

Morgan Stanley - Getting Back to Business Conference

ASX:SZL

11 June 2020

Presenters

Charlie Youakim - Executive Chairman and CEO

Karen Hartje - Chief Financial Officer



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All financial figures are expressed in U.S. dollars unless otherwise stated.

AGENDA

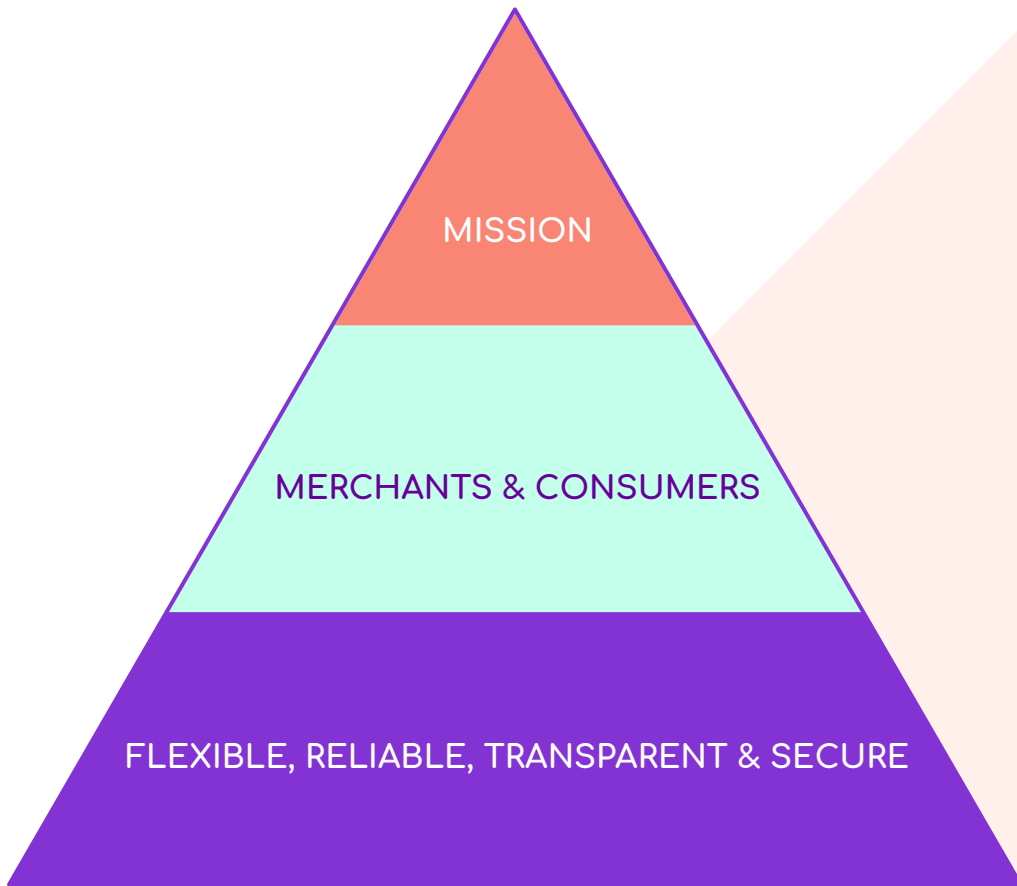
- 1 A purpose-driven mission
- 2 A Public Benefit Corporation
- 3 Compelling investment case
- 4 Responsibly managing the business and growth
- 5 Expanding and uptiering merchant relationships
- 6 Evolving through innovation
- 7 COVID-19 and 2020 performance



OUR MISSION

Financially
empower the next
generation

Accomplished by
enabling merchants to
offer customer-friendly
credit alternatives



Public Benefit Corp: Putting our actions where our heart is

The first step to becoming a B Corp.

Changing the world through the way we run our business:

- looking after employees
- bettering our community
- preserving the environment

Purpose-driven and creating benefits for all stakeholders.



