

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-39888

Affirm Holdings, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

84-2224323
(I.R.S. Employer Identification No.)

650 California Street
San Francisco, California
(Address of principal executive offices)

94108
(Zip Code)

(415) 960-1518
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Class A common stock, par value \$0.00001 per share | AFRM | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 1, 2026, the number of shares of the registrant's Class A common stock outstanding was 294,357,801 and the number of shares of the registrant's Class B common stock outstanding was 40,540,764.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (“Form 10-Q”), as well as information included in oral statements or other written statements made or to be made by us, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this Report, including statements regarding our future results of operations and financial condition, business strategy, and plans and objectives of management regarding future operations, are forward-looking statements. In some cases, forward-looking statements may be identified by words such as “anticipate,” “believe,” “continue,” “could,” “design,” “estimate,” “expect,” “intend,” “may,” “plan,” “potentially,” “predict,” “project,” “should,” “will,” “would,” or the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our future revenue, expenses, and other operating results and key operating metrics;
- our ability to attract new merchant partners and commerce platforms and grow our relationships with existing merchant partners and commerce platforms;
- our ability to compete successfully in a highly competitive and evolving industry;
- our ability to attract new consumers and retain and grow our relationships with our existing consumers;
- our expectations regarding the development, innovation, introduction of, and demand for, our products;
- our ability to successfully maintain our relationship with existing originating bank partners and card issuing bank partners and engage additional originating bank partners and card issuing bank partners;
- our ability to maintain, renew or replace our existing funding arrangements and build and grow new funding relationships;
- the impact of any of our funding sources becoming unwilling or unable to provide funding to us on terms acceptable to us, or at all;
- our ability to effectively price and score credit risk using our proprietary risk model;
- the performance of loans facilitated and originated through our platform;
- our ability to effectively use and provide AI-powered solutions;
- the future growth rate of our revenue and related key operating metrics;
- our ability to achieve sustained profitability in the future;
- our ability, and the ability of our originating bank and other partners, to comply, and remain in compliance with, laws and regulations that currently apply or become applicable to our business or the businesses of such partners;
- our ability to protect our confidential, proprietary, or sensitive information;
- past and future acquisitions, investments, and other strategic investments;
- our ability to successfully expand into new international geographies;
- our ability to maintain, protect, and enhance our brand and intellectual property;
- litigation, investigations, regulatory inquiries, and proceedings;
- developments in our regulatory environment, including governmental actions to cap interest rates;
- the impact of macroeconomic conditions on our business, including the impacts of persistent inflation, an elevated interest rate environment and corresponding elevated negotiated interest rate spreads, ongoing recessionary concerns, uncertainty relating to the magnitude, duration and impact of tariffs on global trade,

and the potential impact of macroeconomic conditions on the stability of the consumers and financial institutions with whom we do business; and

- the size and growth rates of the markets in which we compete.

Forward-looking statements, including statements such as “we believe” and similar statements, are based on our management’s current beliefs, opinions and assumptions and on information currently available as of the date of this Report. Such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including risks described in the section titled “Risk Factors” and elsewhere in this Form 10-Q and in our most recently filed Annual Report on Form 10-K for the fiscal year ended June 30, 2025 (the “Annual Report”). Other sections of this Form 10-Q may include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive, heavily regulated and rapidly changing environment. New risks emerge from time to time, and it is not possible for our management to predict all risks that we may face, nor can we assess the impact of all risks on our business or the extent to which any risk, or combination of risks, may cause our actual results to differ from those contained in, or implied by, any forward-looking statements.

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

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

Part I - Financial Information

Item 1. Financial Statements

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

| | March 31, 2026 | June 30, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,723,413 | \$ 1,354,455 |
| Restricted cash | 750,892 | 401,968 |
| Securities available for sale at fair value | 757,597 | 871,425 |
| Loans held for sale | — | — |
| Loans held for investment | 8,572,972 | 7,025,534 |
| Allowance for credit losses | (512,314) | (396,929) |
| Loans held for investment, net | 8,060,659 | 6,628,606 |
| Accounts receivable, net | 230,703 | 426,177 |
| Property, equipment and software, net | 668,292 | 572,637 |
| Goodwill | 529,284 | 534,156 |
| Intangible assets | 27,436 | 12,935 |
| Commercial agreement assets | 41,377 | 57,210 |
| Other assets | 351,927 | 295,360 |
| Total assets | \$ 13,141,580 | \$ 11,154,929 |
| Liabilities and stockholders' equity | | |
| Liabilities: | | |
| Accounts payable | \$ 59,590 | \$ 82,820 |
| Payable to third-party loan owners | 178,275 | 211,700 |
| Accrued interest payable | 28,456 | 24,465 |
| Accrued expenses and other liabilities | 217,938 | 157,272 |
| Convertible senior notes, net | 1,128,617 | 1,153,000 |
| Notes issued by securitization trusts | 5,327,589 | 4,833,855 |
| Funding debt | 2,417,705 | 1,622,808 |
| Total liabilities | 9,358,170 | 8,085,919 |
| Commitments and contingencies (Note 7) | | |
| Stockholders' equity: | | |
| Class A common stock, par value \$0.00001 per share: 3,030,000,000 shares authorized, 294,229,690 shares issued and outstanding as of March 31, 2026; 3,030,000,000 shares authorized, 284,378,565 shares issued and outstanding as of June 30, 2025 | 2 | 2 |
| Class B common stock, par value \$0.00001 per share: 140,000,000 shares authorized, 40,616,641 shares issued and outstanding as of March 31, 2026; 140,000,000 shares authorized, 40,734,234 shares issued and outstanding as of June 30, 2025 | 1 | 1 |
| Additional paid in capital | 6,550,639 | 6,140,893 |
| Accumulated deficit | (2,743,638) | (3,056,818) |
| Accumulated other comprehensive loss | (23,594) | (15,069) |
| Total stockholders' equity | 3,783,410 | 3,069,009 |
| Total liabilities and stockholders' equity | \$ 13,141,580 | \$ 11,154,929 |

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

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS, CONT.
(Unaudited)
(in thousands)

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

| | March 31, 2026 | June 30, 2025 |
|--|---------------------|---------------------|
| Assets of consolidated VIEs, included in total assets above | | |
| Restricted cash | \$ 372,392 | \$ 192,638 |
| Loans held for investment | 8,341,198 | 6,828,758 |
| Allowance for credit losses | (458,139) | (365,656) |
| Loans held for investment, net | 7,883,059 | 6,463,101 |
| Accounts receivable, net | 3,270 | 3,032 |
| Other assets | 2,446 | 2,558 |
| Total assets of consolidated VIEs | \$ 8,261,166 | \$ 6,661,329 |
| Liabilities of consolidated VIEs, included in total liabilities above | | |
| Accounts payable | \$ — | \$ 2,833 |
| Accrued interest payable | 26,429 | 23,998 |
| Accrued expenses and other liabilities | 5,451 | 2,797 |
| Notes issued by securitization trusts | 5,327,589 | 4,833,855 |
| Funding debt | 2,409,921 | 1,592,139 |
| Total liabilities of consolidated VIEs | 7,769,390 | 6,455,621 |
| Total net assets of consolidated VIEs | \$ 491,776 | \$ 205,707 |

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

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

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|-------------------|-----------------------------|---------------------|
| | 2026 | 2025 | 2026 | 2025 |
| Revenue | | | | |
| Merchant network revenue | \$ 268,027 | \$ 213,973 | \$ 847,553 | \$ 643,207 |
| Card network revenue | 66,467 | 58,572 | 208,832 | 164,194 |
| Total network revenue | 334,494 | 272,545 | 1,056,385 | 807,401 |
| Interest income | 532,449 | 402,701 | 1,480,198 | 1,189,132 |
| Gain on sales of loans | 127,200 | 75,838 | 431,480 | 264,739 |
| Servicing income | 44,622 | 32,050 | 127,058 | 86,723 |
| Total revenue, net | \$ 1,038,765 | \$ 783,135 | \$ 3,095,122 | \$ 2,347,995 |
| Operating expenses | | | | |
| Loss on loan purchase commitment | \$ 67,964 | \$ 57,290 | \$ 235,581 | \$ 181,805 |
| Provision for credit losses | 196,543 | 147,252 | 573,448 | 460,056 |
| Funding costs | 113,762 | 107,631 | 335,507 | 319,539 |
| Processing and servicing | 162,291 | 118,398 | 454,680 | 329,504 |
| Technology and data analytics | 191,619 | 152,620 | 544,595 | 435,123 |
| Sales and marketing | 72,854 | 74,022 | 250,128 | 355,293 |
| General and administrative | 145,304 | 134,303 | 431,468 | 412,196 |
| Restructuring and other | — | 12 | — | (184) |
| Total operating expenses | \$ 950,337 | \$ 791,527 | \$ 2,825,406 | \$ 2,493,332 |
| Operating income (loss) | \$ 88,429 | \$ (8,393) | \$ 269,716 | \$ (145,337) |
| Other income, net | 18,948 | 13,738 | 53,918 | 135,221 |
| Income (loss) before income taxes | \$ 107,376 | \$ 5,345 | \$ 323,633 | \$ (10,116) |
| Income tax expense | 4,476 | 2,541 | 10,453 | 6,942 |
| Net income (loss) | \$ 102,900 | \$ 2,804 | \$ 313,180 | \$ (17,058) |
| Other comprehensive income (loss) | | | | |
| Foreign currency translation adjustments | \$ (10,665) | \$ 3,550 | \$ (12,832) | \$ (23,573) |
| Unrealized gain (loss) on securities available for sale, net | (1,090) | 778 | (359) | 3,494 |
| Gain (loss) on cash flow hedges | 5,100 | (1,279) | 4,666 | (2,860) |
| Net other comprehensive income (loss) | \$ (6,655) | \$ 3,049 | \$ (8,525) | \$ (22,939) |
| Comprehensive income (loss) | \$ 96,245 | \$ 5,853 | \$ 304,655 | \$ (39,998) |
| Per share data: | | | | |
| Net income (loss) per share attributable to common stockholders for Class A and Class B | | | | |
| Basic | \$ 0.31 | \$ 0.01 | \$ 0.94 | \$ (0.05) |
| Diluted | \$ 0.30 | \$ 0.01 | \$ 0.90 | \$ (0.05) |
| Weighted average common shares outstanding | | | | |
| Basic | 337,142,686 | 324,053,967 | 333,860,094 | 321,505,149 |
| Diluted | 348,096,861 | 344,224,332 | 348,556,556 | 321,505,149 |

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

AFFIRM HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands, except share amounts)

| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Stockholders' Equity |
|---|-----------------------|-------------|-------------------------------|------------------------|---|-------------------------------|
| | Shares ⁽¹⁾ | Amount | | | | |
| Balance as of June 30, 2025 | 325,112,799 | \$ 3 | \$ 6,140,893 | \$ (3,056,818) | \$ (15,069) | \$ 3,069,009 |
| Issuance of common stock upon exercise of stock options | 3,020,789 | — | 94,828 | — | — | 94,828 |
| Vesting of restricted stock units | 1,914,916 | — | — | — | — | — |
| Vesting of warrants for common stock | — | — | 40,977 | — | — | 40,977 |
| Stock-based compensation | — | — | 138,738 | — | — | 138,738 |
| Tax withholding on stock-based compensation | — | — | (116,041) | — | — | (116,041) |
| Foreign currency translation adjustments | — | — | — | — | (10,003) | (10,003) |
| Unrealized gain on securities available for sale | — | — | — | — | 812 | 812 |
| Loss on cash flow hedges | — | — | — | — | (129) | (129) |
| Net income | — | — | — | 80,694 | — | 80,694 |
| Balance as of September 30, 2025 | 330,048,504 | \$ 3 | \$ 6,299,395 | \$ (2,976,124) | \$ (24,389) | \$ 3,298,885 |
| Issuance of common stock upon exercise of stock options | 276,350 | — | 2,537 | — | — | 2,537 |
| Issuance of common stock, employee share purchase plan | 152,596 | — | 6,733 | — | — | 6,733 |
| Vesting of restricted stock units | 1,729,655 | — | — | — | — | — |
| Vesting of warrants for common stock | — | — | 61,206 | — | — | 61,206 |
| Stock-based compensation | — | — | 124,436 | — | — | 124,436 |
| Tax withholding on stock-based compensation | — | — | (83,972) | — | — | (83,972) |
| Foreign currency translation adjustments | — | — | — | — | 7,836 | 7,836 |
| Unrealized loss on securities available for sale | — | — | — | — | (81) | (81) |
| Loss on cash flow hedges | — | — | — | — | (305) | (305) |
| Net income | — | — | — | 129,586 | — | 129,586 |
| Balance as of December 31, 2025 | 332,207,105 | \$ 3 | \$ 6,410,335 | \$ (2,846,538) | \$ (16,939) | \$ 3,546,861 |
| Issuance of common stock upon exercise of stock options | 1,095,628 | — | 38,583 | — | — | 38,583 |
| Vesting of restricted stock units | 1,543,598 | — | — | — | — | — |
| Vesting of warrants for common stock | — | — | 40,497 | — | — | 40,497 |
| Stock-based compensation | — | — | 115,485 | — | — | 115,485 |
| Tax withholding on stock-based compensation | — | — | (54,261) | — | — | (54,261) |
| Foreign currency translation adjustments | — | — | — | — | (10,665) | (10,665) |
| Unrealized loss on securities available for sale | — | — | — | — | (1,090) | (1,090) |
| Gain on cash flow hedges | — | — | — | — | 5,100 | 5,100 |
| Net income | — | — | — | 102,900 | — | 102,900 |
| Balance as of March 31, 2026 | 334,846,331 | \$ 3 | \$ 6,550,639 | \$ (2,743,638) | \$ (23,594) | \$ 3,783,410 |

| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Stockholders' Equity |
|---|-----------------------|-------------|----------------------------|-----------------------|--------------------------------------|----------------------------|
| | Shares ⁽¹⁾ | Amount | | | | |
| Balance as of June 30, 2024 | 311,053,031 | \$ 3 | \$ 5,862,555 | \$ (3,109,004) | \$ (21,565) | \$ 2,731,989 |
| Issuance of common stock upon exercise of stock options | 432,277 | — | 3,596 | — | — | 3,596 |
| Vesting of restricted stock units | 2,492,095 | — | — | — | — | — |
| Vesting of warrants for common stock | — | — | 107,263 | — | — | 107,263 |
| Stock-based compensation | — | — | 143,711 | — | — | 143,711 |
| Tax withholding on stock-based compensation | — | — | (63,208) | — | — | (63,208) |
| Foreign currency translation adjustments | — | — | — | — | 8,346 | 8,346 |
| Unrealized gain on securities available for sale | — | — | — | — | 5,589 | 5,589 |
| Loss on cash flow hedges | — | — | — | — | (1,492) | (1,492) |
| Net loss | — | — | — | (100,222) | — | (100,222) |
| Balance as of September 30, 2024 | 313,977,403 | \$ 3 | \$ 6,053,917 | \$ (3,209,226) | \$ (9,122) | \$ 2,835,572 |
| Issuance of common stock upon exercise of stock options | 2,762,075 | — | 30,700 | — | — | 30,700 |
| Issuance of common stock, employee share purchase plan | 204,650 | — | 5,092 | — | — | 5,092 |
| Repurchases of common stock | (3,526,590) | — | (250,000) | — | — | (250,000) |
| Vesting of restricted stock units | 2,317,736 | — | — | — | — | — |
| Vesting of warrants for common stock | — | — | 86,776 | — | — | 86,776 |
| Stock-based compensation | — | — | 130,806 | — | — | 130,806 |
| Tax withholding on stock-based compensation | — | — | (95,335) | — | — | (95,335) |
| Foreign currency translation adjustments | — | — | — | — | (35,469) | (35,469) |
| Unrealized loss on securities available for sale | — | — | — | — | (2,873) | (2,873) |
| Loss on cash flow hedges | — | — | — | — | (89) | (89) |
| Net income | — | — | — | 80,360 | — | 80,360 |
| Balance as of December 31, 2024 | 315,735,274 | \$ 3 | \$ 5,961,956 | \$ (3,128,866) | \$ (47,553) | \$ 2,785,540 |
| Issuance of common stock upon exercise of stock options | 1,037,308 | — | 10,528 | — | — | 10,528 |
| Issuance of common stock upon exercise of warrants | 3,499,453 | — | — | — | — | — |
| Vesting of restricted stock units | 2,248,706 | — | — | — | — | — |
| Vesting of warrants for common stock | — | — | 36,062 | — | — | 36,062 |
| Stock-based compensation | — | — | 119,976 | — | — | 119,976 |
| Tax withholding on stock-based compensation | — | — | (83,043) | — | — | (83,043) |
| Foreign currency translation adjustments | — | — | — | — | 3,550 | 3,550 |
| Unrealized gain on securities available for sale | — | — | — | — | 778 | 778 |
| Loss on cash flow hedges | — | — | — | — | (1,279) | (1,279) |
| Net income | — | — | — | 2,804 | — | 2,804 |
| Balance as of March 31, 2025 | 322,520,741 | \$ 3 | \$ 6,045,479 | \$ (3,126,062) | \$ (44,504) | \$ 2,874,916 |

⁽¹⁾ The share amounts listed above combine Class A and Class B stock.

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

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

| | Nine Months Ended March 31, | |
|---|-----------------------------|---------------------|
| | 2026 | 2025 |
| Cash flows from operating activities | | |
| Net income (loss) | \$ 313,180 | \$ (17,058) |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Provision for losses | 573,448 | 460,056 |
| Amortization of premiums and discounts on loans | (225,466) | (171,827) |
| Gain on sales of loans | (431,480) | (264,739) |
| Gain on extinguishment of debt | (1,537) | (82,418) |
| Changes in fair value of assets and liabilities | 881 | 5,456 |
| Amortization of commercial agreement assets | 15,833 | 39,424 |
| Amortization of debt issuance costs | 20,804 | 23,298 |
| Accrued interest on securities available for sale | (26,070) | (34,182) |
| Commercial agreement warrant expense | 142,681 | 230,102 |
| Stock-based compensation | 237,490 | 255,938 |
| Depreciation and amortization | 215,985 | 161,081 |
| Other | (32,090) | 9,980 |
| Change in operating assets and liabilities: | | |
| Purchases and origination of loans held for sale | (2,089,516) | (3,051,742) |
| Proceeds from the sale of loans held for sale | 2,088,537 | 3,051,803 |
| Accounts receivable, net | 185,470 | 123,897 |
| Other assets | (35,180) | (17,992) |
| Accounts payable | (23,230) | 39 |
| Payable to third-party loan buyers | (33,425) | 17,353 |
| Accrued interest payable | 4,926 | (383) |
| Accrued expenses and other liabilities | 33,570 | (18,813) |
| Net cash provided by operating activities | 934,811 | 719,272 |
| Cash flows from investing activities | | |
| Purchases and origination of loans held for investment | (33,397,975) | (22,727,969) |
| Proceeds from the sale of loans held for investment | 14,103,336 | 8,122,806 |
| Principal repayments and other loan servicing activity | 17,925,622 | 13,649,667 |
| Additions to property, equipment and software | (171,474) | (141,069) |
| Purchases of securities available for sale | (544,887) | (553,595) |
| Proceeds from maturities and repayments of securities available for sale | 730,191 | 984,387 |
| Other investing inflows | 299 | 101,224 |
| Other investing outflows | (279) | (64,000) |
| Net cash used in investing activities | (1,355,168) | (628,550) |
| Cash flows from financing activities | | |
| Proceeds from the issuance of convertible notes | — | 920,000 |
| Proceeds from the issuance of funding debt | 27,331,029 | 14,023,995 |
| Proceeds from issuance of notes and certificates by securitization trust | 2,850,000 | 1,750,000 |
| Principal repayments of funding debt | (26,521,828) | (13,932,542) |
| Principal repayments of notes issued by securitization trust | (2,350,000) | (900,000) |
| Payment of debt issuance costs | (30,874) | (42,759) |
| Extinguishment of convertible debt | (25,758) | (1,012,856) |
| Proceeds from exercise of common stock options and warrants and contributions to ESPP | 142,680 | 49,915 |
| Repurchase of common stock | — | (250,000) |
| Taxes paid related to net share settlement of equity awards | (251,210) | (241,586) |
| Net cash provided by financing activities | 1,144,040 | 364,166 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (5,801) | (14,328) |
| Net increase in cash, cash equivalents and restricted cash | 717,882 | 440,560 |
| Cash, cash equivalents and restricted cash, beginning of period | 1,756,423 | 1,295,399 |
| Cash, cash equivalents and restricted cash, end of period | \$ 2,474,305 | \$ 1,735,959 |

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

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

| | Nine Months Ended March 31, | |
|--|------------------------------------|---------------------|
| | 2026 | 2025 |
| Reconciliation to amounts on consolidated balance sheets (as of period end) | | |
| Cash and cash equivalents | \$ 1,723,413 | \$ 1,351,148 |
| Restricted cash | 750,892 | 384,811 |
| Total cash, cash equivalents and restricted cash | \$ 2,474,305 | \$ 1,735,959 |

| | Nine Months Ended March 31, | |
|--|------------------------------------|-------------|
| | 2026 | 2025 |
| Supplemental disclosures of cash flow information | | |
| Cash payments for interest expense | \$ 314,227 | \$ 302,791 |
| Cash paid for operating leases | 12,784 | 12,501 |
| Cash paid for income taxes | 3,785 | 2,432 |
| Supplemental disclosures of non-cash investing and financing activities | | |
| Stock-based compensation included in capitalized internal-use software | 141,169 | 138,555 |
| Securities retained under unconsolidated securitization transactions | 44,608 | 41,940 |
| Right of use assets obtained in exchange for operating lease liabilities | 11,513 | 7,418 |

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

1. Business Description

Affirm Holdings, Inc. (“Affirm,” the “Company,” “we,” “us,” or “our”), headquartered in San Francisco, California, provides consumers with a simpler, more transparent, and flexible alternative to traditional payment options. Our mission is to deliver honest financial products that improve lives. Through our next-generation commerce platform, agreements with originating banks, and capital markets partners, we enable consumers to confidently pay for a purchase over time. When a consumer applies for a loan through our platform, the loan is underwritten using our proprietary risk model, and once approved, the consumer selects their preferred repayment option. Loans are directly originated or funded and issued by our originating bank partners.

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

On June 26, 2025, the Company filed a certificate of conversion with the Secretary of State of the State of Delaware and filed articles of conversion and articles of incorporation with the Secretary of State of the State of Nevada, which as of July 1, 2025, effected a change in our jurisdiction of incorporation from Delaware to Nevada.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying interim condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”), as contained in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”), disclosure requirements for interim financial information, and the requirements of Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto for the fiscal year ended June 30, 2025. The balance sheet as of June 30, 2025 has been derived from the audited financial statements at that date. Management believes these interim condensed consolidated financial statements reflect all adjustments, including those of a normal and recurring nature, which are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period.

Our interim condensed financial statements have been prepared on a consolidated basis. Under this basis of presentation, our financial statements consolidate all wholly owned subsidiaries and variable interest entities (“VIEs”), in which we have a controlling financial interest. These include various business trust entities and limited partnerships established to enter into warehouse credit agreements with certain lenders for funding debt facilities and certain asset-backed securitization transactions. All intercompany accounts and transactions have been eliminated in consolidation. Within the interim condensed consolidated financial statements and tables presented in the accompanying notes, certain columns and rows may not sum due to the use of rounded numbers for disclosure purposes.

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

Use of Estimates

The preparation of interim condensed consolidated financial statements in conformity with U.S. GAAP requires the use of estimates, judgments and assumptions that affect the reported amounts in the interim condensed consolidated financial statements and the accompanying notes. Material estimates that are particularly susceptible to significant change relate to determination of the allowance for credit losses, capitalized internal-use software development costs, valuation allowance for deferred tax assets, loss on loan purchase commitment, discount on directly originated loans, the evaluation for impairment of intangible assets and goodwill, the fair value of available for sale debt securities including retained interests in our securitization trusts and residual interest in structured transactions, the fair value of risk sharing arrangements, and stock-based compensation. We base our estimates on historical experience, current events, and other factors we believe to be reasonable under the circumstances. To the extent that there are material differences between these estimates and actual results, our financial condition or operating results will be materially affected.

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

Significant Accounting Policies

There were no material changes to our significant accounting policies as disclosed in Note 2. Summary of Significant Accounting Policies of our Annual Report on Form 10-K for the fiscal year ended June 30, 2025, which was filed with the SEC on August 28, 2025.

Recent Accounting Pronouncements Not Yet Adopted

Income Taxes

In December 2023, the FASB issued ASU 2023-09, “*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*”. The new guidance is expected to increase transparency and usefulness of income tax disclosures through improvements to the rate reconciliation, income taxes paid, and other disclosure requirements. The ASU is effective for fiscal years beginning after December 15, 2024 and should be applied on a prospective basis, although retrospective application is permitted. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. We will apply the guidance beginning with our Annual Report on Form 10-K for the fiscal year ended June 30, 2026. We are in the process of evaluating the impact of adopting this accounting standard update on our consolidated financial statements and disclosures.

Reporting Comprehensive Income

In November 2024, the FASB issued ASU 2024-03, “*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*”. Subsequent to the issuance of ASU 2024-03, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The new guidance requires disclosure, in the notes to the financial statements, specified information about certain income statement costs and expenses for each interim and annual reporting period. The ASU is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, and should be applied on a prospective basis, although retrospective application is permitted. Early adoption is permitted. We are in the process of evaluating the impact of adopting this accounting standard update on our consolidated financial statements and disclosures.

