
Plus: Restructuring and other	34,934	936	1,665	56	5,203	(156)	(255)	60	12
Plus: Other costs <sub>5</sub>	2,858	517	(66)	-	-	-	-	-	-
<b>Adjusted Operating Income (Loss)</b>	\$ (6,425)	\$ 14,709	\$ 59,944	\$ 92,608	\$ 78,506	\$ 149,807	\$ 129,589	\$ 237,818	\$ 173,677

<sup>1</sup>Restructuring and other includes expenses incurred in the period associated with the Company's restructurings and other exit and disposal activities, which were presented separately in the income statement beginning March 31, 2023. <sup>2</sup>Other costs consist of expenses incurred in the period associated with the Company's acquisitions and impairment charges. For the three months ended December 31, 2022 and earlier periods, other costs also include expenses related to exit and disposal activities, including one-time employee termination benefits. <sup>3</sup>Metrics are unaudited. <sup>4</sup>Within the table presented certain columns and rows may not sum due to the use of rounded numbers.