Compelling investment case

SUPERIOR GROWTH

Triple-digit growth YoY in revenue, consumers and merchants in 2018, 2019 and 1Q20.

MARKET OPPORTUNITY

US - Over US\$5.4T retail market, eCommerce ~11% (2019).
CD - US\$461.1B retail market, eCommerce ~6% (2019).
AUS - US\$215B retail market (2019).

POSITIVE UNIT ECONOMICS

NTM turned positive ahead of schedule in 2019 and continues positive trajectory in 2020.

CONSUMER-FIRST BRAND

Enjoyed on multiple platforms. Trustpilot (4.8 stars out of 5) and Facebook (4.7).

LEVERAGING NETWORK

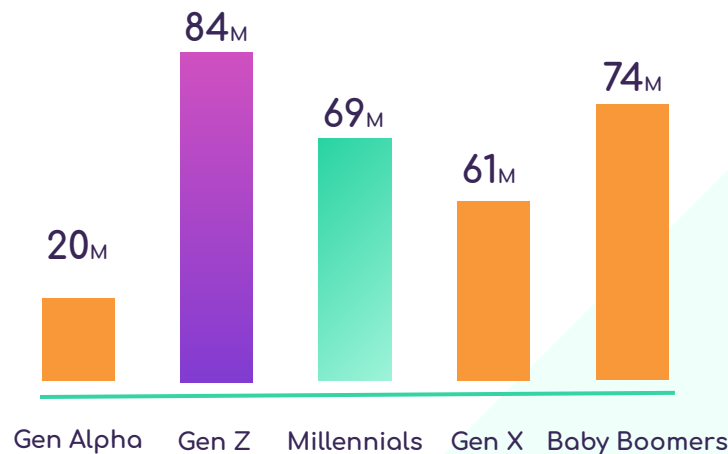
Over 1.3M consumers, over 14.9K merchants, and ~70% of merchant additions are inbound.

PROPRIETARY TECHNOLOGY

Real-time credit underwriting developed and managed by Sezzle engineers and data scientists.

An opportunity too big to ignore

ESTIMATED US CONSUMER POPULATION 2020



25%

Of spending power will belong to Gen Z

67%

Millennials have a sub or non-prime credit score

Our consumer demographics (generational and income) reinforce our mission

74.5%

53.7%

Sezzle Consumer
Generational
Breakdown

20.8%

20.5%

4.8%

0.2%

Gen Z

Millennials

Gen X

Baby Boomers

Silent

67%

Sezzle Consumer
Income Levels

(U.S. Median
Household Income in
2018 - US\$61,937)

19%

14%

<US\$60K

US\$60K-80K

>US\$80K

*Based on Users with Income in Credit Report

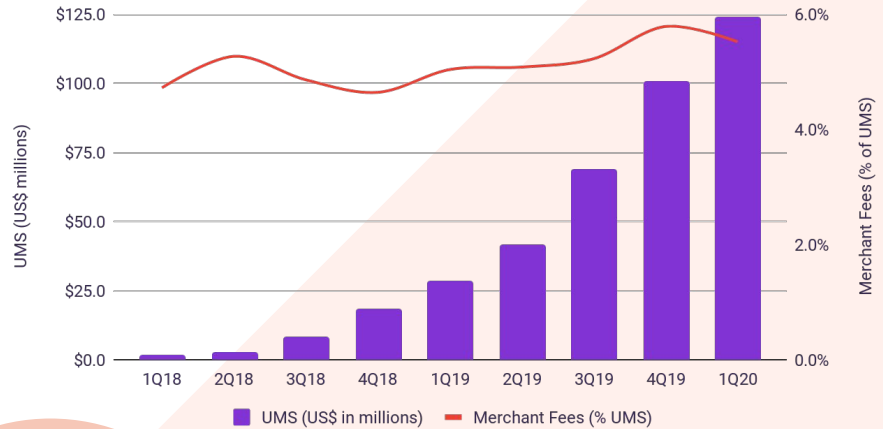
Responsibly managing the business and growth

Growing not just for the sake of growth, but responsibly for all stakeholders.