Debt with Conversion and Other Options

In November 2024, the FASB issued ASU 2024-04, “*Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*”. The new guidance clarifies the requirements for determining whether certain settlements of convertible debt should be accounted for as an induced

conversion. The ASU is effective for fiscal years beginning after December 15, 2025 and interim periods within those annual reporting periods, and should be applied on a prospective basis, although retrospective application is permitted. Early adoption is permitted. We are in the process of evaluating the impact of adopting this accounting standard update on our consolidated financial statements and disclosures.

Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU 2025-05, “*Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*”. The new guidance introduces a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. The ASU is effective for fiscal years beginning after December 15, 2025 and interim periods within those annual reporting periods, and should be applied on a prospective basis. Early adoption is permitted. We are in the process of evaluating the impact of adopting this accounting standard update on our consolidated financial statements and disclosures.

Internal-Use Software

In September 2025, the FASB issued ASU 2025-06, “*Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*”. The new guidance primarily changes the software cost capitalization criteria and modifies the website development cost guidance. The ASU is effective for fiscal years beginning after December 15, 2027 and interim periods within those annual reporting periods, and may be applied on a prospective, modified transition, or retrospective basis approach. Early adoption is permitted. We are in the process of evaluating the impact of adopting this accounting standard update on our consolidated financial statements and disclosures.

Derivatives and Hedging

In November 2025, the FASB issued ASU 2025-09, “*Derivatives and Hedging (Topic 815): Hedge Accounting Improvements*”. The new guidance is primarily intended to enable entities to achieve and maintain hedge accounting for a broader group of highly effective economic hedges. The ASU is effective for fiscal years beginning after December 15, 2026 and interim periods within those annual reporting periods, and should be applied on a prospective basis. The amendments may also be applied to hedging relationships existing as of the date of adoption. Early adoption is permitted. We are in the process of evaluating the impact of adopting this accounting standard update on our consolidated financial statements and disclosures.

Interim Reporting

In December 2025, the FASB issued ASU 2025-11, “*Interim Reporting (Topic 270): Narrow-Scope Improvements*”. The new guidance primarily clarifies the required interim disclosure requirements. The ASU is effective for fiscal years beginning after December 15, 2027 and interim periods within those annual reporting periods, and may be applied on either a prospective or retrospective basis. Early adoption is permitted. We are in the process of evaluating the impact of adopting this accounting standard update on our consolidated financial statements and disclosures.

3. Revenue

The following table presents our revenue disaggregated by revenue source (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--------------------------|------------------------------|-------------------|-----------------------------|---------------------|
| | 2026 | 2025 | 2026 | 2025 |
| Merchant network revenue | \$ 268,027 | \$ 213,973 | \$ 847,553 | \$ 643,207 |
| Card network revenue | 66,467 | 58,572 | 208,832 | 164,194 |
| Interest income | 532,449 | 402,701 | 1,480,198 | 1,189,132 |
| Gain on sales of loans | 127,200 | 75,838 | 431,480 | 264,739 |
| Servicing income | 44,622 | 32,050 | 127,058 | 86,723 |
| Total revenue, net | <u>\$ 1,038,765</u> | <u>\$ 783,135</u> | <u>\$ 3,095,122</u> | <u>\$ 2,347,995</u> |

Merchant Network Revenue — Revenue from Contracts with Customers

Merchant network revenue primarily consists of merchant fees. Merchant partners (or integrated merchants) are generally charged a fee based on gross merchandise volume (“GMV”) processed through the Affirm platform. The fees vary depending on the individual arrangement between us and each merchant and on the terms of the product offering. The fee is recognized at the point in time the merchant successfully confirms the transaction, which is when the terms of the executed merchant agreement are fulfilled.

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

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

We may originate certain loans via our wholly-owned subsidiaries, with zero or below market interest rates. In these instances, the par value of the loans originated is in excess of the fair market value of such loans, resulting in a loss on loan origination, which we record as a reduction to merchant network revenue. In certain cases, the losses incurred on loans originated for a merchant may exceed the total merchant network revenue earned on those loans. We record the excess loss amounts as a sales and marketing expense.

A portion of merchant network revenue relates to affiliate network revenue, which is generated when a user makes a purchase on a merchant’s website after being directed from an advertisement on Affirm’s website or mobile application. We earn a fixed placement fee and/or commission as a percentage of the associated sale. Revenue is recognized at the point in time when the performance obligation has been fulfilled, which is when the merchant successfully confirms the transaction. Affiliate network revenue was \$29.1 million and \$100.1 million for the three and nine months ended March 31, 2026, respectively, and \$30.3 million and \$90.6 million for the three and nine months ended March 31, 2025, respectively.

We reviewed merchant network revenue by merchant as a percentage of total revenue for the three and nine months ended March 31, 2026 and 2025, and no individual merchant accounted for 10% or more of total revenue.

Card Network Revenue — Revenue from Contracts with Customers

We have agreements with card-issuing partners to facilitate the issuance of physical and one-time-use virtual cards to be used by consumers at checkout. Prior to purchase, consumers can apply at Affirm.com or via the Affirm App and, upon approval, use a physical or virtual card to complete their purchase online or in-store. Eligible consumers can also use the Affirm Card, a card issued by a card-issuing partner to pay in full or pay later, by using a unique post-purchase feature that allows them to instantly apply for an installment loan for any eligible debit transaction. Where applicable, after the merchant confirms the transaction, we or our originating bank partner originates a loan to the consumer. The merchant is charged interchange fees for each successful card transaction, and a portion of this revenue is shared with us by our card-issuing partners.

Merchants may also elect to utilize our agreement with card-issuing partners as a means of integrating Affirm services. Similarly, for these arrangements with integrated merchants, the merchant is charged interchange fees for each successful card transaction and a portion of this revenue is shared with us. From time to time, we offer certain integrated merchants incentives to promote our platform to their customers, such as rebates of interchange fees incurred by the merchant. These amounts are recorded as a reduction of card network revenue.

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

Our service comprises a single performance obligation to the card-issuing partner to facilitate transactions with consumers.

A portion of card network revenue relates to incentive payments from card network partners, which we are eligible to receive for reaching certain cumulative volume targets on program cards issued by our card-issuing partners. We earn incentive revenue as a percentage of each associated transaction and estimate the applicable percentage based on observed cumulative volume on program cards. Revenue is recognized at the point in time when the performance obligation has been fulfilled, which is when the transaction is completed successfully.

Interest Income

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

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|-------------------|-----------------------------|---------------------|
| | 2026 | 2025 | 2026 | 2025 |
| Contractual interest income on unpaid principal balance ⁽¹⁾ | \$ 465,786 | \$ 353,842 | \$ 1,294,471 | \$ 1,055,971 |
| Amortization of discount on loans | 88,586 | 65,639 | 245,807 | 186,450 |
| Amortization of premiums on loans | (7,119) | (5,108) | (20,340) | (14,623) |
| Interest receivable charged-off, net of recoveries ⁽²⁾ | (14,804) | (11,672) | (39,739) | (38,666) |
| Total interest income | \$ 532,449 | \$ 402,701 | \$ 1,480,198 | \$ 1,189,132 |

⁽¹⁾ Contractual interest income on unpaid principal balance, for the three and nine months ended March 31, 2025, was previously reported as \$369.7 million and \$1.08 billion, respectively. These amounts have been corrected herein; the correction is not material to the previously issued financial statements.

⁽²⁾ Interest receivable charged-off, net of recoveries, for the three and nine months ended March 31, 2025, was previously reported as \$27.5 million and \$65.4 million, respectively. These amounts have been corrected herein; the correction is not material to the previously issued financial statements.

We accrue interest income using the effective interest method, which includes the amortization of any discounts or premiums on loan receivables created upon the purchase of a loan from our originating bank partners or upon the origination of a loan. Interest income on a loan is accrued daily, based on the finance charge disclosed to the consumer, over the term of the loan based upon the principal outstanding. The accrual of interest on a loan is suspended if a formal dispute with the consumer involving either Affirm or the merchant of record is opened, or a loan is 120 days past due. Upon the resolution of a dispute with the consumer, the accrual of interest is resumed, and any interest that would have been earned during the disputed period is retroactively accrued. As of March 31, 2026 and June 30, 2025, the unpaid principal balance of loans held for investment on non-accrual status was \$6.0 million and \$6.2 million, respectively.

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

Gain on Sales of Loans

We sell certain loans we originate or purchase from our originating bank partners directly to third-party investors or to securitizations. We recognize a gain or loss on sale of loans sold to third parties or to unconsolidated securitizations by calculating the difference between the proceeds received and the carrying value of the loan. This amount is adjusted for the initial recognition of any assets or liabilities incurred upon sale. These generally include a net servicing asset or liability in connection with our ongoing obligation to continue to service the loans and a liability in connection with our loan repurchase obligation for loans that do not meet certain contractual requirements and such information about the loan was unknown at the time of sale. Additionally, we recognize a risk sharing asset or liability in certain arrangements where payments are made or received based on the actual versus expected loan performance, as contractually agreed upon with the third party.

Refer to Note 9. Securitization and Variable Interest Entities for further discussion on transfers of loan receivables. Refer to Note 11. Derivative Financial Instruments and Note 12. Fair Value of Financial Assets and Liabilities for further discussion of risk sharing arrangements.

Servicing Income

Servicing income includes contractual fees specified in our servicing agreements with third-party loan owners and unconsolidated securitizations that are earned from providing professional services to manage loan portfolios on their behalf. The servicing fee is calculated on a daily basis by multiplying a set fee percentage (as outlined in the executed agreements with third-party loan owners) by the outstanding loan principal balance. Servicing income also includes fair value adjustments for servicing assets and servicing liabilities.

4. Loans Held for Investment and Allowance for Credit Losses

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

| | March 31, 2026 | June 30, 2025 |
|---|-----------------------|----------------------|
| Unpaid principal balance | \$ 8,597,051 | \$ 7,050,446 |
| Accrued interest receivable | 89,379 | 67,953 |
| Premiums on loans held for investment | 10,914 | 9,818 |
| Less: Discount due to loss on loan purchase commitment | (87,138) | (75,124) |
| Less: Discount due to loss on directly originated loans | (37,234) | (27,559) |
| Total loans held for investment | <u>\$ 8,572,972</u> | <u>\$ 7,025,534</u> |

Loans held for investment includes loans originated through our originating bank partners and directly originated loans. Loans that are underwritten using our technology platform and originated by our originating bank

partners are later purchased by us. We purchased loans from our originating bank partners in the amount of \$9.4 billion and \$28.9 billion during the three and nine months ended March 31, 2026, respectively, and \$7.1 billion and \$21.6 billion during the three and nine months ended March 31, 2025, respectively. We directly originated \$2.3 billion and \$7.0 billion of loans during the three and nine months ended March 31, 2026, respectively, and \$1.5 billion and \$4.5 billion during the three and nine months ended March 31, 2025, respectively.

Our portfolio consists of interest bearing and non-interest bearing consumer loans with original term lengths of up to sixty months originated in markets including the U.S., U.K., and Canada, with the majority of loans originated within the U.S. While we view our loan portfolio as a single product segment, unsecured consumer loans, we consider factors such as country of origin, loan product, origination channel, merchant and various borrower characteristics to predict future losses.

We closely monitor the performance of our loan receivables to manage and evaluate our exposure to credit risk. Credit risk management begins with initial underwriting and continues through to full repayment of a loan. To assess a consumer who requests a loan, we use, among other indicators, internally developed risk models that leverage detailed information from external sources, such as credit bureaus where available, as well as the consumer's prior repayment history on our platform. We evaluate the credit quality of our loan receivable based on the aging status of the loan.

The following tables present an aging analysis of the amortized cost basis excluding accrued interest receivable, by fiscal year of origination, of loans held for investment by delinquency status as of March 31, 2026 and June 30, 2025 (in thousands):

| March 31, 2026 | | | | | | | |
|---|---------------------|-------------------|------------------|------------------|-----------------|---------------|---------------------|
| Amortized Cost Basis by Fiscal Year of Origination | | | | | | | |
| | 2026 | 2025 | 2024 | 2023 | 2022 | Prior | Total |
| Current – 3 calendar days past due | \$ 7,164,994 | \$ 782,797 | \$ 68,312 | \$ 13,788 | \$ 1,230 | \$ 88 | \$ 8,031,209 |
| 4 – 29 calendar days past due | 180,830 | 33,815 | 1,205 | 201 | 34 | 1 | 216,086 |
| 30 – 59 calendar days past due | 76,955 | 16,050 | 499 | 63 | 10 | 1 | 93,578 |
| 60 – 89 calendar days past due | 61,844 | 15,776 | 477 | 61 | 8 | 1 | 78,167 |
| 90 – 119 calendar days past due ⁽¹⁾ | 46,207 | 17,691 | 522 | 98 | 25 | 10 | 64,553 |
| Total amortized cost basis | <u>\$ 7,530,830</u> | <u>\$ 866,129</u> | <u>\$ 71,015</u> | <u>\$ 14,211</u> | <u>\$ 1,307</u> | <u>\$ 101</u> | <u>\$ 8,483,593</u> |

⁽¹⁾ Includes \$64.5 million of loan receivables as of March 31, 2026 that are 90 days or more past due, but are not on non-accrual status.

| June 30, 2025 | | | | | | | |
|---|---------------------|-------------------|------------------|-----------------|---------------|--------------|---------------------|
| Amortized Cost Basis by Fiscal Year of Origination | | | | | | | |
| | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Total |
| Current – 3 calendar days past due | \$ 6,268,050 | \$ 294,778 | \$ 50,958 | \$ 4,170 | \$ 133 | \$ 28 | \$ 6,618,117 |
| 4 – 29 calendar days past due | 156,941 | 9,713 | 1,347 | 145 | 10 | — | 168,156 |
| 30 – 59 calendar days past due | 62,250 | 4,367 | 288 | 35 | 4 | — | 66,944 |
| 60 – 89 calendar days past due | 51,095 | 5,251 | 255 | 30 | 2 | — | 56,633 |
| 90 – 119 calendar days past due ⁽¹⁾ | 41,889 | 5,571 | 228 | 34 | 2 | 8 | 47,732 |
| Total amortized cost basis | <u>\$ 6,580,225</u> | <u>\$ 319,680</u> | <u>\$ 53,076</u> | <u>\$ 4,414</u> | <u>\$ 151</u> | <u>\$ 36</u> | <u>\$ 6,957,582</u> |

⁽¹⁾ Includes \$47.6 million of loan receivables as of June 30, 2025 that are 90 days or more past due, but are not on non-accrual status.

The following table presents net charge-offs by fiscal year of origination as of March 31, 2026 (in thousands):

| | March 31, 2026 | | | | | | Total |
|--------------------------------|---|-----------|----------|---------|-------|-------|-----------|
| | Net Charge-offs by Fiscal Year of Origination | | | | | | |
| | 2026 | 2025 | 2024 | 2023 | 2022 | Prior | |
| Current period charge-offs | (124,874) | (349,961) | (19,317) | (1,521) | (443) | (36) | (496,152) |
| Current period recoveries | 4,184 | 26,633 | 15,119 | 5,706 | 2,439 | 648 | 54,729 |
| Current period net charge-offs | (120,690) | (323,328) | (4,198) | 4,185 | 1,996 | 612 | (441,423) |

We maintain an allowance for credit losses at a level sufficient to absorb expected credit losses based on evaluating known and inherent risks in our loan portfolio. The allowance for credit losses reflects our estimate of expected lifetime credit losses as of the balance sheet date. Our estimate considers the remaining contractual term of our loan portfolio, historical credit losses, consumer payment history and estimated recoveries. We also consider current economic conditions and evolving consumer behavioral patterns. Adjustments to the allowance for changes in our estimate of lifetime expected credit losses are recognized in earnings through the provision for credit losses presented within our interim condensed consolidated statements of operations and comprehensive income (loss). When available information confirms that specific loans or portions thereof are uncollectible, identified amounts are charged off against the allowance for credit losses. Loans are charged off in accordance with our charge-off policy, as the contractual principal becomes 120 days past due. Subsequent recoveries of the unpaid principal balance, if any, are credited to the allowance for credit losses.

The following table details activity in the allowance for credit losses, including charge-offs, recoveries and provision for loan losses (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---------------------------------------|------------------------------|------------|-----------------------------|------------|
| | 2026 | 2025 | 2026 | 2025 |
| Balance at beginning of period | \$ 478,103 | \$ 363,831 | \$ 396,929 | \$ 309,097 |
| Provision for loan losses | 192,229 | 140,473 | 556,808 | 442,347 |
| Charge-offs | (179,693) | (144,792) | (496,152) | (409,152) |
| Recoveries of charged-off receivables | 21,675 | 15,475 | 54,729 | 32,695 |
| Balance at end of period | \$ 512,314 | \$ 374,987 | \$ 512,314 | \$ 374,987 |

Loan Modifications for Borrowers Experiencing Financial Difficulty

We have a loan modification program for borrowers experiencing financial difficulty if certain eligibility criteria are met. A loan is evaluated for modification program eligibility when a borrower self-reports financial hardship, either when a borrower contacts us directly or upon making contact with the borrower to determine eligibility when a loan payment is past due. The objectives of the loan modification program are to offer borrowers assistance during times of financial stress, increase collections, and minimize losses.

We have two primary loan modification strategies: payment deferrals and loan re-amortization. A payment deferral provides the borrower relief by extending the due date for the next payment due. While a borrower may obtain more than one deferral, the total deferral period may not exceed three months. A loan re-amortization provides the borrower relief by lowering monthly payments through extending the term length of the loan; however, the total remaining term may not exceed twenty-four months. In addition, the total interest due from the consumer will not exceed the initial total interest due prior to modification, and a loan may not be re-amortized more than once.

The following tables present the amortized cost basis of loans excluding accrued interest receivable that were modified for borrowers experiencing financial difficulty during the three and nine months ended March 31, 2026 and 2025, by type of modification (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|-------------------------------------|-----------------|------------------------------------|------------------|
| | 2026 | 2025 | 2026 | 2025 |
| Payment deferral | \$ 13,214 | \$ 5,749 | \$ 23,039 | \$ 13,110 |
| Loan re-amortization | 126 | 116 | 240 | 250 |
| Total | \$ 13,340 | \$ 5,865 | \$ 23,279 | \$ 13,360 |
| % of total loan receivables outstanding | 0.16 % | 0.09 % | 0.27 % | 0.20 % |

With respect to borrowers who received payment deferrals during the three and nine months ended March 31, 2026 and 2025, the length of each deferral period was one month.

With respect to borrowers who received a loan re-amortization during the three and nine months ended March 31, 2026 and 2025, the payment amount was generally reduced by half and the term of the loan was extended between one month and twelve months.

During the modification process, the loans are made current, and payment schedules for these loans are updated according to the modified terms. We closely monitor the performance of loans that are modified for borrowers experiencing financial difficulty to understand the effectiveness of our modification efforts. We hold an allowance for credit losses for modified loans classified as held for investment. Our allowance estimate considers whether a loan has been modified, the delinquency status of the loan on the date of modification, and the increased likelihood that such loan may become delinquent or charge-off in the future.

The following tables present the delinquency status as of March 31, 2026 and 2025, by amortized cost basis excluding accrued interest receivable, of loan receivables that have been modified within the last 12 months where the borrower was experiencing financial difficulty at the time of modification (in thousands):

| | March 31, 2026 | | |
|------------------------------------|-------------------------|-----------------------------|------------------|
| | Payment Deferral | Loan Re-amortization | Total |
| Current – 3 calendar days past due | \$ 14,748 | \$ 139 | \$ 14,887 |
| 4 – 29 calendar days past due | 3,578 | 47 | 3,625 |
| 30 – 59 calendar days past due | 1,973 | 19 | 1,992 |
| 60 – 89 calendar days past due | 1,561 | 19 | 1,580 |
| 90 – 119 calendar days past due | 1,490 | 26 | 1,516 |
| Total amortized cost basis | \$ 23,350 | \$ 250 | \$ 23,600 |

| | March 31, 2025 | | |
|------------------------------------|-------------------------|-----------------------------|------------------|
| | Payment Deferral | Loan Re-amortization | Total |
| Current – 3 calendar days past due | \$ 7,761 | \$ 154 | \$ 7,915 |
| 4 – 29 calendar days past due | 2,123 | 40 | 2,163 |
| 30 – 59 calendar days past due | 1,398 | 20 | 1,418 |
| 60 – 89 calendar days past due | 1,211 | 26 | 1,237 |
| 90 – 119 calendar days past due | 1,224 | 20 | 1,244 |
| Total amortized cost basis | \$ 13,717 | \$ 260 | \$ 13,977 |

With respect to modifications during the 12 months preceding March 31, 2026 and 2025, respectively, where the borrower was experiencing financial difficulty at the time of modification, the amortized cost basis of loans which have been charged off was \$5.3 million and \$10.4 million, respectively.

5. Balance Sheet Components

Accounts Receivable, net

Our accounts receivable consist primarily of amounts due from payment processors, merchant partners, affiliate network partners and servicing fees due from third-party loan owners. For each of these groups, we evaluate accounts receivable to determine management's current estimate of expected credit losses based on historical experience and future expectations and record an allowance for credit losses. Our allowance for credit losses with respect to accounts receivable was \$24.0 million and \$18.8 million as of March 31, 2026 and June 30, 2025, respectively.

Property, Equipment and Software, net

Property, equipment and software, net consisted of the following (in thousands):

| | March 31, 2026 | June 30, 2025 |
|---|-----------------------|----------------------|
| Internally developed software | \$ 1,276,136 | \$ 987,399 |
| Leasehold improvements | 30,865 | 21,990 |
| Computer equipment | 11,330 | 9,555 |
| Furniture and equipment | 10,634 | 9,007 |
| Total property, equipment and software, at cost | \$ 1,328,965 | \$ 1,027,952 |
| Less: Accumulated depreciation and amortization | (660,673) | (455,315) |
| Total property, equipment and software, net | \$ 668,292 | \$ 572,637 |

Depreciation and amortization expense on property, equipment and software was \$74.9 million and \$215.7 million for the three and nine months ended March 31, 2026, respectively, and \$59.4 million and \$159.8 million for the three and nine months ended March 31, 2025, respectively.

No impairment losses related to property, equipment and software were recorded during the three and nine months ended March 31, 2026 and 2025.

Goodwill and Intangible Assets

The changes in the carrying amount of goodwill during the nine months ended March 31, 2026 were as follows (in thousands):

| | |
|------------------------------|------------|
| Balance as of June 30, 2025 | \$ 534,156 |
| Adjustments ⁽¹⁾ | (4,872) |
| Balance as of March 31, 2026 | \$ 529,284 |

⁽¹⁾ Adjustments to goodwill during the nine months ended March 31, 2026 primarily pertained to foreign currency translation adjustments.

No impairment losses related to goodwill were recorded during the three and nine months ended March 31, 2026 and 2025.

Intangible assets consisted of the following (in thousands):

| March 31, 2026 | | | | | |
|----------------------------------|-------------------|-------------------------------------|------------------|--|--|
| | Gross | Accumulated Amortization | Net | Weighted Average Remaining Useful Life (in years) | |
| Merchant relationships | \$ 52,826 | \$ (37,826) | \$ 15,000 | 3.8 | |
| Developed technology | 39,431 | (39,401) | 30 | 0.6 | |
| Assembled workforce | 12,490 | (12,490) | — | 0.0 | |
| Trademarks and domains | 1,448 | (1,448) | — | 0.0 | |
| Trademarks, licenses and domains | 12,056 | — | 12,056 | Indefinite | |
| Other intangibles | 350 | — | 350 | Indefinite | |
| Total intangible assets | \$ 118,601 | \$ (91,165) | \$ 27,436 | | |

| June 30, 2025 | | | | | |
|----------------------------------|-------------------|-------------------------------------|------------------|--|--|
| | Gross | Accumulated Amortization | Net | Weighted Average Remaining Useful Life (in years) | |
| Merchant relationships | \$ 37,845 | \$ (37,845) | \$ — | 0.0 | |
| Developed technology | 39,443 | (39,369) | 74 | 1.3 | |
| Assembled workforce | 12,490 | (12,490) | — | 0.0 | |
| Trademarks and domains | 1,450 | (1,355) | 95 | 0.6 | |
| Trademarks, licenses and domains | 12,416 | — | 12,416 | Indefinite | |
| Other intangibles | 350 | — | 350 | Indefinite | |
| Total intangible assets | \$ 103,994 | \$ (91,059) | \$ 12,935 | | |

Amortization expense for intangible assets was immaterial for the three and nine months ended March 31, 2026, and for the three months ended March 31, 2025. Amortization expense for intangible assets was \$1.3 million for the nine months ended March 31, 2025. No impairment losses related to intangible assets were recorded during the three and nine months ended March 31, 2026 and 2025.

Commercial Agreement Assets

In fiscal year 2022, we granted warrants in connection with our commercial agreements with certain subsidiaries of Amazon.com, Inc. (“Amazon”) and recognized an asset of \$133.5 million based on the grant date fair value of the warrants that were fully vested upon grant. The asset is amortized over the expected benefit period, which was extended from four to nine years in November 2025 upon the execution of a commercial agreement that superseded the prior agreement. For the three and nine months ended March 31, 2026, we recognized amortization expense of \$0.2 million and \$7.4 million, respectively, and \$5.1 million and \$15.6 million for the three and nine months ended March 31, 2025, respectively, in our interim condensed consolidated statements of operations and comprehensive income (loss) as a component of sales and marketing expense. As of March 31, 2026, the accumulated amortization is \$128.7 million and the remaining net asset value is \$4.8 million, which will be recognized over the remaining useful life of 4.8 years. Refer to Note 13. Stockholders’ Equity for further discussion of the warrants.

