



Key Partnerships

Shopify and Affirm are partnering to launch 'Shop Pay Installments' a combo of **Shopify Pay + Affirm's BNPL offering** across Shopify's merchant network

Brightpay Acquisition in 2020 gives Affirm a pipeline into the Canadian market

Returnly Acquisition in 2021 allows Affirm to offer more value to merchants in the eCommerce returns process, increasing loyalty and potentially spend

More Partnerships likely as market grows

Key Resources

Brand, Technology, Partners

- In Financial Services, trust is paramount. Affirm brand is trusted
- Tech stack becomes more of a resource as industry grows
- Shopify Partnership gives Affirm an edge

Key Activities

Scaling with Shopify, In-Store Card

- New 'Shop Pay Installments' Partnership will enable scale of core BNPL product
- In-Store card rollout creates new business model possibilities

Value Proposition

Allows consumers to **Buy-Now and Pay-Later (BNPL)** in 4 installments without fees or interest

- **Alternative** to Credit Cards for Consumers
- **Marketing and Loyalty Channel** for Merchants, increasing AOV and Retention
- **Savings Account** to help Consumers save more money



Customer Relationships

In-App and Via Merchants

- Affirm's app is used to manage all details of transactions
- In-store and online, customers can pay with Affirm.
- **Returnly** for returns

Channels

Affirm app, Merchants Channels

- The Merchants main channels is their online store and physical retail store
- Affirm deals with all the BNPL details of the transaction in-app

Customer Segments

Merchants with large online presence, some physical retailers

- Big retailers like Walmart, fashion retailers like Neiman Marcus, many niche eCommerce brands

Popularized with younger Generations (Millennials and GenZ).

- Young Generations were the initial growth segment

- Becoming more popular with Gen X and Boomers in recent months.

- Pandemic caused acceleration

Cost Structure

Technology- Pace of industry growth requires new technology development across front and back-end of tech stack. Investing in partner integrations with Shopify & other platforms

Risk Management - Affirm's business model requires them to manage credit risk more so than other BNPL Players (higher Average Spend, etc). Must invest in Risk Management

Revenue Streams

Network Revenue: approximately 50% of Affirm's revenue (Q3 '21) comes from 'Merchant Network Revenue' and affiliated streams - **Take Rates** are ~5% of transaction value

Interest Income: another ~50% relates to 'Interest Income' and affiliated streams (from their other BNPL product) offered to Merchants for their customers to pay back certain rates