Leading Loss Indicators Trending Favorably:

- Collection rates improved YoY and MoM
 - By weekly cohort
 - 1st, 2nd, 3rd and 4th payment
- Rescheduled payments improving
- Dispute rates declining

STRONG GROWTH WHILE MAINTAINING FEES



US

Cabela's



Bodega

TOUCH OF
MODERN

Expanding and uptiering merchant relationships

- Presented brands represent over US\$9B in Gross Merchandise Volume.
- Over 1,100 merchants added in April.
- In excess of 14.9K total merchants.

CANADA

SoftMoc



G-SHOCK



knix

LIVESTOCK

Momentum is building in all key verticals

APPAREL &
ACCESSORIES



LEISURE AND
HOBBIES



BEAUTY &
COSMETICS



HEALTH &
FITNESS



MISCELLANEOUS



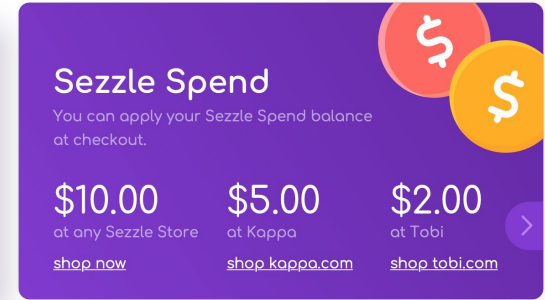
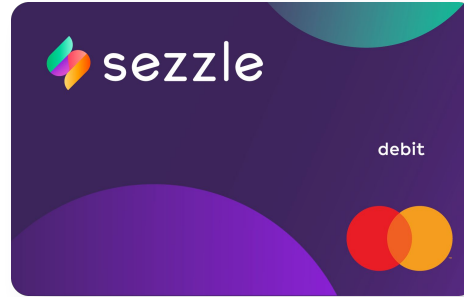
HOME AND
ELECTRONICS



2020 Product Innovation

Complete solutions for all of your installment needs inspired by consumer research.

- In-store via Sezzle Virtual Card or Direct POS Integration
- Sezzle Up - Credit Building
- Sezzle Spend - Rewards
- Sezzle Anywhere - Affiliate/Gift Card Enablement