In fiscal year 2021, we granted warrants in exchange for the opportunity to acquire new merchant partners through a commercial agreement with Shopify Inc. (“Shopify”). We recognized an asset of \$270.6 million based on

the grant-date fair value of the vested warrants. We amortize the asset over the expected benefit period, which was extended from six to nine years during fiscal year 2025 upon execution of a commercial agreement that superseded the prior agreement. The benefit period is reevaluated each reporting period. For the three and nine months ended March 31, 2026, we recorded amortization expense related to the commercial agreement asset of \$2.8 million and \$8.4 million, respectively, and \$5.8 million and \$23.9 million for the three and nine months ended March 31, 2025, respectively, in our interim condensed consolidated statements of operations and comprehensive income (loss) as a component of sales and marketing expense. As of March 31, 2026, the accumulated amortization is \$233.9 million and the remaining net asset value is \$36.7 million, which will be recognized over the remaining useful life of 3.3 years.

Other Assets

Other assets consisted of the following (in thousands):

| | March 31, 2026 | June 30, 2025 |
|--|-------------------|-------------------|
| Processing reserves | \$ 118,167 | \$ 90,826 |
| Prepaid expenses | 57,964 | 44,912 |
| Equity securities held at cost | 40,396 | 40,277 |
| Derivative instruments | 34,732 | 45,823 |
| Prepaid merchant incentives | 31,672 | 2,114 |
| Operating lease right-of-use assets | 23,532 | 19,124 |
| Prepaid payroll taxes for stock-based compensation | 20,421 | 25,188 |
| Foreign deferred tax asset | 7,430 | 13,929 |
| Other assets | 17,613 | 13,166 |
| Total other assets | <u>\$ 351,927</u> | <u>\$ 295,360</u> |

Accrued Expenses and Other Liabilities

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

| | March 31, 2026 | June 30, 2025 |
|--|-------------------|-------------------|
| Accrued expenses | \$ 117,076 | \$ 72,813 |
| Operating lease liability | 38,563 | 31,943 |
| Other liabilities | 62,299 | 52,516 |
| Total accrued expenses and other liabilities | <u>\$ 217,938</u> | <u>\$ 157,272</u> |

6. Leases

We lease office space under operating leases with various expiration dates through 2034. We have the option to renew or extend our leases. Certain lease agreements include the option to terminate the lease with prior written notice ranging from nine months to one year. As of March 31, 2026, we have not considered such provisions in the determination of the lease term, as it is not reasonably certain these options will be exercised. Leases have remaining terms that range from less than one year to eight years.

Several leases require us to obtain standby letters of credit, naming the lessor as a beneficiary. These letters of credit act as security for the faithful performance by us of all terms, covenants and conditions of the lease agreement. We are required to post collateral for the letters of credit in the form of cash or eligible securities. As of March 31, 2026 and June 30, 2025, the collateral totaled \$4.7 million and \$4.5 million, respectively, which was in the form of securities that have been classified as securities available for sale at fair value in the interim condensed consolidated balance sheets.

Operating lease expense is as follows (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|---------|-----------------------------|---------|
| | 2026 | 2025 | 2026 | 2025 |
| Operating lease expense ⁽¹⁾ | \$3,216 | \$2,915 | \$9,554 | \$8,633 |

⁽¹⁾ Lease expenses for our short-term leases were immaterial for the periods presented.

Lease term and discount rate information are summarized as follows:

| | March 31, 2026 |
|--|----------------|
| Weighted average remaining lease term (in years) | 6.5 |
| Weighted average discount rate | 6.4% |

As of March 31, 2026, future minimum lease payments are as follows, by fiscal year (in thousands):

| | | |
|--|----|---------|
| 2026 (remaining three months) | \$ | 3,782 |
| 2027 | | 6,745 |
| 2028 | | 6,411 |
| 2029 | | 6,551 |
| 2030 | | 6,767 |
| Thereafter | | 17,739 |
| Total lease payments | | 47,995 |
| Less imputed interest | | (9,432) |
| Present value of total lease liabilities | \$ | 38,563 |

7. Commitments and Contingencies

Loan Repurchase Obligations

Under the normal terms of our whole loan sales to third-party investors, we may become obligated to repurchase loans from investors in certain instances where a breach in representations and warranties is identified. Generally, a breach in representations and warranties could occur where a loan has been identified as subject to verified or suspected fraud, or in cases where a loan was serviced or originated in violation of Affirm’s guidelines. We would only experience a loss if the contractual repurchase price of the loan exceeds the fair value on the repurchase date. As of March 31, 2026, the aggregate outstanding balance of loans held by third-party investors or unconsolidated VIEs was \$9.4 billion, of which we have recorded a repurchase liability of \$6.8 million within accrued expenses and other liabilities in our interim condensed consolidated balance sheets.

Legal Proceedings

From time to time, we are subject to legal proceedings and claims in the ordinary course of business. The results of such matters often cannot be predicted with certainty. In accordance with applicable accounting guidance, we establish an accrued liability for legal proceedings and claims when those matters present loss contingencies which are both probable and reasonably estimable.

Kusnier v. Affirm Holdings, Inc.

On December 8, 2022, plaintiff Mark Kusnier filed a putative class action lawsuit against Affirm, Max Levchin, and Michael Linford in the U.S. District Court for the Northern District of California (the “Kusnier

action”). On May 5, 2023, plaintiffs Kusnier and Chris Meinsen filed their first amended complaint alleging that the defendants (i) caused Affirm to make materially false and/or misleading statements and/or failed to disclose that Affirm’s BNPL service facilitated excessive consumer debt (including with respect to certain for-profit educational institutions), regulatory arbitrage, and data harvesting; (ii) made false and/or misleading statements about certain public regulatory actions; and (iii) made false and/or misleading statements about whether Affirm’s business model was vulnerable to interest rate changes. On December 20, 2023, the Court granted Affirm’s motion to dismiss the first amended complaint with leave to amend. On January 19, 2024, plaintiffs filed their second amended complaint, which contained only the allegations from the first amended complaint relating to false and/or misleading statements about whether Affirm’s business model was vulnerable to interest rate changes. In light of the above, plaintiffs assert that Affirm violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, and that Levchin and Linford violated Section 20(a) of the Exchange Act. Plaintiffs sought class certification, unspecified compensatory and punitive damages, and costs and expenses. Affirm filed its motion to dismiss the second amended complaint on February 2, 2024. On August 26, 2024, the Court granted Affirm’s motion to dismiss with leave to amend. On September 23, 2024, plaintiffs filed a motion for leave to file a motion for reconsideration of the Court’s Order granting Affirm’s motion to dismiss. On August 14, 2025, the Court resolved plaintiffs’ motion in Affirm’s favor. On September 30, 2025, the Court dismissed the action with prejudice. On October 29, 2025, plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Ninth Circuit. Briefing is underway in the appeal.

Quiroga v. Levchin, et al.

On March 29, 2023, plaintiff John Quiroga filed a shareholder derivative lawsuit in the U.S. District Court for the Northern District of California (the “Quiroga action”) against Affirm, as a nominal defendant, and certain of Affirm’s current officers and directors as defendants based on allegations substantially similar to those in the Kusnier action at the time of filing. The Quiroga complaint purports to assert claims on Affirm’s behalf for contribution under the federal securities laws, breaches of fiduciary duty, unjust enrichment, and waste of corporate assets, and seeks corporate reforms, unspecified damages and restitution, and fees and costs. On May 1, 2023, the action was stayed by agreement of the parties. The stay can be lifted at the request of either party or upon certain conditions relating to the resolution of the Kusnier action.

Jeffries v. Levchin, et al.

On May 24, 2023, plaintiff Sabrina Jeffries filed a shareholder derivative lawsuit in the U.S. District Court for the Northern District of California (the “Jeffries action”) against Affirm, as a nominal defendant, and certain of Affirm’s current officers and directors as defendants based on allegations substantially similar to those in the Kusnier and Quiroga actions at the time of filing. The Jeffries complaint purports to assert claims on Affirm’s behalf for breach of fiduciary duties, making false statements under federal securities law, unjust enrichment, waste of corporate assets, and aiding and abetting breach of fiduciary duties, and seeks unspecified damages, equitable relief, and fees and costs. On August 15, 2023, the action was stayed by agreement of the parties. The stay can be lifted at the request of either party or upon certain conditions relating to the resolution of the Kusnier action.

Vallieres v. Levchin, et al.

On September 14, 2023, plaintiff Michael Vallieres filed a shareholder derivative lawsuit in the U.S. District Court for the District of Delaware against Affirm, as a nominal defendant, and certain of Affirm’s current officers and directors as defendants based on allegations substantially similar to those in the Kusnier, Quiroga, and Jeffries actions at the time of filing. The Vallieres complaint purports to assert claims on Affirm’s behalf for breach of fiduciary duties, gross management, abuse of control, unjust enrichment, and contribution, and seeks unspecified damages, equitable relief, and fees and costs. On November 30, 2023, the case was stayed by agreement of the parties.

We have determined, based on current knowledge, that the aggregate amount or range of losses that are estimable with respect to our legal proceedings, including the matters described above, would not have a material adverse effect within our consolidated financial position, results of operations or cash flows. Amounts accrued as of

March 31, 2026 were not material. The ultimate outcome of legal proceedings involves judgments, estimates and inherent uncertainties, and cannot be predicted with certainty.

8. Debt

Debt outstanding as of March 31, 2026 includes amounts classified within our interim condensed consolidated balance sheets as funding debt, notes issued by securitization trusts, and convertible senior notes, net. Secured debt includes borrowings from our warehouse facilities, variable funding notes, notes issued by securitization trusts and sale and repurchase agreements. Unsecured debt includes outstanding convertible senior notes and any borrowings on our unsecured revolving credit facility.

The following table summarizes the components and terms of our secured and unsecured debt as of March 31, 2026 (in thousands):

| | Interest Rate ⁽¹⁾ | Unused Commitment Fees | Maturity by Fiscal Year | Borrowing Capacity ⁽²⁾ | Debt Outstanding ⁽³⁾ | Debt Outstanding net of unamortized premiums and discount |
|---|------------------------------|------------------------|-------------------------|-----------------------------------|---------------------------------|---|
| Secured debt | | | | | | |
| Funding debt | | | | | | |
| US warehouse facilities | 5.30% | 0.20% - 0.50% | 2027 - 2032 | 5,400,000 | 1,688,998 | 1,671,663 |
| International warehouse facilities ⁽⁴⁾ | 4.60% | 0.30% - 0.95% | 2028 - 2031 | 814,352 | 552,329 | 547,987 |
| Variable funding notes | 5.16% | 0.30% | 2032 | 1,350,000 | 192,255 | 189,855 |
| Sales and repurchase agreements | 6.81% | — | 2029 - 2030 | — | 8,200 | 8,200 |
| Notes issued by securitization trusts | 4.85% | — | 2030 - 2035 | 5,350,000 | 5,350,000 | 5,327,589 |
| | | | | \$ 12,914,352 | \$ 7,791,781 | \$ 7,745,294 |
| Unsecured debt | | | | | | |
| Convertible senior notes: | | | | | | |
| 2026 Notes | — | — | 2027 | — | 221,321 | 220,988 |
| 2029 Notes | 0.75% | — | 2030 | — | 920,000 | 907,629 |
| Revolving credit facility | — | 0.20% | 2027 | 330,000 | — | — |
| | | | | \$ 330,000 | \$ 1,141,321 | \$ 1,128,617 |
| Total | | | | \$ 13,244,352 | \$ 8,933,102 | \$ 8,873,911 |

(1) The stated interest rate reflects the fixed or variable interest rate in effect for each of our contractual arrangements as of March 31, 2026, weighted by the outstanding principal balance as of that date. The interest rate resets periodically for our variable rate debt, typically based on a reference rate such as Secured Overnight Financing Rate (“SOFR”), Canadian Overnight Repo Rate Average (“CORRA”) or Sterling Overnight Index Average (“SONIA”), or an alternative rate based on the cost of funds for the lender, plus any applicable spread.

(2) Represents total revolving commitment amount, inclusive of debt outstanding as of March 31, 2026.

(3) Certain loans are pledged as collateral for borrowings in our secured debt facilities, except for our sales and repurchase agreements which are collateralized by securitization notes receivable and certificates retained by the Company and classified as securities available for sale at fair value. The carrying value of these pledged assets was \$8.4 billion as of March 31, 2026.

(4) As of March 31, 2026, international facilities finance loan receivables originated in Canada and the U.K.

Maturity by Fiscal Year

The aggregate future maturities of our funding debt, notes issued by securitization trusts and convertible notes consists of the following (in thousands):

| | March 31, 2026 |
|--|-----------------------|
| 2026 | \$ — |
| 2027 | 421,677 |
| 2028 | 1,064,767 |
| 2029 | 516,868 |
| 2030 | 1,675,952 |
| Thereafter | 5,253,838 |
| Total | \$ 8,933,102 |
| Deferred debt issuance costs | (59,191) |
| Total funding debt, net of deferred debt issuance costs | \$ 8,873,911 |

Funding Debt***Warehouse Credit Facilities***

Through certain consolidated subsidiaries, which are typically trusts, we enter into secured borrowing arrangements with banks and other financial institutions. Through each of these subsidiaries we enter into a loan or credit and security agreement where we borrow against loans pledged as collateral. Financing terms, including the advance rate and financing spread, vary across these revolving facilities and generally depend on the types of collateral that may be pledged and respective concentration limits. We may continue to pledge new receivables to allow us to borrow up to the commitment amount throughout the revolving period for each facility. The length of the revolving period, the maximum amount we may borrow against pledged collateral balance during the revolving period, and the length of the amortization period prior to the maturity date varies across borrowing facilities depending on negotiated terms.

Borrowings under these agreements are classified as funding debt within our interim condensed consolidated balance sheets and proceeds from the borrowings can only be used for the purposes of funding loans. These borrowing facilities are bankruptcy-remote special-purpose vehicles in which creditors do not have recourse against the general credit of Affirm.

Our funding debt agreements contain certain customary negative covenants and financial covenants including maintaining certain levels of minimum liquidity, maximum leverage, and minimum tangible net worth. As of March 31, 2026, we were in compliance with all applicable covenants in the agreements.

Variable Funding Note

We entered into a syndicated revolving loan agreement through a securitization master trust which funds loans. In connection with the loan agreement, the master trust issued a variable funding note ("VFN"), where borrowings are secured by loan collateral sold to the master trust. Throughout the reinvestment period of the VFN, the master trust periodically issues asset-backed securities, where securitization note proceeds affects the level of utilization of the VFN. Outstanding borrowings under the VFN are classified as funding debt within our interim condensed consolidated balance sheets.

Sale and Repurchase Agreements

We entered into certain sale and repurchase agreements pursuant to our retained interests in our off-balance sheet securitizations where we have sold these securities to a counterparty with an obligation to repurchase at a future date and price. These repurchase agreements have a term equaling the contractual life of the securitization

notes pledged. We record the debt outstanding under our sale and repurchase agreements within our funding debt in the interim condensed consolidated balance sheets.

Notes Issued by Securitization Trusts

We issue asset-backed securities through securitization trusts using a combination of term, amortizing, revolving and variable funding structures. Each trust may issue one or more classes of notes, which will be repaid through collections on the loans in accordance with the trust priority of payments. For consolidated securitization trusts, asset-backed notes held by third-party investors are classified as notes issued by securitization trusts within our interim condensed consolidated balance sheets. We defer and amortize debt issuance costs for consolidated securitization trusts on a straight-line basis over the expected life of the notes. Refer to Note 9 Securitization and Variable Interest Entities for additional information.

Revolving Credit Facility

We have a Revolving Credit Agreement with a syndicate of banks for a \$330.0 million unsecured revolving credit facility. Proceeds of the borrowings under this facility will be used for general corporate purposes in the ordinary course of business. This facility bears interest at a rate equal to, either (a) for SOFR borrowing, a SOFR rate determined by reference to the forward-looking term SOFR rate for the interest period, plus an applicable margin of 1.75% per annum or (b) for alternative base rate borrowings, a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50% per annum, (ii) the rate last quoted by the Wall Street Journal as the U.S. prime rate and (iii) the one-month forward-looking term SOFR rate plus 1.00% per annum, in each case, plus an applicable margin of 0.75% per annum. The facility contains certain financial covenants which may result in an acceleration of the maturity if not maintained, and requires payment of a monthly unused commitment fee of 0.20% per annum on the undrawn balance available.

As of March 31, 2026, we were in compliance with all applicable covenants in the agreement. There were no borrowings outstanding under the facility as of March 31, 2026.

Convertible Senior Notes

As of March 31, 2026, we had outstanding: (i) \$221.3 million aggregate principal amount of 0.00% convertible senior notes due November 15, 2026 (the "2026 Notes") and (ii) \$920.0 million principal amount of 0.75% convertible senior notes due December 15, 2029 (the "2029 Notes"), in each case unless earlier converted, redeemed or repurchased in accordance with their terms. No sinking fund is provided for either series.

The notes are convertible into shares of our Class A common stock under specified conditions. In each case, the conversion rate is subject to adjustment upon the occurrence of certain events, and, upon conversion, we may settle the conversion obligation in cash, shares of our Class A common stock, or a combination of cash and shares, as discussed below.

Upon conversion, we will pay cash up to the aggregate principal amount of the notes and may settle the remainder, if any, in cash, shares of our common stock, or a combination of both, at our election. The amount due upon conversion is based on a daily conversion value over a 40 trading day observation period.

2029 Notes

The 2029 Notes bear interest at a fixed rate of 0.75% per year, payable semiannually in arrears on June 15 and December 15 of each year. Each \$1,000 of principal of the 2029 Notes is initially convertible into 9.8992 shares of our common stock, which is equivalent to an initial conversion price of approximately \$101.02 per share. The conversion rate is subject to adjustment upon the occurrence of certain specified events set forth in the indenture governing the 2029 Notes (the “2029 Indenture”).

Holders may convert their 2029 Notes, at their option:

- At any time on or after September 15, 2029 until the close of business on the second scheduled trading day immediately preceding the maturity date.
- Before that date, only if specified conditions are met, as follows:

1) if the last reported sale price of the Class A common stock is at least 130% of the conversion price for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter;

2) during the five business day period following any five consecutive trading day period (the “measurement period”) in which the trading price (as defined in the 2029 Indenture) per \$1,000 principal amount of the 2029 Notes is less than 98% of the product of the last reported sale price of our Class A common stock and the conversion rate for each trading day in the measurement period;

3) if we call any or all of the notes for redemption, at any time before the close of business on the trading day immediately preceding the redemption date; or

4) upon the occurrence of certain specified corporate events.

We may redeem all or part of the 2029 Notes for cash on or after December 20, 2027 if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date we provide notice of redemption. The redemption price equals 100% of the principal amount of the 2029 Notes to be redeemed, plus accrued and unpaid interest, if any.

If a fundamental change (as defined in the 2029 Indenture) occurs prior to the maturity date, holders of the 2029 Notes may require us to repurchase all or a portion of their notes for cash equal to 100% of the principal amount of the 2029 Notes, plus any accrued and unpaid interest. In addition, certain corporate events may require us to increase the conversion rate for holders who elect to convert their 2029 Notes in connection with such events.

2026 Notes

The 2026 Notes do not bear interest. Each \$1,000 of principal of the 2026 Notes is initially convertible into 4.6371 shares of our common stock, which is equivalent to an initial conversion price of approximately \$215.65 per share. The conversion rate is subject to adjustment upon the occurrence of certain specified events set forth in the indenture governing the 2026 Notes (the “2026 Indenture”).

Holders may convert their 2026 Notes, at their option:

- At any time on or after August 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date.
- Before that date, only if specified conditions are met, as follows:

- 1) if the last reported sale price of the Class A common stock is at least 130% of the conversion price for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter;
- 2) during the five business day period following any five consecutive trading day period (the “measurement period”) in which the trading price (as defined in the 2026 Indenture) per \$1,000 principal amount of the 2026 Notes is less than 98% of the product of the last reported sale price of our Class A common stock and the conversion rate for each trading day in the measurement period;
- 3) if we call any or all of the notes for redemption, at any time before the close of business on the trading day immediately preceding the redemption date; or
- 4) upon the occurrence of certain specified corporate events.

We may redeem all or part of the 2026 Notes for cash if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date we provide notice of redemption. The redemption price equals 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid special interest, if any.

If a fundamental change (as defined in the 2026 Indenture) occurs prior to the maturity date, holders of the 2026 Notes may require us to repurchase all or a portion of their notes for cash equal to 100% of the principal amount of the 2026 Notes, plus any accrued and unpaid interest. In addition, certain corporate events may require us to increase the conversion rate for holders who elect to convert their 2026 Notes in connection with such events.

Repurchase of a Portion of the 2026 Notes

During the nine months ended March 31, 2026, we paid \$25.8 million in cash for the repurchase of \$27.4 million aggregate principal amount of the 2026 Notes. The carrying amount of the extinguished 2026 Notes was approximately \$27.3 million during the nine months ended March 31, 2026, resulting in a \$1.5 million gain on early extinguishment of debt. The repurchased 2026 Notes were received and canceled. There were no repurchases of our 2026 Notes during the three months ended March 31, 2026.

The following table summarizes the interest expense recognized related to the convertible senior notes (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|----------|-----------------------------|----------|
| | 2026 | 2025 | 2026 | 2025 |
| Amortization of debt issuance costs ⁽¹⁾ | | | | |
| 2026 Notes | \$ 131 | \$ 148 | \$ 403 | \$ 1,575 |
| 2029 Notes | 822 | 823 | 2,504 | 932 |
| Total amortization of debt issuance costs | \$ 954 | \$ 970 | \$ 2,907 | \$ 2,507 |
| Coupon interest expense ⁽¹⁾⁽²⁾ | 1,706 | 1,706 | 5,177 | 1,933 |
| Total interest expenses related to the convertible notes | \$ 2,660 | \$ 2,676 | \$ 8,083 | \$ 4,440 |

⁽¹⁾ Included in our interim condensed consolidated statement of operations and comprehensive income (loss) within other income, net.

⁽²⁾ The coupon interest expense is related to the 2029 Notes.

9. Securitization and Variable Interest Entities

Consolidated VIEs

We consolidate VIEs when we are deemed to be the primary beneficiary. For the primary beneficiary evaluation, we consider whether we have both the power to direct the activities that most significantly affect the VIEs' economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs. We consider both qualitative and quantitative factors regarding the nature, size and form of our involvement with the VIEs. We reevaluate whether we are the primary beneficiary of the VIEs on an ongoing basis.

Warehouse Credit Facilities

We established certain entities, deemed to be VIEs, to enter into warehouse credit facilities for the purpose of purchasing loans from our originating bank partners and funding directly originated loans. Refer to Note 8. Debt for additional information. We retain the residual interest in each warehouse credit facility which absorbs the variability of the VIEs. The creditors of the VIEs have no recourse to the general credit of Affirm and the liabilities of the VIEs can only be settled by the respective VIEs' assets. In addition to the retained residual interest, our continued involvement in the VIEs includes loan servicing responsibilities over the life of the underlying loans.

Securizations

We finance the origination and purchase of loans through our asset-backed securitization program using a combination of term, amortizing, revolving and variable funding structures. In connection with our program, we sponsor and establish trusts (deemed to be VIEs) which issue securities collateralized by the loans we sell to the trust. Securities issued from our asset-backed securitizations are senior or subordinated, based on the waterfall criteria of loan payments to each security class. The subordinated residual interests issued from these transactions are first to absorb credit losses in accordance with the waterfall criteria. For these VIEs, the creditors have no recourse to the general credit of Affirm and the liabilities of the VIEs can only be settled by the respective VIEs' assets. Additionally, the assets of the VIEs can be used only to settle obligations of the VIEs. For each securitization, the residual trust certificates represent the right to receive excess cash from the loan repayments each collection period after all fees and required distributions have been made to the note holders. In addition to the retained residual trust certificates, our continued involvement includes loan servicing responsibilities over the life of the underlying loans.

In assessing the primary beneficiary for both Warehouse Credit Facilities and Securitizations VIEs, through our role as the servicer, we have the power to direct the activities that most significantly affect the VIEs' economic performance. In addition, through the retained residual interests, we have economic exposure to the pledged loans that could potentially be significant to the VIEs. We also earn a servicing fee which has a senior distribution priority in the payment waterfall. Servicing fees are considered variable interests when we also hold significant retained interests in the VIEs that would absorb losses or receive benefits that are more than insignificant. Therefore, we are the primary beneficiary.

Where we consolidate the VIEs, the loans held in the VIEs are included in loans held for investment within our interim condensed consolidated balance sheets. Outstanding borrowings from the Warehouse Credit Facilities VIEs and Variable Funding Note under the Securitizations VIE are recorded in funding debt within our interim condensed consolidated balance sheets. The notes sold to third-party investors by the Securitizations VIEs are recorded in notes issued by securitization trusts within the interim condensed consolidated balance sheets.