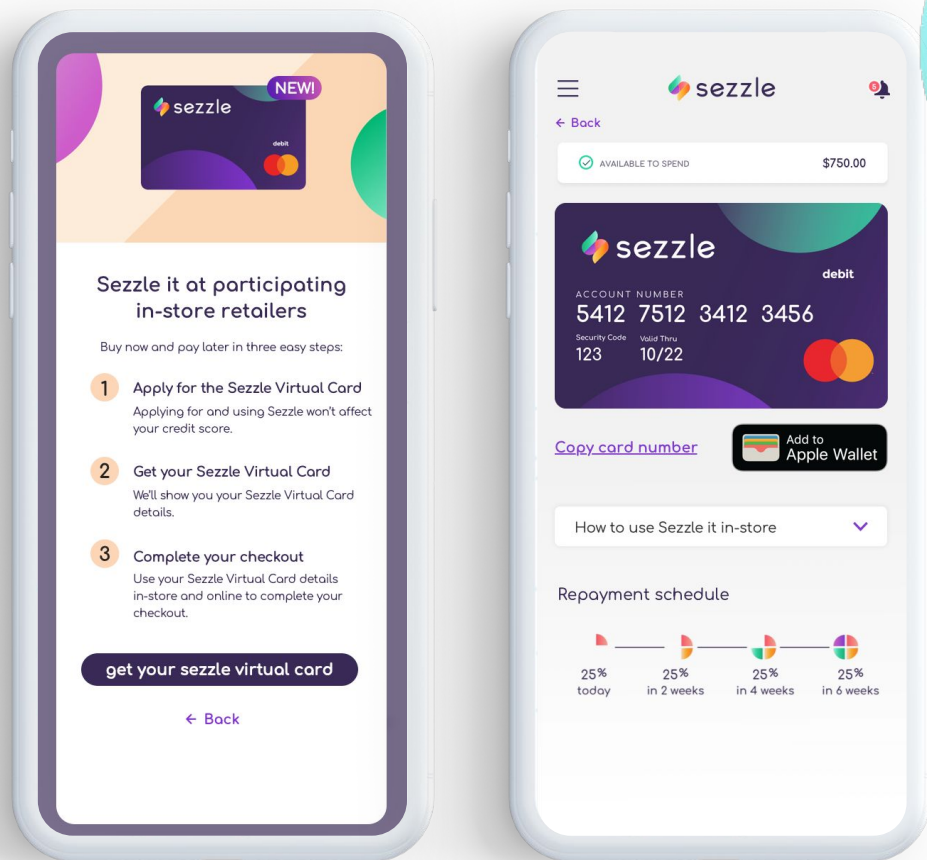


sezzle up

Sezzle In-Store

Our virtual card solution enables effortless pilots and testing with enterprise retail partners - both online and offline, with tap through Google and Apple wallets.

In-store solutions leverage the virtual card solution and other digital methods, such as barcode - both in the Sezzle app, and in our merchant partner mobile applications.



Sezzle Up

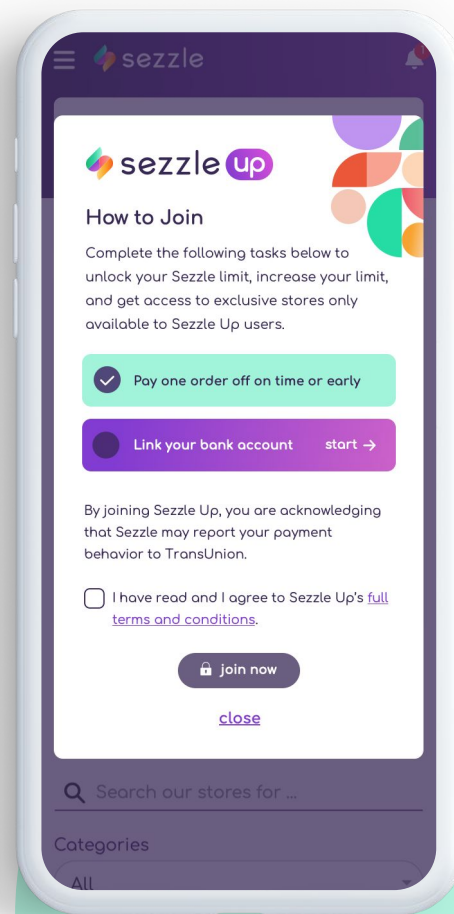
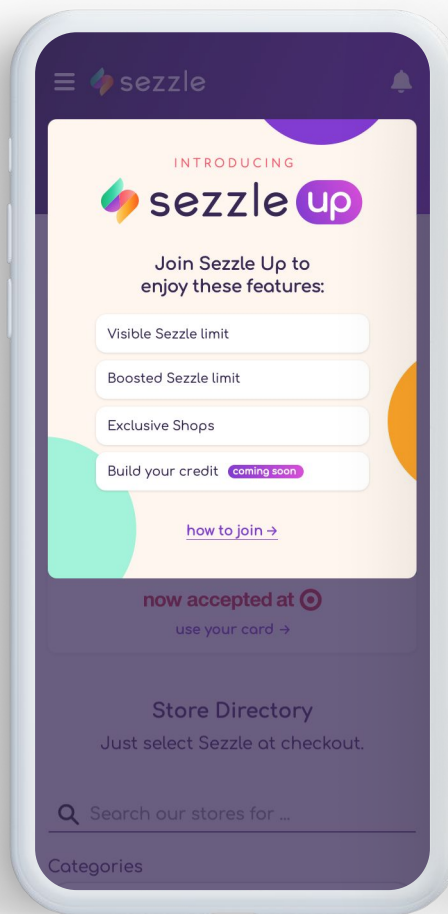
We started with a problem statement: “How might we promote our mission of financial empowerment, acquire and obtain more users, and reduce costs?”