The following tables present the aggregate carrying value of financial assets and liabilities from our involvement with consolidated VIEs (in thousands):

| | March 31, 2026 | | |
|--------------------------------|-----------------------|---------------------|-------------------|
| | Assets | Liabilities | Net Assets |
| Warehouse credit facilities | \$ 2,494,143 | \$ 2,237,978 | \$ 256,165 |
| Securitizations ⁽¹⁾ | 5,767,023 | 5,531,412 | 235,611 |
| Total consolidated VIEs | \$ 8,261,166 | \$ 7,769,390 | \$ 491,776 |

| | June 30, 2025 | | |
|--------------------------------|----------------------|---------------------|-------------------|
| | Assets | Liabilities | Net Assets |
| Warehouse credit facilities | \$ 1,668,181 | \$ 1,504,136 | \$ 164,044 |
| Securitizations ⁽¹⁾ | 4,993,148 | 4,951,485 | 41,663 |
| Total consolidated VIEs | \$ 6,661,329 | \$ 6,455,621 | \$ 205,707 |

⁽¹⁾ Liabilities include an outstanding balance of \$189.9 million and \$103.9 million on a VFN classified as funding debt as of March 31, 2026 and June 30, 2025, respectively, and asset-backed securities of \$5.3 billion and \$4.8 billion, respectively, classified as notes issued from securitization trusts.

Unconsolidated VIEs

We are involved with various unconsolidated VIEs, established for the purposes of securitization and forward flow arrangements. We retain economic exposure as variable interests in these unconsolidated VIEs, which consist of securitization notes receivable and certificates in unconsolidated trusts, residual interests in structured transactions, and risk sharing assets and liabilities. While we continue to be involved with the unconsolidated VIEs through our role as the servicer, we determined that we are not the primary beneficiary as of March 31, 2026. Factors we considered for this determination are that we hold an insignificant variable interest or rights held by other variable interest holders convey power in the unconsolidated VIEs.

Securitization notes receivable and certificates in unconsolidated securitization trusts

We have investments in certain unconsolidated securitization trusts in the form of notes and certificates. These notes and certificates are considered variable interests that absorb a portion of the variability of the trusts. The principal and interest payments on these investments are dependent on the performance of the underlying loans held within each trust.

Residual interests in structured transactions

Under certain forward flow arrangements with third-party loan buyers, we hold a beneficial interest representing our right to receive a portion of the residual cash flows from the underlying loans sold in connection with the transaction. The loans are held in an unconsolidated VIE that has been established by the third-party loan buyers.

Risk sharing assets and liabilities

Under certain other forward flow arrangements with third-party loan buyers, we have entered into risk sharing agreements where we may be required to make a payment to the loan buyer or are entitled to receive a payment from the loan buyer, depending on the actual versus expected loan performance as contractually agreed to with the counterparty, and subject to a cap based on a percentage of the principal balance of loans sold.

The following information pertains to unconsolidated VIEs where we hold a variable interest but are not the primary beneficiary (in thousands):

| | March 31, 2026 | | June 30, 2025 | |
|---|------------------|---|-------------------|---|
| | Carrying Amount | Maximum Exposure to Losses ⁽⁴⁾ | Carrying Amount | Maximum Exposure to Losses ⁽⁴⁾ |
| Securitization notes receivable and certificates in unconsolidated securitization trusts ^[1] | \$ 56,482 | \$ 57,432 | \$ 75,469 | \$ 76,943 |
| Residual interests in structured transactions ^[1] | 5,837 | 16,981 | 2,284 | 15,644 |
| Risk sharing assets ^[2] | 32,286 | 55,502 | 43,179 | 66,590 |
| Risk sharing liabilities ^[3] | — | 10,085 | (90) | 24,467 |
| Total unconsolidated VIEs | \$ 94,605 | \$ 140,000 | \$ 120,842 | \$ 183,644 |

⁽¹⁾ Presented within Securities available for sale at fair value

⁽²⁾ Presented within Other assets

⁽³⁾ Presented within Accrued expenses and other liabilities

⁽⁴⁾ Maximum exposure to losses represents our exposure through our continuing involvement as servicer, through our retained interests, and legal or contractual obligation.

10. Investments

Cash and Cash Equivalents and Securities Available for Sale

Cash and cash equivalents and securities available for sale, at fair value, consist of the following as of each date presented within the interim condensed consolidated balance sheets (in thousands):

| | March 31, 2026 | June 30, 2025 |
|---|-------------------|-------------------|
| Cash and cash equivalents: | | |
| Money market funds | \$ 97,312 | \$ 70,920 |
| Agency bonds | — | 3,493 |
| Corporate bonds | 1,454 | — |
| Commercial paper | 18,839 | 12,564 |
| Government bonds - US | — | 4,995 |
| Securities available for sale: | | |
| Certificates of deposit | 45,586 | 39,008 |
| Corporate bonds | 257,461 | 264,199 |
| Commercial paper | 86,824 | 126,761 |
| Agency bonds | — | 7,854 |
| Municipal bonds | 8,615 | 6,076 |
| Government bonds | | |
| Non-US | 2,196 | 5,340 |
| US ⁽¹⁾ | 289,118 | 344,434 |
| Securitization notes receivable and certificates ⁽²⁾ | 56,482 | 75,469 |
| Residual interests in structured transactions | 5,837 | 2,284 |
| Other | 5,478 | — |
| Total marketable securities: | \$ 875,202 | \$ 963,397 |

⁽¹⁾ As of March 31, 2026 and June 30, 2025, these securities include \$100.5 million and \$75.4 million, respectively, pledged as collateral in connection with our standby letters of credit for office leases and certain commercial agreements.

⁽²⁾ These securities include \$9.3 million and \$34.5 million as of March 31, 2026 and June 30, 2025, respectively, pledged as collateral in connection with sale and repurchase agreements as discussed within Note 8. Debt.

Securities Available for Sale, at Fair Value

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of securities available for sale as of March 31, 2026 and June 30, 2025 were as follows (in thousands):

| | March 31, 2026 | | | | |
|---|-------------------|------------------------|-------------------------|-----------------------------|-------------------|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Allowance for Credit Losses | Fair Value |
| Certificates of deposit | \$ 45,593 | \$ 14 | \$ (21) | \$ — | \$ 45,586 |
| Corporate bonds ⁽¹⁾ | 259,150 | 234 | (469) | — | 258,915 |
| Commercial paper ⁽¹⁾ | 105,761 | 16 | (114) | — | 105,663 |
| Municipal bonds | 8,608 | 10 | (3) | — | 8,615 |
| Government bonds | | | | | |
| Non-US | 2,191 | 5 | — | — | 2,196 |
| US ⁽²⁾ | 289,265 | 148 | (295) | — | 289,118 |
| Securitization notes receivable and certificates ⁽³⁾ | 56,496 | 393 | (149) | (258) | 56,482 |
| Residual interests in structured transactions | 4,715 | 1,122 | — | — | 5,837 |
| Other | 5,000 | 478 | — | — | 5,478 |
| Total securities available for sale | \$ 776,779 | \$ 2,420 | \$ (1,051) | \$ (258) | \$ 777,890 |

| | June 30, 2025 | | | | |
|---|-------------------|------------------------|-------------------------|-----------------------------|-------------------|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Allowance for Credit Losses | Fair Value |
| Certificates of deposit | \$ 38,990 | \$ 18 | \$ — | \$ — | \$ 39,008 |
| Corporate bonds | 263,495 | 759 | (55) | — | 264,199 |
| Commercial paper ⁽¹⁾ | 139,336 | 7 | (18) | — | 139,325 |
| Agency bonds ⁽¹⁾ | 11,358 | — | (11) | — | 11,347 |
| Municipal bonds | 6,057 | 19 | — | — | 6,076 |
| Government bonds | | | | | |
| Non-US | 5,331 | 9 | — | — | 5,340 |
| US ⁽²⁾ | 349,149 | 371 | (91) | — | 349,429 |
| Securitization notes receivable and certificates ⁽³⁾ | 76,279 | 173 | (42) | (941) | 75,469 |
| Residual interests in structured transactions | 2,173 | 111 | — | — | 2,284 |
| Total securities available for sale | \$ 892,168 | \$ 1,467 | \$ (217) | \$ (941) | \$ 892,477 |

⁽¹⁾ As of March 31, 2026 and June 30, 2025, Agency bonds, Corporate bonds, Commercial paper, and US government bonds included \$20.3 million and \$21.1 million, respectively, classified as cash and cash equivalents within the interim condensed consolidated balance sheets.

⁽²⁾ As of March 31, 2026 and June 30, 2025, these securities include \$100.5 million and \$75.4 million, respectively, pledged as collateral in connection with our standby letters of credit for office leases and certain commercial agreements.

⁽³⁾ Approximately \$9.3 million and \$34.5 million as of March 31, 2026 and June 30, 2025, respectively, of these securities have been pledged as collateral in connection with sale and repurchase agreements discussed within Note 8. Debt.

As of March 31, 2026 and June 30, 2025, there were no material reversals of prior period allowance for credit losses recognized for available for sale securities.

A summary of securities available for sale with unrealized losses for which an allowance for credit losses has not been recorded, aggregated by investment category and the length of time that individual securities have been in a continuous loss position as of March 31, 2026 and June 30, 2025, are as follows (in thousands):

| | March 31, 2026 | | | | | |
|--|------------------------------|-------------------|---------------------|-------------------|------------|-------------------|
| | Less than or equal to 1 year | | Greater than 1 year | | Total | |
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| Certificates of deposit | \$ 16,872 | \$ (21) | \$ — | \$ — | \$ 16,872 | \$ (21) |
| Corporate bonds | \$ 102,721 | \$ (469) | \$ — | \$ — | \$ 102,721 | \$ (469) |
| Commercial paper | 65,458 | (114) | — | — | 65,458 | (114) |
| Municipal bonds | 2,997 | (3) | | | 2,997 | (3) |
| Government bonds | | | | | | |
| US | 179,290 | (295) | — | — | 179,290 | (295) |
| Total securities available for sale ⁽¹⁾ | \$ 367,338 | \$ (902) | \$ — | \$ — | \$ 367,338 | \$ (902) |

| | June 30, 2025 | | | | | |
|--|------------------------------|-------------------|---------------------|-------------------|------------|-------------------|
| | Less than or equal to 1 year | | Greater than 1 year | | Total | |
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| Certificates of deposit | \$ 7,711 | \$ — | \$ — | \$ — | \$ 7,711 | \$ — |
| Corporate bonds | 42,842 | (41) | 16,978 | (14) | 59,820 | (55) |
| Commercial paper | 83,701 | (18) | — | — | 83,701 | (18) |
| Agency bonds | 11,347 | (11) | — | — | 11,347 | (11) |
| Government bonds | | | | | | |
| Non-US | 3,163 | — | — | — | 3,163 | — |
| US | 189,295 | (91) | — | — | 189,295 | (91) |
| Total securities available for sale ⁽¹⁾ | \$ 338,059 | \$ (161) | \$ 16,978 | \$ (14) | \$ 355,037 | \$ (175) |

⁽¹⁾ The number of securities with unrealized losses for which an allowance for credit losses has not been recorded totaled 91 and 67 as of March 31, 2026 and June 30, 2025, respectively.

The length of time to contractual maturities of securities available for sale as of March 31, 2026 and June 30, 2025 were as follows (in thousands):

| | March 31, 2026 | | | | | |
|---|-------------------|-------------------|--|-------------------|-------------------|-------------------|
| | Within 1 year | | Greater than 1 year, less than or equal to 5 years | | Total | |
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Certificates of deposit | \$ 45,593 | \$ 45,586 | \$ — | \$ — | \$ 45,593 | \$ 45,586 |
| Corporate bonds | 132,830 | 132,896 | 126,320 | 126,019 | 259,150 | 258,915 |
| Commercial paper | 105,761 | 105,663 | — | — | 105,761 | 105,663 |
| Municipal bonds | 5,608 | 5,618 | 3,000 | 2,997 | 8,608 | 8,615 |
| Government bonds | | | | | | |
| Non-US | — | — | 2,191 | 2,196 | 2,191 | 2,196 |
| US | 224,193 | 224,302 | 65,072 | 64,816 | 289,265 | 289,118 |
| Securitization notes receivable and certificates ⁽²⁾ | — | — | 56,496 | 56,482 | 56,496 | 56,482 |
| Residual interests in structured transactions | — | — | 4,715 | 5,837 | 4,715 | 5,837 |
| Other | — | — | 5,000 | 5,478 | 5,000 | 5,478 |
| Total securities available for sale | \$ 513,985 | \$ 514,065 | \$ 262,794 | \$ 263,825 | \$ 776,779 | \$ 777,890 |

| | June 30, 2025 | | | | | |
|---|-------------------|-------------------|--|-------------------|-------------------|-------------------|
| | Within 1 year | | Greater than 1 year, less than or equal to 5 years | | Total | |
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Certificates of deposit | \$ 38,990 | \$ 39,008 | \$ — | \$ — | \$ 38,990 | \$ 39,008 |
| Corporate bonds | 149,435 | 149,675 | 114,060 | 114,524 | 263,495 | 264,199 |
| Commercial paper ⁽¹⁾ | 139,336 | 139,325 | — | — | 139,336 | 139,325 |
| Agency bonds ⁽¹⁾ | 11,358 | 11,347 | — | — | 11,358 | 11,347 |
| Municipal bonds | 3,944 | 3,950 | 2,113 | 2,126 | 6,057 | 6,076 |
| Government bonds | | | | | | |
| Non-US | 3,162 | 3,162 | 2,169 | 2,178 | 5,331 | 5,340 |
| US ⁽¹⁾ | 326,884 | 327,076 | 22,265 | 22,353 | 349,149 | 349,429 |
| Securitization notes receivable and certificates ⁽²⁾ | — | — | 76,279 | 75,469 | 76,279 | 75,469 |
| Residual interests in structured transactions | — | — | 2,173 | 2,284 | 2,173 | 2,284 |
| Total securities available for sale | \$ 673,109 | \$ 673,543 | \$ 219,059 | \$ 218,934 | \$ 892,168 | \$ 892,477 |

⁽¹⁾ As of March 31, 2026 and June 30, 2025, Agency bonds, Corporate bonds, Commercial paper, and US government bonds included \$20.3 million and \$21.1 million, respectively, classified as cash and cash equivalents within the interim condensed consolidated balance sheets.

⁽²⁾ Based on weighted average life of expected cash flows as of March 31, 2026 and June 30, 2025.

Gross proceeds from matured or redeemed securities were \$257.8 million and \$672.7 million for the three and nine months ended March 31, 2026, respectively, and \$283.9 million and \$990.4 million for the three and nine months ended March 31, 2025, respectively.

For available for sale securities, no gains and losses were realized for the three and nine months ended March 31, 2026 and were immaterial for the three and nine months ended March 31, 2025.

Equity Securities Held at Cost

Equity security investments without a readily determinable fair value held at cost were \$40.4 million and \$40.3 million as of March 31, 2026 and June 30, 2025, respectively, and are included in other assets within the interim condensed consolidated balance sheets.

We did not record any impairment during the three and nine months ended March 31, 2026 or for the three months ended March 31, 2025. We recognized an impairment of \$3.0 million for the nine months ended March 31, 2025 within other income, net in the interim consolidated statements of operations and comprehensive income (loss) in connection with one of our non-marketable equity security investments.

For the three and nine months ended March 31, 2026, there were no upward or downward adjustments due to observable changes in orderly transactions. For the three and nine months ended March 31, 2025, we recognized an upward adjustment of \$0.1 million and \$2.6 million, respectively.

11. Derivative Financial Instruments

The following table summarizes the total fair value, including interest accruals, and outstanding notional amounts of derivative instruments as of March 31, 2026 and June 30, 2025 (in thousands):

| | March 31, 2026 | | | June 30, 2025 | | |
|---|----------------------|-------------------|------------------------|---------------------|-------------------|------------------------|
| | Notional Amount | Derivative Assets | Derivative Liabilities | Notional Amount | Derivative Assets | Derivative Liabilities |
| Derivatives designated as cash flow hedges | | | | | | |
| Interest rate contracts | \$ — | \$ — | \$ — | \$ 100,000 | \$ 86 | \$ — |
| Derivatives not designated as hedges | | | | | | |
| Interest rate contracts | 621,321 | 2,446 | 43 | 405,074 | 2,558 | 15 |
| Risk sharing assets/liabilities | 11,151,916 | 32,286 | — | 8,561,709 | 43,179 | 90 |
| Total gross derivative assets/liabilities | \$ 11,773,237 | \$ 34,732 | \$ 43 | \$ 9,066,783 | \$ 45,823 | \$ 105 |

The following table summarizes the impact of the cash flow hedges on Accumulated Other Comprehensive Income (Loss) (“AOCI”) (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|------------------------------|-------------------|-----------------------------|-------------------|
| | 2026 | 2025 | 2026 | 2025 |
| Balance at beginning of period | \$ (1,853) | \$ (174) | \$ (1,419) | \$ 1,407 |
| Changes in fair value | 4,529 | (1,205) | 4,213 | (2,478) |
| Amounts reclassified into earnings ⁽¹⁾ | 571 | (74) | 453 | (382) |
| Balance at end of period ⁽²⁾ | <u>\$ 3,247</u> | <u>\$ (1,453)</u> | <u>\$ 3,247</u> | <u>\$ (1,453)</u> |

⁽¹⁾ The amounts reclassified into earnings are presented in the interim condensed consolidated statements of operations and comprehensive income (loss) within funding costs.

⁽²⁾ As of March 31, 2026, we estimated that \$0.7 million of net derivative gains included in AOCI are expected to be reclassified into earnings within the next 12 months.

The following table summarizes the impact of the derivative instruments on income and indicates where within the interim consolidated statements of operations and comprehensive income (loss) such impact is reported (in thousands):

| | Location of gains (losses) where the effects of derivatives are recorded | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|--|------------------------------|---------|-----------------------------|---------|
| | | 2026 | 2025 | 2026 | 2025 |
| The effects of cash flow hedging | | | | | |
| Interest rate contracts | Funding costs | \$ (571) | \$ 74 | \$ (453) | \$ 382 |
| The effects of derivatives not designated in hedging relationships | | | | | |
| Interest rate contracts | Other income, net | 1,181 | (2,154) | (386) | (3,403) |
| Risk sharing assets/liabilities | Gain on sales of loans | 6,936 | 6,611 | 20,215 | 22,494 |

Refer to Note 12. Fair Value of Financial Assets and Liabilities for additional information on our derivative instruments.

12. Fair Value of Financial Assets and Liabilities

Financial Assets and Liabilities Recorded at Fair Value

The following tables present information about our assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2026 and June 30, 2025 (in thousands):

| | March 31, 2026 | | | |
|---|------------------|-------------------|-------------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Cash and cash equivalents: | | | | |
| Money market funds | \$ 97,312 | \$ — | \$ — | \$ 97,312 |
| Corporate bonds | — | 1,454 | — | 1,454 |
| Commercial paper | — | 18,839 | — | 18,839 |
| Securities, available for sale: | | | | |
| Certificates of deposit | — | 45,586 | — | 45,586 |
| Corporate bonds | — | 257,461 | — | 257,461 |
| Commercial paper | — | 86,824 | — | 86,824 |
| Municipal bonds | — | 8,615 | — | 8,615 |
| Government bonds: | | | | |
| Non-US | — | 2,196 | — | 2,196 |
| US | — | 289,118 | — | 289,118 |
| Securitization notes receivable and residual trust certificates | — | — | 56,482 | 56,482 |
| Residual interests in structured transactions | — | — | 5,837 | 5,837 |
| Other | 317 | — | 5,478 | 5,795 |
| Servicing assets | — | — | 684 | 684 |
| Interest rate derivatives | — | 2,446 | — | 2,446 |
| Risk sharing asset | — | — | 32,286 | 32,286 |
| Total assets | \$ 97,629 | \$ 712,539 | \$ 100,767 | \$ 910,935 |
| Liabilities: | | | | |
| Performance fee liability | — | — | 2,349 | 2,349 |
| Profit share liability | — | — | 2,639 | 2,639 |
| Interest rate derivatives | — | 43 | — | 43 |
| Total liabilities | \$ — | \$ 43 | \$ 4,988 | \$ 5,031 |

| | June 30, 2025 | | | |
|---|------------------|-------------------|-------------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Cash and cash equivalents: | | | | |
| Money market funds | \$ 70,920 | \$ — | \$ — | \$ 70,920 |
| Agency Bonds | — | 3,493 | — | 3,493 |
| Commercial paper | — | 12,564 | — | 12,564 |
| Government bonds- US | — | 4,995 | — | 4,995 |
| Securities, available for sale: | | | | |
| Certificates of deposit | — | 39,008 | — | 39,008 |
| Corporate bonds | — | 264,199 | — | 264,199 |
| Commercial paper | — | 126,761 | — | 126,761 |
| Agency bonds | — | 7,854 | — | 7,854 |
| Municipal bonds | — | 6,076 | — | 6,076 |
| Government bonds: | | | | |
| Non-US | — | 5,340 | — | 5,340 |
| US | — | 344,434 | — | 344,434 |
| Securitization notes receivable and residual trust certificates | — | — | 75,469 | 75,469 |
| Residual interests in structured transactions | — | — | 2,284 | 2,284 |
| Servicing assets | — | — | 906 | 906 |
| Interest rate derivatives | — | 2,644 | — | 2,644 |
| Risk sharing asset | — | — | 43,179 | 43,179 |
| Total assets | \$ 70,920 | \$ 817,368 | \$ 121,838 | \$ 1,010,126 |
| Liabilities: | | | | |
| Servicing liabilities | \$ — | \$ — | \$ 41 | \$ 41 |
| Performance fee liability | — | — | 1,870 | 1,870 |
| Profit share liability | — | — | 9,323 | 9,323 |
| Risk sharing liability | — | — | 90 | 90 |
| Interest rate derivatives | — | 15 | — | 15 |
| Total liabilities | \$ — | \$ 15 | \$ 11,324 | \$ 11,339 |

As of March 31, 2026 and June 30, 2025, there were no transfers between levels.

Assets and Liabilities Measured at Fair Value on a Recurring Basis (Level 2)

Cash and Cash Equivalents and Securities Available for Sale

As of March 31, 2026, we held level 2 debt securities classified as cash and cash equivalents and securities available for sale. Management obtains pricing from one or more third-party pricing services for the purpose of determining fair value. Whenever available, the fair value is based on quoted bid prices as of the end of the trading day. When quoted prices are not available, other methods may be utilized including evaluated prices provided by third-party pricing services.

Interest Rate Derivatives

As of March 31, 2026 and June 30, 2025, we used a combination of interest rate cap agreements and interest rate swaps to manage interest costs and the risks associated with variable interest rates. These derivative instruments are classified as Level 2 within the fair value hierarchy, and the fair value is estimated by using third-party pricing models, which contain certain assumptions based on readily observable market-based inputs. We validate the valuation output on a monthly basis. Refer to Note 11. Derivative Financial Instruments in the notes to the interim condensed consolidated financial statements for further details on our derivative instruments.

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

We evaluate our assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level at which to classify them each reporting period. Since our servicing assets and liabilities, performance fee liability, securitization notes and residual trust certificates, residual interests in structured transactions, profit share liability, and risk sharing arrangements do not trade in an active market with readily observable prices, we use significant unobservable inputs to measure fair value and have classified as level 3 within the fair value hierarchy. This determination requires significant judgments to be made.

The following significant unobservable inputs, as applicable, were used in the fair value measurement of the Company's Level 3 assets and liabilities:

- Adequate Compensation - The compensation rate is expressed as a percentage of the outstanding loan balance that a willing market participant would require for servicing loans with similar characteristics.
- Discount Rate - The rate used to discount estimated future cash flows to present value in determining fair value. It reflects the rate of return market participants would require to compensate for time value of money plus a premium based on relative risk, liquidity and other market based factors.
- Default Rate - The estimated annualized rate of charge-offs affecting the projected unpaid principal balance and expected term of the loan portfolio.
- Loss Rate - The estimated lifetime rate of loan charge-offs as a percentage of the initial settled principal balance.
- Prepayment Rate - The estimated annualized excess loan payment received in a given month as a percentage of the outstanding principal balance at the beginning of the month minus the scheduled principal payment.
- Refund Rate - The rate of refunded transactions as a percentage of the outstanding loan balance over the remaining life of the loan portfolio.
- Program Profitability - The estimated future profit to be shared with enterprise partners as a percentage of total loans outstanding, based on the terms of the respective commercial agreements.

Significant increases or decreases in any of the inputs in isolation could result in a significantly lower or higher fair value measurement.

Servicing Assets and Liabilities

We sold loans with an unpaid principal balance of \$5.0 billion and \$15.9 billion for the three and nine months ended March 31, 2026, respectively, and \$3.6 billion and \$11.0 billion for the three and nine months ended March 31, 2025, respectively, for which we retained servicing rights.

As of March 31, 2026 and June 30, 2025, we serviced loans which we sold with a remaining unpaid principal balance of \$9.4 billion and \$7.8 billion, respectively. We earned \$44.6 million and \$127.1 million of

servicing income for the three and nine months ended March 31, 2026, respectively, and \$32.1 million and \$86.7 million for the three and nine months ended March 31, 2025, respectively.

We use discounted cash flow models to arrive at an estimate of fair value. As of March 31, 2026 and June 30, 2025, the aggregate fair value of the servicing assets was measured at \$0.7 million and \$0.9 million, respectively, and presented within other assets in the interim condensed consolidated balance sheets. The aggregate fair value of the servicing liabilities was immaterial as of March 31, 2026 and June 30, 2025.