Sezzle Up is an “upgraded” version of the Sezzle experience. By joining Sezzle Up:

- a customer builds credit by keeping the account in good standing,

- a customer will have access to Sezzle Anywhere, and

A key requirement to join is for a user to link a bank account and set it as primary, allowing Sezzle to significantly reduce processing costs.

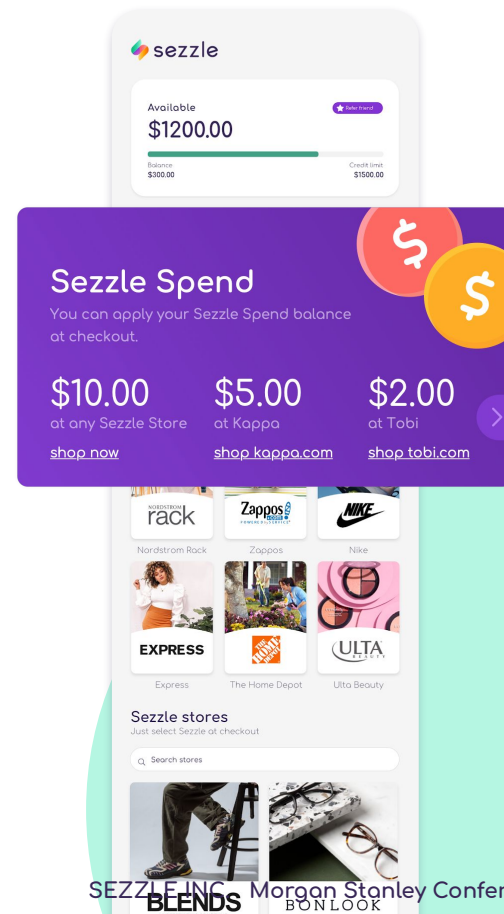


Sezzle Spend

Sezzle Spend is our rewards program. Sezzle Spend can be used to increase loyalty to Sezzle and our retail partners, and incentivize certain actions like:

- shopping
- adding a bank account and using it to pay for installments
- downloading or opening the app
- sharing a purchase on social media
- participating in a new program
- keeping an account current

Sezzle Spend will also be used as a customer acquisition tool, via a P2P referral program, and as a marketing tool for merchants.



Sezzle Anywhere

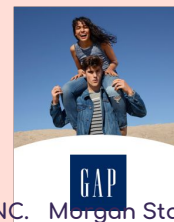
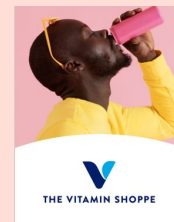
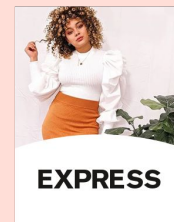
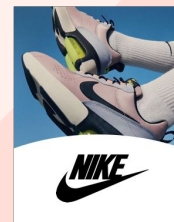
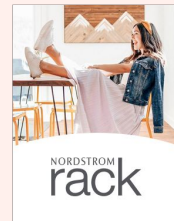
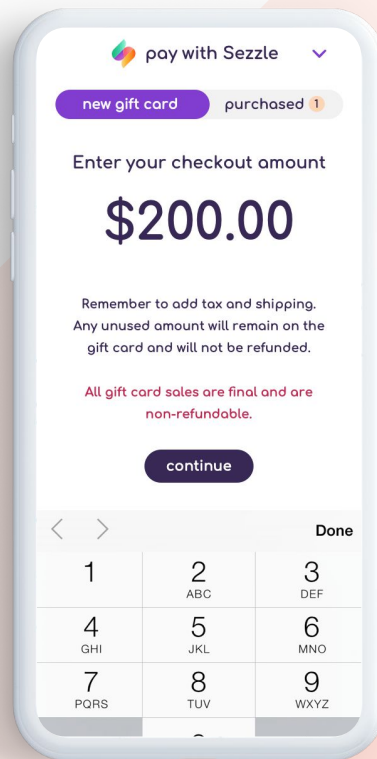
Allowing users to #SezzleIt at highly-requested stores without Sezzle having a direct partnership with those stores.