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

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---------------------------------------|------------------------------|--------|-----------------------------|--------|
| | 2026 | 2025 | 2026 | 2025 |
| Fair value at beginning of period | \$ 965 | \$ 806 | \$ 906 | \$ 574 |
| Initial transfers of financial assets | — | — | 254 | 230 |
| Subsequent changes in fair value | (281) | (211) | (476) | (209) |
| Fair value at end of period | \$ 684 | \$ 595 | \$ 684 | \$ 595 |

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

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|--------|-----------------------------|--------|
| | 2026 | 2025 | 2026 | 2025 |
| Fair value at beginning of period | \$ 2 | \$ 237 | \$ 41 | \$ 743 |
| Initial transfers of financial liabilities | — | — | — | — |
| Subsequent changes in fair value | (2) | (134) | (41) | (640) |
| Fair value at end of period | \$ — | \$ 103 | \$ — | \$ 103 |

The following tables present quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of servicing assets and liabilities as of March 31, 2026 and June 30, 2025:

| | Unobservable Input | March 31, 2026 | | |
|--------------------------------------|-----------------------|----------------|---------|---------------------------------|
| | | Minimum | Maximum | Weighted Average ⁽¹⁾ |
| Servicing assets | Discount Rate | 30.00 % | 30.00 % | 30.00 % |
| | Adequate Compensation | 2.00 % | 2.00 % | 2.00 % |
| | Default Rate | 13.79 % | 17.01 % | 14.97 % |
| Servicing liabilities ⁽²⁾ | Discount Rate | 30.00 % | 30.00 % | 30.00 % |
| | Adequate Compensation | 2.00 % | 2.00 % | 2.00 % |
| | Default Rate | — % | — % | — % |

| | Unobservable Input | June 30, 2025 | | Weighted Average ⁽¹⁾ |
|--------------------------------------|-----------------------|---------------|---------|---------------------------------|
| | | Minimum | Maximum | |
| Servicing assets | Discount Rate | 30.00 % | 30.00 % | 30.00 % |
| | Adequate Compensation | 2.00 % | 2.00 % | 2.00 % |
| Servicing liabilities ⁽²⁾ | Default Rate | 10.24 % | 15.68 % | 12.04 % |
| | Discount Rate | 30.00 % | 30.00 % | 30.00 % |
| | Adequate Compensation | 2.00 % | 2.00 % | 2.00 % |
| | Default Rate | 3.71 % | 7.89 % | 5.26 % |

⁽¹⁾ Unobservable inputs were weighted by relative fair value

⁽²⁾ Includes certain servicing agreements with a fair value of zero. These agreements are included in the sensitivity analysis to demonstrate the impact of changes in the discount rate and adequate compensation rate. Default rate is not a significant unobservable input for agreements with a fair value of zero.

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

| | March 31, 2026 | June 30, 2025 |
|---|----------------|---------------|
| <i>Servicing assets</i> | | |
| Default Rate assumption: | | |
| Default Rate increase of 25% | \$ 1 | \$ 1 |
| Default Rate increase of 50% | \$ 1 | \$ 2 |
| Adequate Compensation assumption: | | |
| Adequate Compensation increase of 10% | \$ (974) | \$ (1,439) |
| Adequate Compensation increase of 20% | \$ (1,947) | \$ (2,879) |
| Discount Rate assumption: | | |
| Discount Rate increase of 25% | \$ (24) | \$ (35) |
| Discount Rate increase of 50% | \$ (46) | \$ (66) |
| <i>Servicing liabilities ⁽¹⁾</i> | | |
| Default Rate assumption: | | |
| Default Rate increase of 25% | \$ — | \$ — |
| Default Rate increase of 50% | \$ — | \$ — |
| Adequate Compensation assumption: | | |
| Adequate Compensation increase of 10% | \$ 6,083 | \$ 4,593 |
| Adequate Compensation increase of 20% | \$ 12,166 | \$ 9,186 |
| Discount Rate assumption: | | |
| Discount Rate increase of 25% | \$ — | \$ (1) |
| Discount Rate increase of 50% | \$ — | \$ (1) |

⁽¹⁾ Includes certain servicing agreements with a fair value of zero. These agreements are included in the sensitivity analysis to demonstrate the impact of changes in the discount rate and adequate compensation rate. Default rate is not a significant unobservable input for agreements with a fair value of zero.

Performance Fee Liability

In accordance with our agreements with our originating bank partners, we pay a fee for each loan that is fully repaid by the consumer, due at the end of the period in which the loan is fully repaid. We recognize a liability upon the purchase of a loan for the expected future payment of the performance fee. This liability is measured using

a discounted cash flow model and recorded at fair value and presented within accrued expenses and other liabilities in the interim condensed consolidated balance sheets. Any changes in the fair value of the liability are reflected in other income, net, in the interim condensed consolidated statements of operations and comprehensive income (loss).

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

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|-----------------------------------|------------------------------|----------|-----------------------------|----------|
| | 2026 | 2025 | 2026 | 2025 |
| Fair value at beginning of period | \$ 2,377 | \$ 1,773 | \$ 1,870 | \$ 1,503 |
| Purchases of loans | 787 | 520 | 2,426 | 1,609 |
| Settlements paid | (782) | (510) | (2,063) | (1,488) |
| Subsequent changes in fair value | (33) | (13) | 116 | 146 |
| Fair value at end of period | \$ 2,349 | \$ 1,770 | \$ 2,349 | \$ 1,770 |

The following tables present quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the performance fee liability as of March 31, 2026 and June 30, 2025:

| Unobservable Input | March 31, 2026 | | |
|--------------------------|----------------|---------|------------------|
| | Minimum | Maximum | Weighted Average |
| Discount Rate | 6.63% | 10.00% | 8.72% |
| Refund Rate | 1.50% | 1.50% | 1.50% |
| Loss Rate ⁽¹⁾ | 0.73% | 4.65% | 3.17% |

| Unobservable Input | June 30, 2025 | | |
|--------------------------|---------------|---------|------------------|
| | Minimum | Maximum | Weighted Average |
| Discount Rate | 7.25% | 10.00% | 9.23% |
| Refund Rate | 1.50% | 1.50% | 1.50% |
| Loss Rate ⁽¹⁾ | 0.87% | 4.65% | 3.07% |

⁽¹⁾ The Loss Rate is net of recoveries

⁽²⁾ Unobservable inputs were weighted by remaining principal balances

Securitization Notes Receivable and Residual Trust Certificates

As of March 31, 2026, we held notes receivable and residual trust certificates with an aggregate fair value of \$56.5 million in connection with unconsolidated securitizations. The balances correspond to the 5% economic risk retention we are required to maintain as the securitization sponsor.

These assets are measured at fair value using a discounted cash flow model, and presented within securities available for sale at fair value in the interim condensed consolidated balance sheets. Changes in the fair value, other than declines in fair value due to credit recognized as an allowance, are reflected in other comprehensive income in the interim condensed consolidated statements of operations and comprehensive income (loss). Declines in fair value due to credit are reflected in other income, net in the interim condensed consolidated statements of operations and comprehensive income (loss).

The following table summarizes the activity related to the fair value of the notes receivable and residual trust certificates (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|------------------------------|------------------|-----------------------------|------------------|
| | 2026 | 2025 | 2026 | 2025 |
| Fair value at beginning of period | \$ 80,080 | \$ 69,051 | \$ 75,469 | \$ 51,670 |
| Additions | — | — | 44,611 | 41,940 |
| Cash received (due to payments) | (25,355) | (19,982) | (67,680) | (46,401) |
| Change in unrealized gain (loss) | 387 | 454 | 82 | (84) |
| Accrued interest | 1,058 | 1,072 | 3,316 | 4,048 |
| Reversal of (impairment on) securities available for sale | 312 | 262 | 684 | (316) |
| Fair value at end of period | <u>\$ 56,482</u> | <u>\$ 50,857</u> | <u>\$ 56,482</u> | <u>\$ 50,857</u> |

The following tables present quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the notes receivable and residual trust certificates as of March 31, 2026 and June 30, 2025:

| Unobservable Input | March 31, 2026 | | |
|-----------------------------|----------------|---------|---------------------------------|
| | Minimum | Maximum | Weighted Average |
| Discount Rate | 3.93% | 22.60% | 5.95% |
| Default Rate ⁽¹⁾ | 5.37% | 9.31% | 8.46% |
| Prepayment Rate | 18.31% | 26.00% | 24.61% |
| Unobservable Input | June 30, 2025 | | |
| | Minimum | Maximum | Weighted Average ⁽²⁾ |
| Discount Rate | 2.86% | 30.29% | 6.89% |
| Default Rate ⁽¹⁾ | 0.94% | 8.40% | 7.65% |
| Prepayment Rate | 21.46% | 24.85% | 23.14% |

(1) The cumulative loss relative to the outstanding balance as of March 31, 2026 and June 30, 2025

(2) Unobservable inputs were weighted by relative fair value

The following table summarizes the effect that adverse changes in estimates would have on the fair value of the notes receivable and residual trust certificates given hypothetical changes in significant unobservable inputs (in thousands):

| | March 31, 2026 | June 30, 2025 |
|------------------------------------|----------------|---------------|
| Discount Rate Assumption: | | |
| Discount Rate increase of 25% | \$ (463) | \$ (727) |
| Discount Rate increase of 50% | \$ (911) | \$ (1,427) |
| Default Rate assumption: | | |
| Default Rate increase of 25% | \$ (2,423) | \$ (2,688) |
| Default Rate increase of 50% | \$ (2,900) | \$ (3,698) |
| Prepayment Rate assumption: | | |
| Prepayment Rate change of 25% | \$ (97) | \$ (130) |
| Prepayment Rate change of 50% | \$ (197) | \$ (259) |

Residual Interests in Structured Transactions

As of March 31, 2026, we held residual interests in structured transactions with an aggregate fair value of \$5.8 million in connection with certain forward flow loan sale transactions.

These assets are measured at fair value using a discounted cash flow model, and presented within securities available for sale at fair value in the interim condensed consolidated balance sheets. Changes in the fair value, except for credit impairments, are reflected in other comprehensive income in the interim condensed consolidated statements of operations and comprehensive income (loss).

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

| | Three Months Ended March 31, 2026 | Nine Months Ended March 31, 2026 |
|-----------------------------------|--------------------------------------|-------------------------------------|
| Fair value at beginning of period | \$ 5,436 | \$ 2,284 |
| Capital contribution | 396 | 3,100 |
| Cash distribution received | (557) | (557) |
| Subsequent changes in fair value | 562 | 1,011 |
| Fair value at the end of period | <u>5,837</u> | <u>5,837</u> |

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

The following tables present quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the residual interests in structured transactions as of March 31, 2026 and June 30, 2025:

| Unobservable Input | March 31, 2026 | | Weighted Average ⁽¹⁾ |
|--------------------|----------------|---------|---------------------------------|
| | Minimum | Maximum | |
| Discount Rate | 20.00% | 20.00% | 20.00% |
| Default Rate | 10.15% | 10.15% | 10.15% |
| Prepayment Rate | 46.98% | 46.98% | 46.98% |

| Unobservable Input | June 30, 2025 | | |
|--------------------|---------------|---------|---------------------------------|
| | Minimum | Maximum | Weighted Average ⁽¹⁾ |
| Discount Rate | 20.00% | 20.00% | 20.00% |
| Default Rate | 8.88% | 8.88% | 8.88% |
| Prepayment Rate | 48.85% | 48.85% | 48.85% |

⁽¹⁾ Unobservable inputs were weighted by relative fair value

The following table summarizes the effect that adverse changes in estimates would have on the fair value of the residual interests in structured transactions given hypothetical changes in significant unobservable inputs (in thousands):

| | March 31, 2026 | June 30, 2025 |
|---------------------------------|----------------|---------------|
| Discount Rate assumption: | | |
| Discount Rate increase of 20% | \$ (368) | \$ (181) |
| Discount Rate increase of 40% | \$ (703) | \$ (343) |
| Default Rate assumption: | | |
| Default Rate increase of 20% | \$ (6) | \$ (28) |
| Default Rate increase of 40% | \$ (36) | \$ (50) |
| Prepayment Rate assumption: | | |
| Prepayment Rate increase of 20% | \$ (66) | \$ (35) |
| Prepayment Rate increase of 40% | \$ (118) | \$ (64) |

Profit Share Liability

We have commercial agreements with certain enterprise partners, in which we are obligated to share in the profitability of transactions facilitated by our platform. Upon capture of a loan under these programs, we record a liability associated with the estimated future profit to be shared over the life of the loan based on estimated profitability levels of each program. The liability is measured using a discounted cash flow model and recorded at fair value and presented within accrued expenses and other liabilities in the interim condensed consolidated balance sheets.

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

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|-----------------------------------|------------------------------|----------|-----------------------------|----------|
| | 2026 | 2025 | 2026 | 2025 |
| Fair value at beginning of period | \$ 4,713 | \$ 6,111 | \$ 9,323 | \$ 1,974 |
| Facilitation of loans | 290 | 2,487 | 4,112 | 7,952 |
| Actual performance | (2,013) | (4,270) | (11,609) | (10,569) |
| Subsequent changes in fair value | (351) | 1,097 | 813 | 6,068 |
| Fair value at end of period | \$ 2,639 | \$ 5,425 | \$ 2,639 | \$ 5,425 |

The following tables present quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the profit sharing liability as of March 31, 2026 and June 30, 2025:

| Unobservable Input | March 31, 2026 | | |
|-----------------------|----------------|---------|---------------------------------|
| | Minimum | Maximum | Weighted Average ⁽¹⁾ |
| Discount Rate | 30.00% | 30.00% | 30.00% |
| Program Profitability | 1.00% | 3.28% | 2.69% |

| Unobservable Input | June 30, 2025 | | |
|-----------------------|---------------|---------|---------------------------------|
| | Minimum | Maximum | Weighted Average ⁽¹⁾ |
| Discount Rate | 30.00% | 30.00% | 30.00% |
| Program Profitability | 0.23% | 3.28% | 2.86% |

⁽¹⁾ Unobservable inputs were weighted by relative fair value

Risk Sharing Arrangements

In connection with certain capital funding arrangements with third-party loan buyers, we have entered into risk sharing agreements where we may be required to make a payment to the loan buyer or are entitled to receive a payment from the loan buyer, depending on the actual versus expected loan performance as contractually agreed to with the counterparty, and subject to a cap based on a percentage of the principal balance of loans sold. Loan performance is evaluated at a cohort level based on the month or quarter loans were sold.

We account for these arrangements as derivatives measured at fair value with gains and losses recognized in gain on sales of loans in our interim condensed consolidated statements of operations and comprehensive income (loss). For each counterparty, we have recognized a net asset or net liability based on the estimated fair value of future payments we expect to receive from or make to the counterparty. As of March 31, 2026, we estimated the fair value of future settlements using a discounted cash flow model.

The following table summarizes the activity related to the fair value of the risk sharing assets (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---------------------------------------|------------------------------|-----------|-----------------------------|-----------|
| | 2026 | 2025 | 2026 | 2025 |
| Fair value at beginning of period | \$ 38,992 | \$ 44,969 | \$ 43,179 | \$ 33,884 |
| Initial transfers of financial assets | 4,574 | 3,605 | 15,843 | 19,173 |
| Cash settlements | (13,642) | (7,665) | (31,108) | (13,489) |
| Subsequent changes in fair value | 2,362 | 2,830 | 4,372 | 4,171 |
| Fair value at end of period | \$ 32,286 | \$ 43,739 | \$ 32,286 | \$ 43,739 |

The following table summarizes the activity related to the fair value of the risk sharing liabilities (in thousands):

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|-----------------------------------|------------------------------|----------|-----------------------------|---------|
| | 2026 | 2025 | 2026 | 2025 |
| Fair value at beginning of period | \$ — | \$ 1,498 | \$ 90 | \$ 918 |
| Cash settlements | — | (909) | (90) | (1,354) |
| Subsequent changes in fair value | — | (176) | — | 849 |
| Fair value at end of period | \$ — | \$ 413 | \$ — | \$ 413 |

The following tables present quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the risk sharing arrangements as of March 31, 2026 and June 30, 2025:

| | Unobservable Input | March 31, 2026 | | |
|--------------------------|--------------------|----------------|---------|---------------------------------|
| | | Minimum | Maximum | Weighted Average ⁽¹⁾ |
| Risk sharing assets | Discount Rate | 7.00% | 20.00% | 17.75% |
| | Loss Rate | 3.34% | 4.95% | 4.16% |
| | Prepayment Rate | 17.73% | 21.63% | 19.60% |
| Risk sharing liabilities | Discount Rate | 20.00% | 20.00% | 20.00% |
| | Loss Rate | 3.48% | 5.25% | 4.47% |

| | Unobservable Input | June 30, 2025 | | |
|--------------------------|--------------------|---------------|---------|---------------------------------|
| | | Minimum | Maximum | Weighted Average ⁽¹⁾ |
| Risk sharing assets | Discount Rate | 20.00% | 20.00% | 20.00% |
| | Loss Rate | 3.32% | 4.91% | 4.13% |
| | Prepayment Rate | 19.84% | 22.89% | 21.34% |
| Risk sharing liabilities | Discount Rate | 20.00% | 20.00% | 20.00% |
| | Loss Rate | 3.47% | 5.35% | 4.42% |

⁽¹⁾ Unobservable inputs were weighted by principal balance of loans sold under each cohort

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

| | March 31, 2026 | June 30, 2025 |
|---------------------------------|----------------|---------------|
| <i>Risk sharing assets</i> | | |
| Prepayment Rate assumption: | | |
| Prepayment Rate decrease of 25% | \$ (1,760) | \$ (1,896) |
| Prepayment Rate decrease of 50% | \$ (3,635) | \$ (3,923) |
| Loss Rate assumption: | | |
| Loss Rate increase of 25% | \$ (14,577) | \$ (15,150) |
| Loss Rate increase of 50% | \$ (29,151) | \$ (30,277) |
| Discount Rate assumption: | | |
| Discount Rate increase of 25% | \$ (565) | \$ (903) |
| Discount Rate increase of 50% | \$ (1,094) | \$ (1,745) |
| <i>Risk sharing liabilities</i> | | |
| Loss Rate assumption: | | |
| Loss Rate increase of 25% | \$ 2,259 | \$ 16,946 |
| Loss Rate increase of 50% | \$ 7,934 | \$ 24,676 |
| Discount Rate assumption: | | |
| Discount Rate increase of 25% | \$ — | \$ — |
| Discount Rate increase of 50% | \$ — | \$ — |

Financial Assets and Liabilities Not Recorded at Fair Value

The following table presents the fair value and our assessment of the classification of this measurement within the fair value hierarchy for financial assets and liabilities held at amortized cost as of March 31, 2026 and June 30, 2025 (in thousands):

| | March 31, 2026 | | | | Balance at Fair Value |
|--|---------------------|-------------|---------------------|---------------------|-----------------------|
| | Carrying Amount | Level 1 | Level 2 | Level 3 | |
| <i>Assets:</i> | | | | | |
| Loans held for investment, net | 8,060,659 | — | — | 8,795,231 | 8,795,231 |
| Total assets | <u>\$ 8,060,659</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 8,795,231</u> | <u>\$ 8,795,231</u> |
| <i>Liabilities:</i> | | | | | |
| Convertible senior notes, net ⁽¹⁾ | \$ 1,128,617 | \$ — | \$ 1,077,881 | \$ — | \$ 1,077,881 |
| Notes issued by securitization trusts | 5,327,589 | — | — | 5,350,906 | 5,350,906 |
| Funding debt | 2,417,705 | — | — | 2,420,742 | 2,420,742 |
| Total liabilities | <u>\$ 8,873,911</u> | <u>\$ —</u> | <u>\$ 1,077,881</u> | <u>\$ 7,771,648</u> | <u>\$ 8,849,529</u> |

| | June 30, 2025 | | | | Balance at Fair Value |
|--|---------------------|-------------|---------------------|---------------------|-----------------------|
| | Carrying Amount | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | | |
| Loans held for investment, net | 6,628,606 | — | — | 7,085,840 | 7,085,840 |
| Total assets | \$ 6,628,606 | \$ — | \$ — | \$ 7,085,840 | \$ 7,085,840 |
| Liabilities: | | | | | |
| Convertible senior notes, net ⁽¹⁾ | \$ 1,153,000 | \$ — | \$ 1,205,287 | \$ — | \$ 1,205,287 |
| Notes issued by securitization trusts | 4,833,855 | — | — | 4,868,980 | 4,868,980 |
| Funding debt | 1,622,808 | — | — | 1,640,765 | 1,640,765 |
| Total liabilities | \$ 7,609,663 | \$ — | \$ 1,205,287 | \$ 6,509,745 | \$ 7,715,032 |

⁽¹⁾ As of March 31, 2026, includes convertible senior notes due 2026 with a carrying amount and fair value of \$221.0 million and \$215.0 million, respectively, and convertible senior notes due 2029 with a carrying amount and fair value of \$907.6 million and \$862.9 million, respectively. As of June 30, 2025, includes convertible senior notes due 2026 with a carrying amount and fair value of \$247.9 million and \$232.7 million, respectively, and convertible senior notes due 2029 with a carrying amount and fair value of \$905.1 million and \$972.6 million, respectively. The estimated fair value of the convertible senior notes is determined based on a market approach, using the estimated or actual bids and offers of the notes in an over-the-counter market on the last business day of the period.

13. Stockholders' Equity

Common Stock

We had shares of common stock reserved for issuance as follows:

| | March 31, 2026 | June 30, 2025 |
|--|-------------------|-------------------|
| Available outstanding under equity compensation plans | 22,718,645 | 39,122,013 |
| Available for future grant under equity compensation plans | 68,429,699 | 53,851,610 |
| Total | 91,148,344 | 92,973,623 |

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

Common Stock Warrants

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

In November 2025, in connection with the execution of an amended commercial agreement with Amazon, we modified the exercise price of the warrants vesting February 2026 and thereafter from \$100 per share to \$63.06 per share. The fair value of the warrants was remeasured as of the modification date using the Black Scholes-Merton option pricing model with the following assumptions: a dividend yield of zero; remaining years to maturity of 3.6; volatility of 94%; and a risk-free rate of 3.63%. The remaining fair value of the warrants, including the \$37.7 million incremental cost resulting from the modification, will be recognized within our consolidated statements of operations and comprehensive income (loss) as a component of sales and marketing expense as the warrants vest, based upon Amazon’s satisfaction of the vesting conditions.

During the three and nine months ended March 31, 2026, we recognized \$40.5 million and \$142.7 million, respectively, within sales and marketing expense, compared to \$36.1 million and \$230.1 million for the three and nine months ended March 31, 2025, respectively, for the warrant shares that vested during the respective periods. Refer to Note 5. Balance Sheet Components for more information on the commercial agreement asset recognized in connection with the warrants and the related amortization.

The following table summarizes the warrants activity for the nine months ended March 31, 2026:

| | Number of Shares | Weighted Average Exercise Price (\$) | Weighted Average Remaining Life (years) |
|--|------------------|--------------------------------------|---|
| Warrants outstanding, June 30, 2025 | 18,500,000 | \$81.08 | 3.90 |
| Granted | — | — | 0.00 |
| Exercised | — | — | 0.00 |
| Cancelled | — | — | 0.00 |
| Warrants outstanding, March 31, 2026 | 18,500,000 | \$68.75 | 3.10 |
| Vested and exercisable, March 31, 2026 | 12,655,168 | \$71.38 | 3.10 |

As of March 31, 2026, unrecognized compensation expense related to the unvested warrants was approximately \$479.0 million, which is expected to be recognized over a remaining weighted-average period of 2.6 years.

Share Repurchases

There were no share repurchases during the three and nine months ended March 31, 2026.

14. Equity Incentive Plans

2012 Stock Plan

Under our Amended and Restated 2012 Stock Plan (the “Plan”), we may grant incentive and nonqualified stock options, restricted stock, restricted stock units (“RSUs”), and performance stock units (“PSUs”) to employees, officers, directors, and consultants. As of March 31, 2026, the maximum number of shares of common stock which may be issued under the Plan is 192,859,800 Class A shares and there were 68,429,699 shares of Class A common stock available for future grants under the Plan.

Stock Options

Stock option awards generally vest over a period of four years, with some awards vesting 25% on the 12 month anniversary of the vesting commencement date and the remaining 75% vesting ratably over the next three years. The contractual term is 10 years from the date of grant, or three months after termination of employment.

The following table summarizes our stock option activity for the nine months ended March 31, 2026:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term (Years) | Aggregate Intrinsic Value (in thousands) |
|---|-------------------|---------------------------------|---|--|
| Balance as of June 30, 2025 | 12,955,978 | \$ 19.12 | 5.18 | |
| Exercised | (2,391,904) | 16.02 | | |
| Forfeited, expired or canceled | (168,023) | 40.69 | | |
| Balance as of March 31, 2026 | 10,396,051 | 19.49 | 4.59 | |
| Vested and exercisable, March 31, 2026 | 9,150,091 | \$ 18.19 | 4.18 | \$ 259,756 |
| Vested and exercisable, and expected to vest thereafter ⁽¹⁾ March 31, 2026 | 10,395,041 | \$ 19.51 | 4.59 | \$ 280,721 |

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

There were no options granted during the nine months ended March 31, 2026. As of March 31, 2026, unrecognized compensation expense related to unvested stock options was approximately \$23.7 million, which is expected to be recognized over a remaining weighted-average period of 1.6 years.

Value Creation Award

In November 2020, the Company's Board of Directors approved a long-term, multi-year performance-based stock option grant providing Mr. Levchin with the opportunity to earn the right to purchase up to 12,500,000 shares of the Company's Class A common stock (the "Value Creation Award"). During the three months ended March 31, 2026, the performance period ended and 8,500,000 unvested shares expired. We recognized stock-based compensation on these awards based on the grant date fair value using an accelerated attribution method over the requisite service period, and only if performance-based conditions were considered probable of being satisfied. We incurred stock-based compensation expense of \$0.8 million and \$11.8 million during the three and nine months ended March 31, 2026, respectively, and \$6.4 million and \$31.1 million during the three and nine months ended March 31, 2025, respectively, associated with the Value Creation Award as a component of general and administrative expense within the interim condensed consolidated statements of operations and comprehensive income (loss).

The following table summarizes our Value Creation Award activity for the nine months ended March 31, 2026:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term (Years) | Aggregate Intrinsic Value (in thousands) |
|--|-------------------|---------------------------------|---|--|
| Balance as of June 30, 2025 | 12,500,000 | \$ 49.00 | 5.29 | |
| Exercised | (1,999,998) | 49.00 | | |
| Expired | (8,500,000) | | | |
| Balance as of March 31, 2026 | 2,000,002 | 49.00 | 4.79 | |
| Vested and exercisable, March 31, 2026 | 2,000,002 | \$ 49.00 | 4.79 | \$ — |

As of March 31, 2026, there is no remaining unrecognized compensation expense related to the Value Creation Award.

Restricted Stock Units

RSUs are subject to a service-based vesting condition. We record stock-based compensation expense for service-based RSUs on a straight-line basis over the requisite service period, which is generally one to three years.

The following table summarizes our RSU activity during the nine months ended March 31, 2026:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|--------------------------------|------------------|--|
| Non-vested at June 30, 2025 | 13,666,035 | \$ 30.98 |
| Granted | 6,145,009 | 67.59 |
| Vested | (8,873,166) | 37.84 |
| Forfeited, expired or canceled | (1,211,709) | 39.51 |
| Non-vested at March 31, 2026 | 9,726,169 | \$ 46.79 |

As of March 31, 2026, unrecognized compensation expense related to unvested RSUs was approximately \$420.0 million, which is expected to be recognized over a remaining weighted-average period of 1.4 years.

Performance Stock Units

From time to time we grant PSUs to select executives and employees. Vesting is contingent upon completion of a continuous three-year service period and the achievement of company financial performance goals, including target growth rates for revenue less transaction costs and adjusted operating income. The number of shares that vest at the end of the performance period will range between 0% and 200% of the target shares based on actual performance against the applicable targets, which will be measured at the end of each fiscal year and averaged at the end of the three-year period. We record stock-based compensation expense for the number of PSUs that are probable of vesting based on the estimated achievement of the performance conditions. If the minimum conditions are not met, any recognized compensation cost will be reversed. The expense is recognized on a straight-line basis over the three-year period.

The following table summarizes our PSU activity during the nine months ended March 31, 2026:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|------------------------------|------------------|--|
| Non-vested at June 30, 2025 | — | \$ — |
| Granted | 596,423 | 82.11 |
| Non-vested at March 31, 2026 | 596,423 | \$ 82.11 |

As of March 31, 2026, unrecognized compensation expense related to unvested PSUs was approximately \$64.5 million, which is expected to be recognized over a remaining weighted-average period of 2.3 years.

Employee Stock Purchase Plan

We offer an Employee Stock Purchase Plan (“ESPP”) to our employees. A total of 19.1 million shares of Class A common stock are reserved and available for issuance under the ESPP and 2.2 million shares have been issued as of March 31, 2026. The ESPP provides for six-month offering periods beginning December 1 and June 1 of each year. At the end of each offering period, shares of our Class A common stock are purchased on behalf of each ESPP participant at a price per share equal to 85% of the lesser of (1) the fair market value of the Class A

common stock on first day of the offering period (the grant date) or (2) the fair market value of the Class A common stock on the last day of the offering period (the purchase date). We use the Black-Scholes-Merton option pricing model to measure the fair value of the purchase rights issued under the ESPP at the first day of the offering period, which represents the grant date. We record stock-based compensation expense on a straight-line basis over each six-month offering period, the requisite service period of the award.

Stock-Based Compensation Expense

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

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|------------|-----------------------------|------------|
| | 2026 | 2025 | 2026 | 2025 |
| General and administrative | \$ 46,105 | \$ 50,344 | \$ 152,467 | \$ 170,868 |
| Technology and data analytics | 23,615 | 21,309 | 71,391 | 70,957 |
| Sales and marketing | 3,897 | 3,749 | 12,958 | 13,426 |
| Processing and servicing | 219 | 205 | 674 | 687 |
| Total stock-based compensation in operating expenses | 73,837 | 75,607 | 237,490 | 255,938 |
| Capitalized into property, equipment and software, net | 41,648 | 44,369 | 141,169 | 138,555 |
| Total stock-based compensation | \$ 115,485 | \$ 119,976 | \$ 378,659 | \$ 394,493 |

15. Income Taxes

The quarterly provision for income taxes is based on the current estimate of the annual effective income tax rate and the tax effect of discrete items occurring during the quarter. Our quarterly provision and the estimate of the annual effective tax rate are subject to significant variation due to several factors, including variability in the pre-tax jurisdictional mix of earnings and the impact of discrete items.

For the three and nine months ended March 31, 2026 and March 31, 2025, we recorded income tax expense (benefit) of \$4.5 million and \$10.5 million, and \$2.5 million and \$6.9 million, respectively, which was primarily attributable to various foreign income taxes.

As of March 31, 2026, we continue to recognize a full valuation allowance against our U.S. federal and state and certain foreign net deferred tax assets. We will release the domestic valuation allowance when there is sufficient positive evidence to support a conclusion that it is more likely than not the deferred tax assets will be realized. Recent earnings performance has improved the mix of positive versus negative evidence, and if these trends were to continue, we expect that additional positive evidence may be available within our fiscal year ending June 30, 2026 to support the release of a significant portion of the domestic valuation allowance. The timing and amount of any valuation allowance release is subject to change based on multiple factors, including our level of profitability and the extent to which we believe we can sustain it over time. Release of any portion of the valuation allowance would result in the recognition of certain deferred tax assets with a potential corresponding decrease to income tax expense for the period the release is recorded.

16. Net Income (Loss) per Share Attributable to Common Stockholders

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

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|------------|-----------------------------|------------|
| | 2026 | | 2026 | |
| | Class A | Class B | Class A | Class B |
| Numerator: | | | | |
| Net income attributable to common stockholders - basic | \$ 90,486 | \$ 12,414 | \$ 274,998 | \$ 38,182 |
| Net income attributable to common stockholders - diluted | \$ 90,877 | \$ 12,023 | \$ 276,608 | \$ 36,572 |
| Denominator: | | | | |
| Weighted average shares of common stock - basic | 296,470,028 | 40,672,658 | 293,156,526 | 40,703,568 |
| Dilutive effect of stock equivalents: | | | | |
| Restricted stock units | 3,909,262 | — | 6,164,455 | — |
| Stock options | 6,665,478 | — | 7,670,609 | — |
| Value creation award vested shares | 309,241 | — | 824,344 | — |
| Employee stock purchase plan shares | 44,697 | — | 28,555 | — |
| Performance stock units | 25,497 | — | 8,499 | — |
| Weighted average shares of common stock - diluted | 307,424,203 | 40,672,658 | 307,852,988 | 40,703,568 |
| Net income per share: | | | | |
| Basic | \$ 0.31 | \$ 0.31 | \$ 0.94 | \$ 0.94 |
| Diluted | \$ 0.30 | \$ 0.30 | \$ 0.90 | \$ 0.90 |

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|------------------------------|------------|-----------------------------|------------|
| | 2025 | | 2025 | |
| | Class A | Class B | Class A | Class B |
| Numerator: | | | | |
| Net income (loss) attributable to common stockholders - basic | \$ 2,451 | \$ 353 | \$ (14,834) | \$ (2,224) |
| Net income (loss) attributable to common stockholders - diluted | \$ 2,472 | \$ 332 | \$ (14,834) | \$ (2,224) |
| Denominator: | | | | |
| Weighted average shares of common stock - basic | 283,262,753 | 40,791,214 | 279,578,539 | 41,926,610 |
| Dilutive effect of stock equivalents: | | | | |
| Restricted stock units | 10,646,113 | — | — | — |
| Stock options | 8,801,161 | — | — | — |
| Value creation award vested shares | 691,983 | — | — | — |
| Employee stock purchase plan shares | 31,108 | — | — | — |
| Weighted average shares of common stock - diluted | 303,433,118 | 40,791,214 | 279,578,539 | 41,926,610 |
| Net income (loss) per share: | | | | |
| Basic | \$ 0.01 | \$ 0.01 | \$ (0.05) | \$ (0.05) |
| Diluted | \$ 0.01 | \$ 0.01 | \$ (0.05) | \$ (0.05) |

The following common stock equivalents were excluded from the calculation of diluted net income (loss) per share attributable to common stockholders because their inclusion would have been anti-dilutive:

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|-------------------------------------|------------------------------|------------------|-----------------------------|-------------------|
| | 2026 | 2025 | 2026 | 2025 |
| Common stock warrants | 9,155,168 | 6,753,922 | 9,155,168 | 6,753,922 |
| Restricted stock units | 3,599,333 | 677,495 | 3,599,333 | 17,213,079 |
| Stock options | 685,931 | 953,308 | 685,931 | 13,210,001 |
| Employee stock purchase plan shares | — | — | — | 223,996 |
| Value creation award vested shares | — | — | — | 4,000,000 |
| Total | <u>13,440,432</u> | <u>8,384,725</u> | <u>13,440,432</u> | <u>41,400,998</u> |

17. Segment Information

The Company is managed on a consolidated basis as a single operating and reportable segment. This reflects the way in which our Chief Operating Decision Maker (“CODM”), the Chief Executive Officer of Affirm Holdings, Inc., regularly reviews internally reported financial information. Net income is the primary measure of segment profit and loss reviewed by the CODM. Net income is used in the budget and forecast process, to assess business performance, and to make decisions on strategy and resource allocation.

The CODM is regularly provided with the consolidated expenses presented within the interim condensed consolidated statement of operations and comprehensive income (loss). Refer to the interim condensed consolidated statement of operations and comprehensive income (loss) for further information related to our revenues, expenses, and net income.

Refer to the interim condensed consolidated statement of cash flows for further information related to significant noncash items including depreciation and amortization expense.

The CODM does not review segment assets at a different level than the amounts presented within the interim condensed consolidated balance sheets.

Refer to Note 3. Revenue for further information on the types of products and services the Company derives its revenues from.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the interim condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (“Form 10-Q”) and our audited consolidated financial statements and the related notes and the discussion under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for the fiscal year ended June 30, 2025 included in our Annual Report on Form 10-K. Some of the information contained in this discussion and analysis, including information with respect to our planned investments to drive future growth, includes forward-looking statements that involve risks and uncertainties. You should review the sections titled “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” of this Form 10-Q and our most recently filed Annual Report on Form 10-K for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are building the next generation payment network. We believe that by using modern technology, strong engineering talent, and a mission-driven approach, we can reinvent payments and commerce. Our solutions, which are built on trust and transparency, are designed to make it easier for consumers to spend and save responsibly and with confidence, easier for merchants and commerce platforms to convert sales and grow, and easier for commerce to thrive.

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

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

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

| | Three Months Ended March 31, | | | | Nine Months Ended March 31, | | | |
|--|------------------------------------|------------|------------|-------------------|-----------------------------|--------------|------------|-------------------|
| | 2026 | 2025 | \$ | % | 2026 | 2025 | \$ | % |
| | (in thousands, except percentages) | | | | | | | |
| Total revenue, net | \$ 1,038,765 | \$ 783,135 | \$ 255,630 | 33 % | \$ 3,095,122 | \$ 2,347,995 | \$ 747,127 | 32 % |
| Total operating expenses | 950,337 | 791,527 | 158,810 | 20 % | 2,825,406 | 2,493,332 | 332,074 | 13 % |
| Operating income (loss) | \$ 88,429 | \$ (8,393) | \$ 96,822 | NM ⁽¹⁾ | \$ 269,716 | \$ (145,337) | \$ 415,053 | NM ⁽¹⁾ |
| Other income, net | 18,948 | 13,738 | 5,210 | 38 % | 53,918 | 135,221 | (81,303) | (60) % |
| Income (loss) before income taxes | \$ 107,376 | \$ 5,345 | \$ 102,031 | NM ⁽¹⁾ | \$ 323,633 | \$ (10,116) | \$ 333,749 | NM ⁽¹⁾ |
| Income tax expense | 4,476 | 2,541 | 1,935 | 76 % | 10,453 | 6,942 | 3,511 | 51 % |
| Net income (loss) | \$ 102,900 | \$ 2,804 | \$ 100,096 | NM ⁽¹⁾ | \$ 313,180 | \$ (17,058) | \$ 330,238 | NM ⁽¹⁾ |

⁽¹⁾ Not meaningful (“NM”)

Our Financial Model

Our Revenue Model

We have three main loan product offerings: Pay-in-X, 0% annual percentage rate (“APR”) monthly installment loans and interest-bearing monthly installment loans. Pay-in-X primarily consists of short-term payment plans with one to four 0% APR installments.

From merchants, we typically earn a fee when we help them convert a sale and facilitate a transaction. Merchant fees depend on the individual arrangement between us and each merchant and may vary based on the terms of the product offering; we generally earn larger merchant fees on 0% APR financing products.

From consumers, we earn interest income on the simple interest loans that we originate or purchase from our originating bank partners. Interest rates charged to our consumers vary depending on the transaction risk, creditworthiness of the consumer, the repayment term selected by the consumer, the amount of the loan, and the individual arrangement with a merchant. Because our consumers are never charged deferred or compounding interest, late fees, or penalties on the loans, we are not incentivized to profit from our consumers’ hardships. In addition, interest income includes the amortization of any discounts or premiums on loan receivables created upon either the purchase of a loan from one of our originating bank partners or our direct origination of a loan.

In order to accelerate our ubiquity, we facilitate the issuance of the Affirm Card, a card that can be used physically or virtually and which allows consumers to link a bank account to pay in full, or pay later by accessing credit through the Affirm App. Similarly, we also facilitate the issuance of one-time-use virtual cards directly to consumers through our app, allowing them to shop with merchants that may not yet be fully integrated with Affirm. When these cards are used over established card networks, we earn a portion of the interchange fee from the transaction.

Our Loan Origination and Servicing Model

When a consumer applies for a loan through our platform, the loan is underwritten using our proprietary risk model. Once approved for the loan, the consumer then selects their preferred repayment option. A portion of these loans are funded and issued by our originating bank partners, which include Cross River Bank, an FDIC-insured New Jersey state-chartered bank, Celtic Bank, an FDIC-insured Utah state-chartered industrial bank, and Lead Bank, an FDIC-insured Missouri state-chartered bank. These partnerships allow us to benefit from our partners’ ability to originate loans under their banking licenses while complying with various federal, state, and other laws. Under this arrangement, we must comply with our originating bank partners’ credit policies and underwriting procedures, and our originating bank partners maintain ultimate authority to decide whether to

originate a loan or not. When an originating bank partner originates a loan, it funds the loan through its own funding sources and may subsequently offer and sell the loan to us. Pursuant to our agreements with these partners, we are obligated to purchase the loans facilitated through our platform that such partner offers us and our obligation is secured by cash deposits. To date, we have purchased all of the loans facilitated through our platform and originated by our originating bank partners. When we purchase a loan from an originating bank partner, the purchase price is equal to the outstanding principal balance of the loan, plus a fee and any accrued interest. The originating bank partner also retains an interest in the loans purchased by us through a loan performance fee that is payable by us on the aggregate principal amount of a loan that is paid by a consumer. Refer to Note 12. Fair Value of Financial Assets and Liabilities in the notes to the interim condensed consolidated financial statements for more information on the performance fee liability.

We are also able to originate loans directly under our lending, servicing, and brokering licenses in Canada, the U.K., and across most states in the U.S. through our consolidated subsidiaries. For the three and nine months ended March 31, 2026, we directly originated approximately \$2.3 billion, or 20%, and \$7.0 billion, or 19%, respectively, of loans compared to approximately \$1.5 billion, or 17%, and \$4.5 billion, or 17%, for the same periods in 2025.

We act as the servicer on all loans that we originate directly or purchase from our originating bank partners and earn a servicing fee on loans held by third parties, including bank partners prior to loan purchase and third-party loan buyers if subsequently sold as part of our funding strategy. In the normal course of business, we do not sell the servicing rights on any of the loans. To allow for flexible staffing to support overflow and seasonal traffic, we partner with several sub-servicers to manage consumer care, first priority collections, and third-party collections in accordance with our policies and procedures.

Factors Affecting Our Performance

Our performance has been and may continue to be affected by many factors, including those identified below, as well as the factors discussed in the section titled “Risk Factors” in this Form 10-Q and in our most recently filed Annual Report on Form 10-K for the fiscal year ended June 30, 2025, as updated from time to time in our filings with the SEC.

Expanding our Network, Diversity, and Mix of Funding Relationships

Our capital efficient funding model is integral to the success of our platform. As we scale the number of transactions on our network and grow GMV, we maintain a variety of funding relationships in order to support our network. Our diversified funding relationships include warehouse facilities, securitization trusts, variable funding notes, forward flow arrangements, and partnerships with banks. Given the short duration and strong performance of our assets, funding can be recycled quickly, resulting in a high-velocity, capital efficient funding model. As of March 31, 2026 and June 30, 2025, our equity capital as a percentage of our total platform portfolio, defined as the unpaid principal balance of all loans facilitated through our platform, was 5% and 4%, respectively. The mix of on-balance sheet and off-balance sheet funding is a function of how we choose to allocate loan volume, which is determined by the economic arrangements and supply of capital available to us, both of which may also impact our results in any given period.

Mix of Business on Our Platform

The shifts in merchant volumes and products offered in any period affect our operating results. These shifts impact GMV, revenue, our financial results, and our key operating metric performance for that period. Differences in loan product mix result in varying loan terms, APRs, and payment frequencies.

Product and economic terms of commercial agreements vary among our merchants, which may impact our results. Merchant mix shifts are driven in part by the products offered by the merchant, the economic terms negotiated with the merchant, merchant-side activity relating to the marketing of their products, whether or not the merchant is fully integrated within our network, and general economic conditions affecting consumer demand. Our

revenue as a percentage of GMV in any given period varies across products. As such, as we continue to expand our network to include more merchants and product offerings, revenue as a percentage of GMV may vary.

Additionally, our operating results are impacted by the percentage of GMV related to transactions occurring through direct merchant point-of-sale integrations relative to GMV processed by our card-issuing partners, which includes transactions on the Affirm Card, our one-time-use virtual debit cards, and with merchants that integrate Affirm services through one of our platform partners or utilize one of our card-issuing partners to process transactions. While commercial and economic terms vary across these offerings, we generally earn a portion of the interchange fees paid by the merchant which are shared with us through our agreement with the card-issuing partner.

Our operating results are also impacted by the percentage and mix of loans we hold on our balance sheet versus those sold to third-party investors. This is driven by our funding strategy, prevailing capital market conditions, and the supply of capital available from our diverse funding channels and relationships. Because the majority of transactions on our platform result in a loan origination, changes in GMV product mix are generally correlated with the mix of loans purchased from our bank partner or originated through one of our subsidiaries.

The following table presents the composition of loans held for investment, less accrued interest receivable, by loan product, as of the end of each period presented (in thousands):

| | As of March 31, | | As of June 30, | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2026 | 2025 | 2025 | 2024 |
| Interest-bearing monthly installment loans | \$ 6,161,610 | \$ 4,874,353 | \$ 5,064,696 | \$ 4,364,673 |
| 0% APR monthly installment loans | 1,758,293 | 1,327,745 | 1,473,549 | 971,014 |
| Pay-in-X | 563,690 | 359,352 | 419,337 | 271,609 |
| Total | \$ 8,483,593 | \$ 6,561,450 | \$ 6,957,582 | \$ 5,607,296 |

The following table presents the composition of the average balance of loans held for investment, less accrued interest receivable, by loan product, for each period presented (in thousands):

| | Three Months Ended March 31, | | 2026 v 2025 | | Nine Months Ended March 31, | | 2026 v 2025 | |
|--|------------------------------|---------------------|---------------------|-------------|-----------------------------|---------------------|---------------------|-------------|
| | 2026 | 2025 | Change \$ | Change % | 2026 | 2025 | Change \$ | Change % |
| (in thousands, except percentages) | | | | | | | | |
| Average loan balance ⁽¹⁾ | | | | | | | | |
| Interest-bearing monthly installment loans | \$ 6,124,849 | \$ 4,925,231 | \$ 1,199,618 | 24 % | \$ 5,645,541 | \$ 4,788,187 | \$ 857,353 | 18 % |
| 0% APR monthly installment loans | 1,820,214 | 1,295,006 | 525,209 | 41 % | 1,643,038 | 1,145,280 | 497,758 | 43 % |
| Pay-in-X | \$ 638,862 | \$ 420,524 | \$ 218,338 | 52 % | \$ 533,106 | \$ 348,319 | \$ 184,788 | 53 % |
| Total | \$ 8,583,924 | \$ 6,640,761 | \$ 1,943,164 | 29 % | \$ 7,821,684 | \$ 6,281,786 | \$ 1,539,898 | 25 % |

⁽¹⁾ The average balance of loans held for investment, less accrued interest receivable, is calculated based on the ending balances as of March, December, September, and June, as applicable for the quarter-to-date and year-to-date periods.

Loans held for investment increased by 22% and 17%, respectively, over the nine months ended March 31, 2026 and March 31, 2025. The balance and product mix of loans held for investment in a given period is driven by the volume and composition of loan purchases and originations as well as the volume, composition and timing of loan sales to third party investors and securitizations.

With respect to the three and nine months ended March 31, 2026 and March 31, 2025, loans held for investment increased primarily due to overall GMV growth. The average balance of interest-bearing monthly

installment loans increased by 24% and 18%, respectively, for the three and nine months ended March 31, 2026, compared to the same periods in 2025. Over the same periods, the average balance of 0% APR monthly installment loans increased by 41% and 43%, respectively, and the average balance of Pay-in-X loans increased by 52% and 53%, respectively, compared to the same periods in 2025.

During the three and nine months ended March 31, 2026 our purchased and originated loan volume was 9.4 billion and 2.3 billion, and 28.9 billion and \$7.0 billion, respectively. The purchased volume of loans originated by our bank partners during the periods primarily included a mix of interest bearing and 0% APR monthly installment products whereas the volume of loans originated through one of our subsidiaries during the periods was primarily Pay-in-X. The total volume and composition of loans purchased and originated during the periods is correlated with the volume and composition of GMV.

During the three and nine months ended March 31, 2026, we held substantially all Pay-in-X loans on our balance sheet, while selling a percentage of our interest bearing monthly installment loans and 0% APR monthly installment loans to third party investors, either directly or through off balance sheet securitizations. During both the three and nine months ended March 31, 2026, interest-bearing monthly installment loans and 0% APR monthly installment loans represented 86% and 14%, respectively, of the total \$5.0 billion and \$15.9 billion unpaid principal balance of loans sold.

Refer to Key Operating Metrics for additional information on GMV for the three and nine months ended March 31, 2026, compared to the same periods in 2025.

Seasonality

We experience seasonal fluctuations in our business as a result of consumer spending patterns, including Affirm Card, which we expect to mimic the seasonality of our general business in the near term. Historically, our GMV has been the strongest during our fiscal second quarter due to increases in retail commerce during the holiday season and our loan delinquencies are at their lowest during our fiscal third and fourth quarter, as consumer savings benefit from tax refunds. Adverse events that occur during our second fiscal quarter could have a disproportionate effect on our financial results for the fiscal year.

Macroeconomic Environment

We regularly monitor the direct and indirect impacts of the current macroeconomic conditions on our business, financial condition, and results of operations. Following the Federal Reserve's decision to begin reducing the federal funds interest rate in September 2024, interest rates have declined; however, uncertainty remains as to whether and to what extent the federal funds interest rate will remain at current levels, increase or decrease in future periods. Simultaneously, economic uncertainty and unpredictability, including the prospect of economic recession, persistent inflation, and the magnitude, duration and impact of tariffs on global trade, has impacted and may continue to impact both consumer spending and loan repayments. These challenges have affected, and may continue to affect, our business and results of operations in the following ways:

- ***Shifts in consumer demand and loan repayment:*** We have experienced, and may continue to experience, fluctuations in consumer demand across different merchandise categories as well as an increase in delinquencies due to economic uncertainty, persistent inflationary pressures, elevated interest rates, and other macroeconomic factors. If such conditions deteriorate in future periods, consumer demand and loan repayments may be negatively impacted.
- ***Managing delinquency rates:*** We are continuously optimizing our underwriting to manage delinquency rates. While these actions have not adversely affected our GMV growth rates during fiscal 2026, any future credit tightening could adversely impact GMV growth rates.
- ***Borrowing costs:*** The Federal Reserve began decreasing the federal funds interest rate in late 2024, leading to a decline in our average funding costs. However, there is continued uncertainty as to whether and to what extent the Federal Reserve may decrease the federal funds rate further in the future.

- **Volatile capital markets:** Since fiscal 2024, capital markets have shown improvement against recent periods. Strong loan performance has allowed us to add substantial capacity across funding channels.

Despite these improvements, uncertainties remain in the macroeconomic environment that may result in fluctuations of available capital in our lending marketplace due to shifts in the risk preferences of our lending partners and institutional investors or for other reasons. For example, there have been recent public reports of instability at certain private credit funds and other financial institutions. The follow-on effects of this instability are unknown and may impair our ability to access funding sources in the future.

To address these uncertainties, we leverage our diverse capital ecosystem consisting of multiple funding channels, a diverse set of counterparties, and varying maturity debt schedule to support resilience across various macroeconomic conditions and economic cycles.

Consumer Credit Optimization and Loan Performance

We continue to optimize our underwriting and take other actions to manage consumer loan repayment, increase collections and minimize losses. For example, we offer loan modifications to borrowers experiencing financial difficulty to provide greater flexibility for consumers to repay their obligations, through payment deferrals or loan re-amortizations. A payment deferral extends the next payment due date, and while a consumer may receive more than one deferral, the total deferral period may not exceed three months. A loan re-amortization lowers the monthly payments by extending the term, which may not exceed twenty-four months.

These loan modification programs also impact our delinquency rates, and such impact can vary over time. The volume of loan modifications during the fiscal quarter ended March 31, 2026 increased to 0.16% up from 0.09% in the same period in 2025. As of March 31, 2026, loans modified within the last twelve months represent 0.28% of the outstanding principal balance of loans held on our balance sheet, compared to 0.21% for the same period in 2025. Our reported delinquency and charge off rates include loans which have become past due or have charged off subsequent to modification. An unknown percentage of loans which have been modified and are current as of March 31, 2026 may become delinquent or charge off in the future. We continue to evaluate the effectiveness of these programs and may modify, expand, or contract their usage, which may affect the timing of reported delinquencies and charge offs in future periods.

Regulatory Developments

We are subject to the regulatory and enforcement authority of the Consumer Financial Protection Bureau (the “CFPB”) as a facilitator, servicer, acquirer or originator of consumer credit. As such, the CFPB has in the past requested reports concerning our organization, business conduct, markets, and activities, and we expect that the CFPB will continue to do so from time to time in the future.

Additionally, state regulatory agencies and state attorneys general have publicly indicated that they plan to increase oversight of financial services companies. Such state authorities may initiate legal proceedings against us under state consumer protection statutes or various federal consumer financial services statutes, subject to the jurisdiction of the CFPB and FTC. These actions may result in financial penalties, which, individually or in aggregate, may adversely impact our operations.

Affirm Bank Applications

On January 23, 2026, we submitted applications to the Nevada Financial Institutions Division and the Federal Deposit Insurance Corporation (“FDIC”) to establish Affirm Bank, a proposed Nevada-chartered industrial loan company. If approved, the proposed entity would operate as a wholly owned, Nevada-chartered, FDIC-insured bank subsidiary, and maintain its own independent governance and internal controls. The proposed bank subsidiary would complement our current business and bank partnership models, including by providing greater flexibility and diversification, to help advance responsible innovation in financial services.

U.S. Income Taxes

On July 4, 2025, the One Big Beautiful Bill Act (the “Act”) was enacted into law, which included certain modifications to U.S. tax law. The Company is currently evaluating the future impact of these provisions of the Act on our Consolidated Financial Statements.

In addition, our assessment of income taxes is influenced by our recent operating results and expectations regarding future profitability. Recent pretax earnings performance has improved the mix of positive versus negative evidence considered in evaluating the realizability of our deferred tax assets. If these trends continue, we expect that additional positive evidence may be available within our fiscal year ending June 30, 2026 to support the conclusion that a significant portion of the domestic valuation allowance is no longer needed. The timing and amount of any valuation allowance release is subject to change based on multiple factors, including our level of profitability and the extent to which we believe we can sustain it over time. Release of any portion of the valuation allowance would result in the recognition of certain deferred tax assets with a potential corresponding decrease to income tax expense for the period the release is recorded, which would represent a non-cash benefit to net income.

Key Operating Metrics

We focus on several key operating metrics to measure the performance of our business and help determine our strategic direction. In addition to revenue, net income (loss), and other results under U.S. GAAP, the following tables set forth key operating metrics we use to evaluate our business.

| | Three Months Ended March 31, | | | Nine Months Ended March 31, | | |
|-----|------------------------------|--------|----------|-----------------------------|---------|----------|
| | 2026 | 2025 | % Change | 2026 | 2025 | % Change |
| | (in billions) | | | | | |
| GMV | \$ 11.6 | \$ 8.6 | 35 % | \$ 36.1 | \$ 26.3 | 37 % |

GMV

We measure GMV to assess the volume of transactions that take place on our platform. We define GMV as the total dollar amount of all transactions on the Affirm platform during the applicable period, net of refunds. GMV does not represent revenue earned by us; however, it is an indicator of the success of our merchants and the strength of our platform.

For the three and nine months ended March 31, 2026, GMV was \$11.6 billion and \$36.1 billion, respectively, which represented an increase of approximately 35% and 37%, respectively, as compared to the same periods in 2025. Overall, the increase in GMV was driven by growth in our direct to consumer products, including Affirm Card, and overall increases in active consumers and average transactions per consumer. In addition, for the three and nine months ended March 31, 2026, GMV from our top five merchants and platform partners collectively grew 26% and 27%, respectively, as compared to the same periods in 2025. The composition of our top five merchants and platform partners is determined based on GMV for each reporting period and, accordingly, the specific merchants and/or platform partners included in the top five may change period-over-period. During the three and nine months ended March 31, 2026, the concentration of GMV derived from our top five partners declined slightly to 42% and 44%, respectively, compared to 45% and 48% for the same periods in 2025 as a result of the continued diversification of GMV across merchants, platform partners and through our direct to consumer products. GMV attributable to Amazon represented 20% and 22% of total GMV for the three and nine months ended March 31, 2026, respectively, compared to 21% and 23% for the same periods in 2025.

During the three and nine months ended March 31, 2026, GMV increased for interest-bearing installment loans, 0% APR monthly installment loans and Pay-in-X, compared to the same periods in 2025; however, the rate of GMV growth varied by product type over the same periods. The variance in growth varied by product is due to seasonality and the timing of certain promotions and campaigns.

GMV from interest-bearing installment loans grew 33% and 31%, respectively, for the three and nine months ended March 31, 2026, as compared to the same periods in 2025. Interest-bearing installment loans represented 70% and 69% of total GMV, respectively, for the three and nine months ended March 31, 2026.

GMV from Pay-in-X grew 52% and 54%, respectively, for the three and nine months ended March 31, 2026, as compared to the same periods in 2025. Pay-in-X represented 16% of total GMV, for both the three and nine months ended March 31, 2026.

GMV from 0% APR monthly installment loans grew 30% and 55%, respectively, for the three and nine months ended March 31, 2026, as compared to the same periods in 2025. 0% APR monthly installment loans represented 13% and 14% of total GMV, respectively, for the three and nine months ended March 31, 2026.

| | March 31, 2026 | March 31, 2025 | % Change |
|----------------------------------|--|----------------|----------|
| | (in thousands, except per consumer data) | | |
| Active consumers | 26,787 | 21,888 | 22 % |
| Transactions per active consumer | 6.7 | 5.6 | 20 % |

Active Consumers

We assess consumer adoption and engagement by the number of active consumers across our platform. Active consumers are the primary measure of the size of our network. We define an active consumer as a consumer who completes at least one transaction on our platform during the 12 months prior to the measurement date.

As of March 31, 2026, we had approximately 26.8 million active consumers, which represented an increase of 22% compared to approximately 21.9 million active consumers as of March 31, 2025. The increase was primarily due to a high retention rate of existing consumers and the acquisition of new consumers through an expansion in active merchants and platform partnerships.

Transactions per Active Consumer

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

As of March 31, 2026, we had approximately 6.7 transactions per active consumer, an increase of 20% compared to March 31, 2025. The increase was primarily due to platform growth and a higher frequency of repeat users driven by consumer engagement, including growth of Affirm Card active consumers. As of March 31, 2026 and March 31, 2025, Affirm Card represented approximately 14% and 10%, respectively, of the total number of transactions.

Results of Operations

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

| | Three Months Ended March 31, | | | | Nine Months Ended March 31, | | | |
|--|------------------------------|-------------------|-------------------|--------------------------|-----------------------------|---------------------|-------------------|--------------------------|
| | 2026 | 2025 | \$ | % | 2026 | 2025 | \$ | % |
| (in thousands, except percentages) | | | | | | | | |
| Revenue | | | | | | | | |
| Merchant network revenue | \$ 268,027 | \$ 213,973 | \$ 54,054 | 25 % | \$ 847,553 | \$ 643,207 | \$ 204,346 | 32 % |
| Card network revenue | 66,467 | 58,572 | 7,895 | 13 % | 208,832 | 164,194 | 44,638 | 27 % |
| Total network revenue | 334,494 | 272,545 | 61,949 | 23 % | 1,056,385 | 807,401 | 248,984 | 31 % |
| Interest income ⁽²⁾ | 532,449 | 402,701 | 129,748 | 32 % | 1,480,198 | 1,189,132 | 291,066 | 24 % |
| Gain on sales of loans ⁽²⁾ | 127,200 | 75,838 | 51,362 | 68 % | 431,480 | 264,739 | 166,741 | 63 % |
| Servicing income | 44,622 | 32,050 | 12,572 | 39 % | 127,058 | 86,723 | 40,335 | 47 % |
| Total revenue, net | 1,038,765 | 783,135 | 255,630 | 33 % | 3,095,122 | 2,347,995 | 747,127 | 32 % |
| Operating expenses ⁽³⁾ | | | | | | | | |
| Loss on loan purchase commitment | 67,964 | 57,290 | 10,674 | 19 % | 235,581 | 181,805 | 53,776 | 30 % |
| Provision for credit losses | 196,543 | 147,252 | 49,291 | 33 % | 573,448 | 460,056 | 113,392 | 25 % |
| Funding costs | 113,762 | 107,631 | 6,131 | 6 % | 335,507 | 319,539 | 15,968 | 5 % |
| Processing and servicing | 162,291 | 118,398 | 43,893 | 37 % | 454,680 | 329,504 | 125,176 | 38 % |
| Technology and data analytics | 191,619 | 152,620 | 38,999 | 26 % | 544,595 | 435,123 | 109,472 | 25 % |
| Sales and marketing | 72,854 | 74,022 | (1,168) | (2) % | 250,128 | 355,293 | (105,165) | (30) % |
| General and administrative | 145,304 | 134,303 | 11,001 | 8 % | 431,468 | 412,196 | 19,272 | 5 % |
| Restructuring and other | — | 12 | (12) | (100) % | — | (184) | 184 | (100) % |
| Total operating expenses | 950,337 | 791,527 | 158,810 | 20 % | 2,825,406 | 2,493,332 | 332,074 | 13 % |
| Operating income (loss) | \$ 88,429 | \$ (8,393) | \$ 96,822 | NM ⁽¹⁾ | \$ 269,716 | \$ (145,337) | \$ 415,053 | NM ⁽¹⁾ |
| Other income, net | 18,948 | 13,738 | 5,210 | 38 % | 53,918 | 135,221 | (81,303) | (60) % |
| Income (loss) before income taxes | \$ 107,376 | \$ 5,345 | \$ 102,031 | NM ⁽¹⁾ | \$ 323,633 | \$ (10,116) | \$ 333,749 | NM ⁽¹⁾ |
| Income tax expense | 4,476 | 2,541 | 1,935 | 76 % | 10,453 | 6,942 | 3,511 | 51 % |
| Net income (loss) | \$ 102,900 | \$ 2,804 | \$ 100,096 | NM ⁽¹⁾ | \$ 313,180 | \$ (17,058) | \$ 330,238 | NM ⁽¹⁾ |

⁽¹⁾ Not meaningful (“NM”)

⁽²⁾ Upon purchase of a loan from our originating bank partners at a price above the fair market value of the loan or upon the origination of a loan with a par value in excess of the fair market value of the loan, a discount is included in the amortized cost basis of the loan. For loans held for investment, this discount is amortized over the life of the loan into interest income. For loans held for sale, when a loan is sold to a third-party loan buyer or off-balance sheet securitization trust, the unamortized discount is released in full at the time of sale and recognized as part of the gain or loss on sales of loans. However, the cumulative value of the loss on loan purchase commitment or loss on origination, the interest income recognized over time from the amortization of discount while retained, and the release of discount into gain on sales of loans, together net to zero over the life of the loan. The following table details activity for the discount, included in loans held for investment, for the periods indicated:

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|-------------------|-----------------------------|-------------------|
| | 2026 | 2025 | 2026 | 2025 |
| | (in thousands) | | | |
| Balance at the beginning of the period | \$ 133,019 | \$ 103,433 | \$ 102,680 | \$ 98,527 |
| Additions from loans purchased or originated, net of refunds | 111,904 | 86,723 | 371,741 | 265,676 |
| Amortization of discount | (88,586) | (65,639) | (245,807) | (186,450) |
| Unamortized discount released on loans sold | (31,429) | (19,939) | (103,855) | (71,826) |
| Impact of foreign currency translation | (537) | 39 | (388) | (1,310) |
| Balance at the end of the period | <u>\$ 124,371</u> | <u>\$ 104,617</u> | <u>\$ 124,371</u> | <u>\$ 104,617</u> |

⁽³⁾ Amounts include stock-based compensation as follows:

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|-------------------|-----------------------------|-------------------|
| | 2026 | 2025 | 2026 | 2025 |
| | (in thousands) | | | |
| General and administrative | \$ 46,105 | \$ 50,344 | \$ 152,467 | \$ 170,868 |
| Technology and data analytics | 23,615 | 21,309 | 71,391 | 70,957 |
| Sales and marketing | 3,897 | 3,749 | 12,958 | 13,426 |
| Processing and servicing | 219 | 205 | 674 | 687 |
| Total stock-based compensation in operating expenses | <u>73,837</u> | <u>75,607</u> | <u>237,490</u> | <u>255,938</u> |
| Capitalized into property, equipment and software, net | 41,648 | 44,369 | 141,169 | 138,555 |
| Total stock-based compensation | <u>\$ 115,485</u> | <u>\$ 119,976</u> | <u>\$ 378,659</u> | <u>\$ 394,493</u> |

Comparison of the Three and Nine Months Ended March 31, 2026 and 2025

Merchant network revenue

Merchant network revenue is impacted by both GMV and the mix of loans originated on our platform, including the distribution of loans by product. While we generally earn higher merchant fees on 0% versus interest-bearing loan products, merchant fee rates on each transaction are also impacted by the existence of a commercial agreement and negotiated pricing with each merchant, which may vary depending on loan term, loan size, borrower credit risk, pricing incentives and whether the consumer transacts with the merchant through one of our direct to consumer products, including Affirm Card.

Merchant network revenue increased by \$54.1 million, or 25%, and \$204.3 million, or 32%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. The increase is primarily attributed to an increase in GMV of \$3.0 billion, or 35%, and \$9.8 billion, or 37%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. The volume-driven increase in merchant network revenue was offset by an increase in the loss on loan originations by \$10.5 million, or 44%, and \$46.7 million, or 69%, for the three and nine months ended March 31, 2026, respectively. Additionally, merchant incentives, recorded as a reduction of revenue, increased by \$4.3 million and \$5.7 million for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025.

Merchant network revenue as a percentage of GMV decreased to 2.3% and 2.4%, respectively, for the three and nine months ended March 31, 2026 from 2.5% for both the three and nine months ended March 31, 2025. The portion of GMV attributed to 0% APR loans, including Pay-in-X, increased by 41% and 55%, respectively, for the three and nine months ending March 31, 2026, compared to the same periods in 2025; however, the impact of a

higher percentage of GMV attributed to 0% APR loans was offset by an increase in direct to consumer transactions as a percentage of GMV, led by the growth of Affirm Card.

Card network revenue

Card network revenue increased by \$7.9 million, or 13%, and \$44.6 million, or 27%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. Card network revenue growth is correlated with the growth of GMV processed by our card-issuing partners. As such, the increase is primarily driven by \$4.1 billion and \$12.3 billion of GMV processed through our card-issuing partners, an increase of approximately 43% and 46% for the three and nine months ended March 31, 2026, respectively, as compared to the same periods in 2025. This was driven by increased card activity primarily through Affirm Card and our one-time-use virtual debit cards, as well as GMV generated by merchants utilizing our agreement with card-issuing partners as a means of integrating Affirm services. Card network revenue is also impacted by the mix of merchants as different merchants can have different interchange rates depending on their industry or size, among other factors.

The volume-driven increase in card network revenue was partially offset by an increase in merchant incentives, which are recorded as a reduction to card network revenue. For the three and nine months ended March 31, 2026, merchant incentives increased by \$6.6 million, or 190%, and \$10.6 million, or 123%, respectively, compared to the same periods in 2025.

Interest income

Interest income increased by \$129.7 million, or 32%, and \$291.1 million, or 24%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. Generally, interest income is correlated with the changes in the average balance of loans held for investment, which increased by 29% to \$8.7 billion and 24% to \$7.9 billion for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025.

The increase was primarily driven by contractual interest income for interest-bearing loans, which grew approximately \$110.8 million and \$241.2 million for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025, comprising 85% and 83%, respectively, of the total increase. Interest income from the amortization of the discount on 0% and below market APR loans grew approximately \$22.9 million and \$59.4 million, respectively, over the same periods, comprising 18% and 20%, respectively, of the total increase.

The average loan balance of interest bearing loans held for investment increased during the three and nine months ended March 31, 2026, compared to the same periods in 2025. However, the rate of loan growth varied by product type over the same periods, as the average balance of 0% APR loans grew more on a percentage basis than the average balance of interest bearing loans. Therefore, the increase in contractual interest income during the period was further accelerated by an increase in interest income from the amortization of loan discount.

Gain on sales of loans

Gain on sales of loans increased by \$51.4 million, or 68%, and \$166.7 million, or 63%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. The increase is driven by higher loan sale volume to third-party loan buyers and favorable transaction economics, which are primarily driven by market conditions. We sold loans with an unpaid principal balance of \$5.0 billion and \$15.9 billion for the three and nine months ended March 31, 2026, respectively, compared to \$3.6 billion and \$11.0 billion for the same periods in 2025, respectively, an increase of 40% and 44%, respectively.

The volume-driven increase in gain on sales of loans, for the three and nine months ended March 31, 2026, was further accelerated by a decrease in our repurchase liability to third-party investors of \$7.3 million, or 62%, and \$11.5 million, or 43%, respectively, compared to the same periods in 2025.

Servicing income

Servicing income includes net servicing fee revenue and fair value adjustments for servicing assets and liabilities, and is recognized for loan portfolios sold to third-party loan buyers and for loans held within our off-balance sheet securitizations. Servicing fee revenue varies by contractual servicing fee arrangement and is earned as a percentage of the average unpaid principal balance of loans held by each counterparty where we have a servicing agreement. We reduce servicing income for certain fees we are required to pay per our contractual servicing arrangement.

With respect to fair value adjustments, we remeasure the fair value of servicing assets and liabilities each period and recognize the change in fair value in servicing income. We utilize a discounted cash flow approach to remeasure the fair value of servicing rights. Because we earn servicing income based on the outstanding principal balance of the portfolio, fair value adjustments are impacted by the timing and amount of loan repayments. As such, over the term of each loan portfolio sold, fair value adjustments for servicing assets will decrease servicing income and fair value adjustments for servicing liabilities will increase servicing income. We discuss our valuation methodology and significant Level 3 inputs for servicing assets and liabilities within Note 12. Fair Value of Financial Assets and Liabilities in the notes to the interim condensed consolidated financial statements.

Servicing income increased by \$12.6 million, or 39%, and \$40.3 million, or 47%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. The increase was primarily due to an increase in servicing fee revenue which is calculated as a percentage of the unpaid principal balance of off-balance sheet loans. The average unpaid principal balance of loans held by third-party investors and off-balance sheet securitizations increased to \$9.5 billion and \$8.8 billion for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025, an increase of 39% and 47%, respectively.

Loss on loan purchase commitment

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

Loss on loan purchase commitment increased by \$10.7 million, or 19%, and \$53.8 million, or 30%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025, primarily due to an increase in total volume of loans purchased. During the three and nine months ended March 31, 2026, we purchased \$9.4 billion and \$28.9 billion, respectively, of loans from our originating bank partners, compared to \$7.1 billion and \$21.6 billion in the same periods in 2025, respectively, representing an increase of 33% and 34%, respectively. Of the total loans purchased, 0% APR installment loans represented \$1.4 billion and \$4.5 billion during the three and nine months ended March 31, 2026, respectively, and \$1.1 billion and \$3.1 billion for the same periods in 2025, respectively, an increase of 30%, and 48%, respectively. The impact of higher loan purchase volume period over period was offset by a decrease in the average loan discount percentage period over period, due to lower benchmark interest rates.

Provision for credit losses

Provision for credit losses generally represents the amount of expense required to maintain the allowance for credit losses within our interim condensed consolidated balance sheet, which represents management's estimate of future losses on loans and other receivables. In the event that our loans and receivables outperform our expectation and/or we reduce our expectation of credit losses in future periods, we may release reserves and thereby reduce the allowance for credit losses, yielding income in the provision for credit losses. The provision is determined based on our estimate of expected future losses on loans originated during the period and held for

investment on our balance sheet, changes in our estimate of future losses on loans outstanding as of the end of the period and the net charge-offs incurred in the period.

Provision for credit losses increased by \$49.3 million, or 33%, and \$113.4 million, or 25%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. Provision expense is primarily related to loans held for investment, where the amount of provision expense recognized during the period will depend on the balance and composition of loans held for investment, future loss expectations and net charge-offs realized during the period. For the three and nine months ended March 31, 2026, the provision expense for loans held for investment increased by \$51.8 million, or 37%, and \$114.5 million, or 26%, respectively. Additionally, the average balance of loans held for investment increased by \$2.0 billion, or 29%, and \$1.5 billion, or 24%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025.

Funding costs

Funding costs consist of interest expense and the amortization of fees for certain borrowings collateralized by our loans including warehouse credit facilities and consolidated securitizations, sale and repurchase agreements collateralized by our retained securitization interests, and other costs incurred in connection with funding the purchases and originations of loans. Funding costs for a given period are driven by the average outstanding balance of funding debt and notes issued by securitization trusts as well as our contractual interest rate and distribution of loans across funding facilities, net of the impact of any designated cash flow hedges.

Funding costs increased by \$6.1 million, or 6%, and \$16.0 million, or 5%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. The increase is primarily due to an increase of funding debt and notes issued by securitization trusts during the three and nine months ended March 31, 2026, partially offset by favorable pricing terms. The average total of funding debt from warehouses and securitizations for the three and nine months ended March 31, 2026 was \$7.8 billion and \$7.2 billion, respectively, compared to \$6.1 billion and \$5.7 billion during the same periods in 2025, an increase of \$1.7 billion, or 29%, and \$1.4 billion, or 25%.

Processing and servicing

Processing and servicing expense consists primarily of payment processing fees, third-party customer support and collection expense, salaries and personnel-related costs of our customer care team, platform fees, and allocated overhead.

Processing and servicing expense increased by \$43.9 million, or 37%, and \$125.2 million, or 38%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. This increase is driven partially by an increase in payment processing fees of \$28.9 million, or 42%, and \$82.1 million, or 43%, related to an increase of \$3.2 billion, or 36%, and \$9.2 billion, or 39%, in payment volume for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. Platform fees increased by \$14.8 million, or 62%, and \$31.9 million, or 41%, respectively, primarily due to an increase in volume with a large enterprise partner. Additionally, our customer service and collection costs increased by \$6.2 million, or 36%, and \$21.8 million, or 44%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. Our average loans held for investment and average loans serviced for third parties increased by \$4.6 billion, or 34%, and \$4.4 billion, or 35%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025.

Technology and data analytics

Technology and data analytics expense consists primarily of the salaries, stock-based compensation, and personnel-related costs of our engineering, product, and credit and analytics employees, as well as the amortization of internally-developed software and technology intangible assets, and our infrastructure and hosting costs.

Technology and data analytics expense increased by \$39.0 million, or 26%, and \$109.5 million, or 25%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. The increase is partially driven by amortization of internally-developed software which increased by \$15.7 million, or 27%, and

\$56.1 million, or 36%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025, as a result of an increase in the number of capitalized projects. Capitalized projects in service grew by 19% from approximately 1,430 projects as of March 31, 2025 to 1,710 projects as of March 31, 2026. Data infrastructure and hosting costs increased by \$10.5 million, or 37%, and \$28.4 million, or 36%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. The increase in data infrastructure and hosting costs was primarily driven by an increase in the number of consumer transactions. For the three and nine months ended March 31, 2026, the number of consumer transactions increased by 45% and 47%, respectively, from continued growth at our merchants and platform partners when compared to the same periods in 2025. Payroll and personnel-related expenses increased by \$7.2 million, or 13%, and \$13.2 million, or 8%, for the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025, primarily due to an increase in headcount.

Sales and marketing

Sales and marketing costs consist of the expense related to warrants and other share-based payments granted to our enterprise partners, salaries and personnel-related costs, and costs of marketing and promotional activities.

Sales and marketing expense decreased by \$1.2 million, or 2%, and \$105.2 million, or 30% during the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. During the nine months ended March 31, 2026, the decrease was primarily driven by a \$95.6 million, or 39%, decrease in Amazon warrant expense compared to the same period in 2025, primarily due to a portion of the warrants becoming fully vested as of December 2024. Additionally, the decrease was also driven by a \$15.4 million, or 65%, decrease in Shopify warrant expense during the nine months ended March 31, 2026, compared to the same period in 2025, primarily due to an amendment made in our partnership agreement, which extended the period of benefit over which we amortize the commercial agreement asset from six to nine years.

General and administrative

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

General and administrative expense increased by \$11.0 million, or 8%, and \$19.3 million, or 5%, during the three and nine months ended March 31, 2026, respectively, compared to the same periods in 2025. The increase is primarily due to growth in payroll and personnel costs, excluding stock-based compensation, and software and subscription expense.

Other income, net

Other income, net includes interest earned on our money market funds included in cash and cash equivalents and restricted cash, interest earned on securities available for sale, impairment or other adjustments to the cost basis of non-marketable equity securities held as cost, gains and losses on derivative agreements not designated within a hedging relationship, amortization of convertible debt issuance cost as well as gains (losses) on extinguishment, revolving credit facility issuance costs, fair value adjustments related to contingent liabilities, and other income or expense arising from activities that are unrelated to our primary business.

Other income, net, increased by \$5.2 million, or 38%, for the three months ended March 31, 2026 and decreased by \$81.3 million, or 60%, for the nine months ended March 31, 2026, compared to the same periods in 2025. The increase for the three months ended March 31, 2026 was primarily driven by a gain of \$1.2 million related to the fair value of our derivative instruments not designated as hedges, compared to a loss of \$2.2 million during the same period in 2025. The decrease for the nine months ended March 31, 2026, was primarily driven by a \$80.9 million, or 98% reduction in the gain recognized on the early extinguishment of convertible debt, reflecting fewer repurchases compared to the same period in 2025.

Liquidity and Capital Resources

Sources and Uses of Funds

We maintain a capital-efficient model through a diverse set of funding sources. When we originate a loan directly or purchase a loan originated by our originating bank partners, we often utilize warehouse credit facilities with certain lenders to finance our lending activities or loan purchases. We sell the loans we originate or purchase from our originating bank partners to whole loan buyers and securitization investors through forward flow arrangements and securitization transactions, and earn servicing fees from continuing to act as the servicer on the loans. We proactively manage the allocation of loans on our platform across various funding channels based on several factors including, but not limited to, internal risk limits and policies, capital market conditions and channel economics. Despite ongoing macroeconomic uncertainty, including recent reports of stress to certain private credit funds and other institutional investors, we believe our excess funding capacity and committed and long-term relationships with a diverse group of existing funding partners help provide flexibility as we optimize our funding to support the growth in loan volume.

Our principal sources of liquidity are cash and cash equivalents, available for sale securities, available capacity from warehouse and revolving credit facilities, securitization trusts, forward flow loan sale arrangements, and certain cash flows from our operations. As of March 31, 2026, we had \$2.5 billion in cash and cash equivalents and available for sale securities, \$5.1 billion in available funding debt capacity, excluding our purchase commitments from third party loan buyers, and \$330.0 million in borrowing capacity available under our revolving credit facility. We believe our principal sources of liquidity are sufficient to meet both our existing operating, working capital, and capital expenditure requirements and our currently planned growth for at least the next 12 months.

The following table summarizes our cash, cash equivalents and investments in debt securities (in thousands):

| | March 31, 2026 | June 30, 2025 |
|---|---------------------|---------------------|
| Cash and cash equivalents ⁽¹⁾ | \$ 1,723,413 | \$ 1,354,455 |
| Investments in short-term debt securities ⁽²⁾ | 493,772 | 652,491 |
| Investments in long-term debt securities ⁽²⁾ | 263,825 | 218,934 |
| Cash, cash equivalent and investments in debt securities | \$ 2,481,010 | \$ 2,225,880 |

⁽¹⁾ Cash and cash equivalents consist of checking, money market and savings accounts held at financial institutions and short-term highly liquid marketable securities, including money market funds, agency bonds, corporate bonds, commercial paper, and government bonds purchased with an original maturity of three months or less.

⁽²⁾ Securities available for sale at fair value primarily consist of certificates of deposits, corporate bonds, municipal bonds, commercial paper, agency bonds, and government bonds. Short-term securities have maturities less than or equal to one year, and long-term securities range from greater than one year to less than five years.

Debt

Debt as of March 31, 2026 primarily includes funding debt, notes issued by securitization trusts, convertible senior notes and our revolving credit facilities. A detailed description of each of our borrowing arrangements is included in Note 8. Debt in the notes to the interim condensed consolidated financial statements.

The following table summarizes the future maturities of our warehouse credit facilities, variable funding notes, sale and repurchase agreements, and notes issued by securitization trusts as of March 31, 2026:

| Maturity Fiscal Year | Borrowing Capacity | Principal Outstanding |
|----------------------|----------------------|-----------------------|
| | (in thousands) | |
| 2026 | \$ — | \$ — |
| 2027 | 250,000 | 200,356 |
| 2028 | 1,645,527 | 1,064,767 |
| 2029 | 1,982,141 | 516,868 |
| 2030 | 750,000 | 755,952 |
| Thereafter | 8,286,684 | 5,253,838 |
| Total | \$ 12,914,352 | \$ 7,791,781 |

Warehouse Credit Facilities

Our U.S. warehouse credit facilities allow us to borrow up to an aggregate of \$5.4 billion, and mature between fiscal years 2027 and 2032. We may continue to pledge new receivables to allow us to borrow up to the commitment amount throughout the revolving period for each facility. The length of the revolving period, the maximum amount we may borrow against pledged collateral balance during the revolving period, and the length of the amortization period prior to the maturity date varies across borrowing facilities depending on negotiated loan terms. As of March 31, 2026, we have drawn an aggregate of \$1.7 billion on our warehouse credit facilities.

We use various credit facilities to finance the origination of loan receivables in Canada and the U.K. Similar to our U.S. warehouse credit facilities, borrowings under these agreements are referred to as funding debt, and proceeds from the borrowings may only be used for the purposes of facilitating loan funding and origination. These facilities are secured by Canadian and British loan receivables pledged to the respective facility as collateral, maturing between fiscal years 2028 and 2031. As of March 31, 2026, the aggregate commitment amount of these facilities was \$814.4 million on a revolving basis, of which \$552.3 million was drawn.

As we continue to expand in new geographies, we intend to add the necessary funding capacity to support our growth objectives. As of March 31, 2026, we were in compliance with all applicable covenants in the agreements.

Variable Funding Note

We entered into a syndicated revolving loan agreement through a securitization master trust which funds loans. In connection with the loan agreement, the master trust issued a variable funding note (“VFN”), where borrowings are secured by loan collateral sold to the master trust. Throughout the reinvestment period of the VFN, the master trust periodically issues asset-backed securities, where securitization note proceeds affect the level of utilization of the VFN. Our VFN allows us to borrow up to an aggregate of \$1.4 billion and matures in fiscal year 2032. As of March 31, 2026, we have drawn an aggregate of \$192.3 million on our VFN. As of March 31, 2026, we were in compliance with all applicable covenants in the agreements.

Sale and Repurchase Agreements

We entered into certain sale and repurchase agreements pursuant to our retained interests in our off-balance sheet securitizations where we have sold these securities to a counterparty with an obligation to repurchase at a future date and price. These repurchase agreements have a term equaling the contractual life of the securitization notes pledged. We had \$8.2 million in debt outstanding under our sale and repurchase agreements disclosed within funding debt in the interim condensed consolidated balance sheets as of March 31, 2026.

Securizations

We finance the origination and purchase of loans through our asset-backed securitization program using a combination of term, amortizing, revolving and variable funding structures. In connection with our program, we sponsor and establish trusts (deemed to be VIEs) which issue securities collateralized by the loans we sell to the trust. Securities issued from our asset-backed securitizations are senior or subordinated, based on the waterfall criteria of loan payments to each security class. The subordinated residual interests issued from these transactions are first to absorb credit losses in accordance with the waterfall criteria. For these VIEs, the creditors have no recourse to the general credit of Affirm and the liabilities of the VIEs can only be settled by the respective VIEs' assets. Additionally, the assets of the VIEs can be used only to settle obligations of the VIEs. For each securitization, the residual trust certificates represent the right to receive excess cash on the loans each collection period after all fees and required distributions have been made to the note holders. In addition to the retained residual trust certificates, our continued involvement includes loan servicing responsibilities over the life of the underlying loans. Refer to Note 9. Securitization and Variable Interest Entities in the notes to the interim condensed consolidated financial statements for further details.

Revolving Credit Facility

We have a Revolving Credit Agreement with a syndicate of banks for a \$330.0 million unsecured revolving credit facility, with a final maturity date of June 26, 2027. Proceeds from the borrowings under this facility will be used for general corporate purposes in the ordinary course of business. As of March 31, 2026, there are no borrowings outstanding under the facility. The facility contains certain covenants and restrictions, including certain financial maintenance covenants. As of March 31, 2026, we were in compliance with all applicable covenants in the agreements. Refer to Note 8. Debt in the notes to the interim condensed consolidated financial statements for further details on our revolving credit facility.

Convertible Senior Notes

As of March 31, 2026, we had outstanding: (i) \$221.3 million aggregate principal amount of our 0.00% 2026 Notes due November 15, 2026 and (ii) \$920.0 million principal amount of our 0.75% 2029 Notes due December 15, 2029, in each case unless earlier converted, redeemed, or repurchased in accordance with their terms. Refer to Note 8. Debt in the notes to the interim condensed consolidated financial statements for further details.

Other Funding Sources

Forward Flow Loan Sale Arrangements

We have forward flow loan sale arrangements that facilitate the sale of whole loans across a diverse third-party investor base. Forward flow arrangements are generally fixed term in nature, with term lengths ranging between one to three years, during which we periodically sell loans to each counterparty based on the terms of our negotiated agreement. As part of our capital strategy, we seek to partner with counterparties that can provide long-term, stable funding to support the ongoing growth and diversification of our loan portfolio.

Cash Flow Analysis

The following table provides a summary of cash flow data during the periods indicated:

| | Nine Months Ended March 31, | |
|---|-----------------------------|-----------|
| | 2026 | 2025 |
| | (in thousands) | |
| Net cash provided by operating activities | 934,811 | 719,272 |
| Net cash used in investing activities | (1,355,168) | (628,550) |
| Net cash provided by financing activities | 1,144,040 | 364,166 |

Cash Flows from Operating Activities

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

Net cash provided by operating activities was \$934.8 million for the nine months ended March 31, 2026, which reflected adjustments for significant non-cash items, including provision for losses, amortization of premiums and discounts on loans, gain on sale of loans, commercial agreement warrant expense, stock-based compensation, depreciation and amortization, and changes in operating assets and liabilities. Total adjustments and changes in operating assets and liabilities collectively resulted in a net increase in operating cash flows of \$621.6 million.

Net cash provided by operating activities was \$719.3 million for the nine months ended March 31, 2025, which reflected adjustments for significant non-cash items, including provision for credit losses, amortization of premiums and discounts on loans, gain on sale of loans, commercial agreement warrant expense, stock-based compensation, depreciation and amortization, and changes in operating assets and liabilities. Total adjustments and changes in operating assets and liabilities collectively resulted in a net increase in operating cash flows of \$736.3 million.

Cash Flows from Investing Activities

Net cash used in investing activities was \$1.4 billion for the nine months ended March 31, 2026. Cash outflows were primarily driven by purchases and origination of loans held for investment of \$33.4 billion, purchases of securities available for sale of \$544.9 million, and property, equipment and software additions of \$171.5 million. Cash inflows included \$17.9 billion from principal repayments and other loan servicing activity, \$14.1 billion in proceeds from the sale of loans held for investment, and \$730.2 million of proceeds from maturities and repayments of securities available for sale.

Net cash used in investing activities was \$628.6 million for the nine months ended March 31, 2025. Cash outflows were primarily driven by purchases and origination of loans held for investment of \$22.7 billion, purchases of securities available for sale of \$553.6 million, and property, equipment and software additions of \$141.1 million. Cash inflows included \$13.6 billion of principal repayments and other loan servicing activity, \$8.1 billion in proceeds from the sale of loans held for investment, and \$984.4 million of proceeds from maturities and repayments of securities available for sale.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$1.1 billion for the nine months ended March 31, 2026. Cash inflows were driven by \$30.2 billion in proceeds from the issuance of secured debt, including funding debt and securitization notes and certificates, and \$142.7 million from the exercise of common stock options and warrants and employee contributions to ESPP. Cash outflows included \$28.9 billion related to principal repayments of secured debt and \$251.2 million for taxes paid on vested equity awards.

Net cash provided by financing activities was \$364.2 million for the nine months ended March 31, 2025. Cash inflows were primarily driven by \$15.8 billion in proceeds from the issuance of secured debt, including funding debt and securitization notes and certificates. Cash outflows included \$14.8 billion related to principal repayments on secured debt, \$1.0 billion related to the extinguishment of a portion of our 2026 Notes, \$250.0 million related to the repurchase of shares of our Class A common stock in connection with the issuance of the 2029 Notes, and \$241.6 million related to taxes paid on vested equity awards.

Contractual Obligations

There were no material changes outside of the ordinary course of business in our commitments and contractual obligations for the three and nine months ended March 31, 2026 from the commitments and contractual

obligations disclosed in the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Contractual Obligations*,” set forth in our Annual Report on Form 10-K for the fiscal year ended June 30, 2025, which was filed with the SEC on August 28, 2025.

Off-Balance Sheet Arrangements

In the ordinary course of business, we engage in activities that are not reflected within our interim condensed consolidated balance sheets, generally referred to as off-balance sheet arrangements. These activities involve transactions with unconsolidated VIEs, including securitization and forward flow transactions. Across these transactions, ongoing involvement typically includes contractual loan servicing arrangements and loan repurchase obligations in connection with breaches in ordinary course of business representations and warranties.

We have entered into unconsolidated securitization transactions where Affirm is the sponsor and risk retention holder; accordingly, Affirm could experience a loss of up to 5% of both the senior notes and residual trust certificates. In the unlikely event principal payments on the loans backing any off-balance sheet securitization are insufficient to pay holders of senior notes and residual trust certificates, including any retained interests held by Affirm, then any amounts we contributed to the securitization reserve accounts may be depleted.

Under certain other forward flow loan sale arrangements with third-party loan buyers, we have entered into risk sharing agreements where we may be required to make a payment to the loan buyer or are entitled to receive a payment from the loan buyer, depending on the actual versus expected loan performance as contractually agreed to with the counterparty, and subject to a cap based on a percentage of the principal balance of loans sold.

In addition to risk sharing arrangements, we may hold beneficial interests in certain off-balance sheet VIEs that have been established by third-party loan buyers in connection with structured transactions. These beneficial interests represent our right to receive a portion of the residual cash flows from the underlying loans sold in connection with these transactions.

Risk sharing arrangements and beneficial interests are considered variable interests in the unconsolidated VIEs holding the loan assets transferred, as their value is exposed to the performance of those loans. For off-balance sheet VIEs where we hold variable interest, we have determined that our exposure to transaction economics is insignificant relative to the expected losses or residual returns.

As of March 31, 2026, the aggregate outstanding balance of loans held by third-party investors and off-balance sheet securitizations was \$9.4 billion. Refer to Note 9. Securitization and Variable Interest Entities and Note 12. Fair Value of Financial Assets and Liabilities of the accompanying notes to our interim condensed consolidated financial statements for more information.

Critical Accounting Policies and Estimates

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

We evaluate our critical accounting policies and estimates on an ongoing basis and update them as necessary based on changes in market conditions or factors specific to us. There have been no material changes in

our significant accounting policies or critical accounting estimates during the three and nine months ended March 31, 2026.

For a complete discussion of our significant accounting policies and critical accounting estimates, refer to our Annual Report on Form 10-K for the year ended June 30, 2025 within Note 2 to the Notes to Consolidated Financial Statements and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations— Critical Accounting Policies and Estimates.*”

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Interest Rate Risk

Our securities available for sale at fair value as of March 31, 2026, included \$752.1 million of marketable debt securities with maturities greater than three months. An increase in interest rates would have an adverse impact on the fair market value of our fixed rate securities while floating rate securities would produce less income than expected if interest rates were to decrease. Because our investment policy is to invest in conservative, liquid investments and because our business strategy does not rely on generating material returns from our investment portfolio, we do not expect our market risk exposure on marketable debt securities to be significant.

Continued volatility in interest rates and inflation, which may persist longer than previously expected, may adversely impact our consumers' spending levels, and ability and willingness to pay outstanding amounts owed to us. Elevated interest rates may lead to higher payment obligations on our future credit products but also for consumers' other financial commitments, including their mortgages, credit cards, and other types of loans. Therefore, elevated interest rates may lead to increased delinquencies, charge-offs, and allowances for loans and interest receivable, which could have an adverse effect on our operating results.

We rely on a variety of funding sources with varying degrees of interest rate sensitivities. Certain of our funding arrangements bear a variable interest rate. Given the fixed interest rates charged on the loans that we purchase from our originating bank partners or originate ourselves, a rising variable interest rate would reduce our interest margin earned in these funding arrangements. Additionally, certain of our loan sale agreements are repriced on a recurring basis using a mechanism tied to interest rates as well as loan performance. Increases in interest rates could reduce our loan sale economics. We also rely on securitization transactions, with notes typically bearing a fixed coupon. For future securitization issuances, higher interest rates could have several outcomes. For consolidated securitizations, higher interest rates may result in higher coupons paid and therefore higher funding costs. For transactions that are not consolidated, higher interest rates may impact overall deal economics which are a function of numerous transaction terms.

We maintain an interest rate risk management program which measures and manages the potential volatility of earnings that may arise from changes in interest rates. We use interest rate derivatives to mitigate the effects of changes in interest rates on our variable rate debt which eliminates some, but not all, of the interest rate risk. Some of these contracts are designated as cash flow hedges for accounting purposes. For those contracts designated as cash flow hedges, the effective portion of the gain or loss on the derivatives is recorded in other comprehensive income (loss) and is reclassified into funding costs in the same period the hedged transaction affects earnings. Factoring in the interest rate risk management program and the repricing of investment securities, as of March 31, 2026, we estimate that a hypothetical instantaneous 100 basis point upward parallel shock to interest rates would have a less than \$80.0 million adverse impact on our cash flows associated with our market risk sensitive instruments over the next 12 months. This measure projects the changes in cash flows associated with all assets and liabilities, including derivatives, based on contractual market rate-based repricing conditions over a twelve-month time horizon. It considers forecasted business growth and anticipated future funding mix.

Credit Risk

We have credit risk primarily related to our consumer loans held for investment. We are exposed to default risk on both loan receivables purchased from our originating bank partners and loan receivables that are directly originated. The ultimate collectability of a substantial portion of the loan portfolio is susceptible to changes in economic and market conditions. To manage this risk, we utilize our proprietary underwriting models to make lending decisions, score, and price loans in a manner that we believe is reflective of the credit risk. Other credit levers, such as user limits and/or down payment requirements, are used to determine the likelihood of a consumer being able to pay.

To monitor portfolio performance, we utilize a wide range of internal and external metrics to review user and loan populations. Each week, management reviews performance for each consumer segment, typically split by ITACs model score at the time of origination, financial product originated, age of loan, and delinquency status. Internal performance trendlines are measured against external factors such as unemployment, CPI, and consumer sentiment to determine what changes, if any, in risk strategy is warranted.

As of March 31, 2026 and June 30, 2025, we were exposed to credit risk on \$8.6 billion and \$7.0 billion, respectively, of loans held within our interim condensed consolidated balance sheet. Loan receivables are diversified geographically. As of both March 31, 2026 and June 30, 2025, approximately 11% and 10% of loan receivables related to customers residing in the states of California and Texas, respectively. No other states or provinces represent 10% or more of total loan receivables.

In addition, we have credit risk exposure in relation to certain off-balance sheet loans sold to third parties where we have entered into risk sharing arrangements, retained interests in unconsolidated securitization trusts and our residual interests in structured transactions. As of March 31, 2026 and June 30, 2025, we have sold \$11.2 billion and \$8.6 billion, respectively, in unpaid principal balance loans which are subject to risk sharing arrangements, of which our maximum exposure to losses was \$65.6 million and \$91.1 million, respectively. The fair value of notes receivable and residual trust certificate retained interests in unconsolidated securitization trusts was \$56.5 million and \$50.9 million as of March 31, 2026 and March 31, 2025, respectively. The fair value of residual interests in structured transactions was \$5.8 million as of March 31, 2026, of which our maximum exposure to losses was \$17.0 million.

We are also exposed to credit risk in the event of nonperformance by the financial institutions holding our cash and the issuers of our cash equivalents and available for sale securities. We maintain our cash deposits and cash equivalents in highly-rated, federally-insured financial institutions in excess of federally insured limits. We manage this risk by conducting business with well-established financial institutions, diversifying our counterparties and having guidelines regarding credit rating and investment maturities to safeguard liquidity. Although, we are not substantially dependent on a single financing source and have not historically experienced any credit losses related to these financial institutions, if multiple financing sources were to be unable to fulfill their funding obligations to us, it could have a material adverse effect on our financial condition, results of operations and cash flows.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (“CEO”) and our Chief Financial Officer (“CFO”), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our CEO and CFO concluded that such disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q and designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods specified in the applicable rules and forms and is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Control

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

Part II - Other Information

Item 1. Legal Proceedings

Please refer to Note 7. Commitments and Contingencies of the accompanying notes to our interim condensed consolidated financial statements.

From time to time, we may be subject to other legal proceedings and claims in the ordinary course of business. We are not presently a party to any such other legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

The risks described under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2025 could materially and adversely affect our business, financial condition, results of operations, cash flows, future prospects, and the trading price of our Class A common stock. The risks and uncertainties described therein are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we currently deem immaterial may also become important factors that adversely affect our business.

You should carefully read and consider such risks, together with all of the other information in our Annual Report on Form 10-K for the fiscal year ended June 30, 2025, in this Quarterly Report on Form 10-Q (including the disclosures in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in our interim condensed consolidated financial statements and related notes), and in the other documents that we file with the SEC.

Except as may be reflected in the updated risk factor included below, there have been no material changes from the risk factors previously disclosed under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2025.

Risks Related to Our Business and Industry

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

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

We cannot guarantee that these funding arrangements will continue to be available on favorable terms or at all, and our funding strategy may change over time and depends on the availability of such funding arrangements. Disruptions in the credit markets or other factors, such as the current inflationary environment, elevated interest rates and increasing recessionary concerns, could adversely affect the availability, diversity, cost, and terms of our funding arrangements.

In addition, our funding sources may reassess their exposure to our industry and either curtail access to uncommitted financing capacity, fail to renew or extend facilities, or impose higher costs to access funding. While most of our facilities are committed capital, some facilities are uncommitted, which may allow such funding providers to, among other things, reduce available funding limits, subject to certain structural protections (including penalty fees in certain transactions). Further, our debt financing and loan sale forward flow facilities are generally fixed term in nature, with term lengths ranging between one to three years, during which we have access to committed and uncommitted capital pursuant to such facilities. If our existing funding arrangements are not renewed or replaced or our existing funding sources are unwilling or unable to provide funding to us on terms acceptable to us, or at all, we may need to secure additional sources of funding or reduce our operations. The availability and diversity of our funding arrangements depends on various factors and are subject to numerous risks, many of which are outside of our control.

A portion of our funding is provided by private credit funds and other institutional investors through forward flow arrangements. These counterparties are subject to their own liquidity, fundraising, leverage, and market conditions. In particular, certain of these counterparties may be structured as pooled investment vehicles whose investors may request redemptions or be unable to meet capital calls, which could limit the funds available to purchase loans from us. One or more of these counterparties have experienced redemption pressures in the past, and if additional counterparties experience redemption pressures, fundraising shortfalls, or have other constraints on available capital, they may be unable to fulfill purchase commitments (which may constitute a default under the respective forward flow arrangement), seek to renegotiate commercial terms, or fail to renew existing arrangements. Any such reduction in participation could reduce our funding capacity, increase our cost of funds, require us to retain more loans on our balance sheet, or constrain our ability to originate loans, any of which could adversely affect our business, financial condition, and results of operations.

The agreements governing our funding arrangements require us to comply with certain covenants. A breach of such covenants or other events of default under our funding agreements could result in the reduction or termination of our access to such funding, could increase our cost of such funding or, in some cases, could give our lenders the right to require repayment of such funding prior to its scheduled maturity. Certain of these covenants are tied to our consumer default rates, which may be significantly affected by factors, such as economic downturns, inflationary conditions, elevated interest rates and/or general economic conditions, that are beyond our control and beyond the control of individual consumers. In addition, our revolving credit facility contains (a) certain covenants and restrictions that limit our and our subsidiaries' ability to, among other things: incur additional debt; create liens on certain assets; pay dividends on or make distributions in respect of their capital stock or make other restricted payments; consolidate, merge, sell, or otherwise dispose of all or substantially all of their assets; and enter into certain transactions with their affiliates, and (b) certain financial maintenance covenants that require us and our subsidiaries to not exceed a specified leverage ratio, to maintain a minimum tangible net worth, and to maintain a minimum level of unrestricted cash while any borrowings under the revolving credit facility are outstanding.

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

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(c) ***Rule 10b5-1 Trading Plans***

During the three months ended March 31, 2026, no directors or officers of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement”, as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

| Exhibit Number | Description | Incorporated by Reference | | | | Filed Herewith |
|----------------|---|---------------------------|----------|---------|-------------|----------------|
| | | Form | File No. | Exhibit | Filing Date | |
| 31.1 | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 32.1 | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 32.2 | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 101.INS | XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document | | | | | X |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document | | | | | X |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document | | | | | X |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document | | | | | X |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document | | | | | X |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document | | | | | X |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) | | | | | X |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized,

Date: May 7, 2026

AFFIRM HOLDINGS, INC.

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

By: /s/ Rob O'Hare
Rob O'Hare
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Max Levchin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Affirm Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

/s/ Max Levchin

Max Levchin
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Rob O'Hare, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Affirm Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

/s/ Rob O'Hare

Rob O'Hare

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Dated: May 7, 2026

/s/ Max Levchin

Max Levchin

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Dated: May 7, 2026

/s/ Rob O'Hare

Rob O'Hare

Chief Financial Officer

(Principal Financial Officer)