Gift Cards

Sezzle buys gift cards at a discount and sells them at face value.

Monetized links

Sezzle gets affiliate revenue for each order placed using Sezzle's unique affiliate links.



COVID-19 response

EMPLOYEES

- Mandatory work-from-home policy and suspended all business travel
 - All necessary systems to support a fully remote team
 - Unlimited sick time for anyone experiencing symptoms
- Results: eNPS (employee Net Promoter Score) reached all-time high in March

MERCHANT PARTNERS

- Increased support and communication
 - Raised the bar for our merchant partners
- Results: Accelerating merchant signups

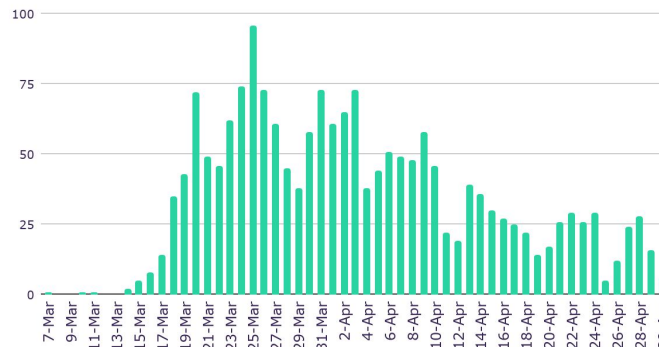
COMMUNITY

- Promoting dollar-for-dollar charitable match program to all employees making personal donations.
- Employee-led donation drive for Second Harvest Heartland, a food bank working to end local hunger.
- Goal of becoming a B Corp.

CONSUMERS

- Expanded fee forgiveness and payment flexibility programs
 - Allow Sezzle shoppers up to two free reschedules per order
 - Continue to evaluate additional payment flexibility to support our shoppers
- Results: User experience remains high - Trustpilot (4.8 stars out of 5) and Facebook (4.7)

COVID-19 Hardship Requests (7 Mar - 30 Apr)



COVID-19: U.S. Government Stimulus and Financial Relief

A broad range of monetary and fiscal stimulus has been taken to combat the disruption caused by COVID-19.

MONETARY

- Interest rate cuts
 - Fed funds rate cut twice to 0.0%-0.25%
- Loans and asset purchases
 - Most notably, QE (Quantitative Easing) reopened 15 March.
- Regulation changes
 - Lowered capital restrictions

FISCAL

- Phase 1 (6 March) - US\$8.3 billion
- Phase 2 (18 March) - US\$3.4 billion
- Phase 3 (27 March) - US\$2.3 trillion
- Phase 3.5 (24 April) - US\$484 billion
- Supplemental
 - State of emergency - US\$50 billion
 - Tax deadline extension - US\$300 billion liquidity

Next? The HEROES Act for US\$3 trillion. Health and Economic Recovery Omnibus Emergency Solutions Act

Coronavirus Aid, Relief, and Economic Security Act

Sezzle stakeholder relief:

Individuals

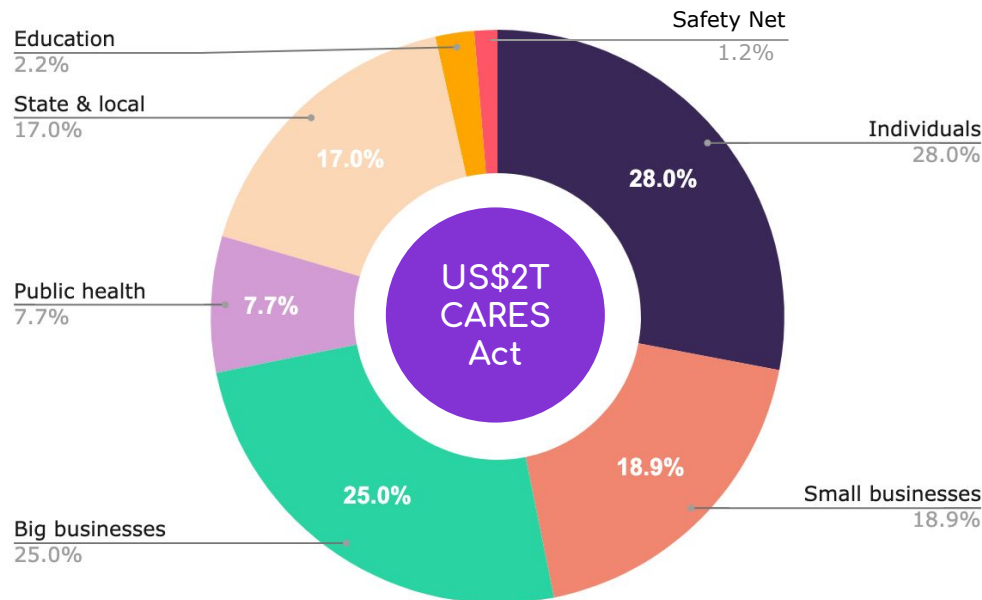
- Cash payments (e.g., US\$1,200 if earn < US\$75k)
- Additional US\$600 of unemployment per week
- Taxes due deferred 3 months (July 15th instead of April 15th)

Small businesses

Paycheck Protection Program (PPP)

Education

Student loan and interest payments are deferred through Sept. 30th.



Strong balance sheet

Healthy Capital Position

- US\$36.6 million of cash and cash equivalents at 31 March.
- US\$100.0 million funding facility (matures May 2022)
 - Only US\$25.7 million drawn on the facility

Positioned for future growth

- Every additional dollar of capital supports US\$14 of Underlying Merchant Sales

(US\$'000s)	31-Mar-2020	31-Dec-2019
Cash and cash equivalents	\$ 36,647	\$ 34,965
Restricted cash	\$ 2,297	\$ 1,660
Total cash	\$ 38,944	\$ 36,625
Long term debt	\$ 250	\$ 250
Line of credit	\$ 25,650	\$ 20,859
Total debt	\$ 25,900	\$ 21,109

Positive Momentum in 2020

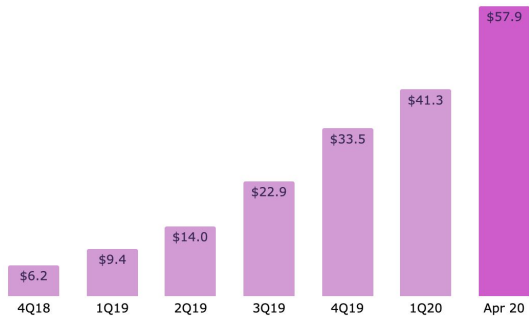
Q1 HIGHLIGHTS

- UMS surged 321% YoY to a record US\$119.4m
 - Active Customers rose 326% YoY
- Active Merchant growth jumped 27% QoQ
- Merchant fees rose to 5.7% of UMS (5.5% 4Q19)
- Repeat Usage improved 190bps to 85.6% (QoQ)
 - NTM continues to trend positively

APRIL TRENDS

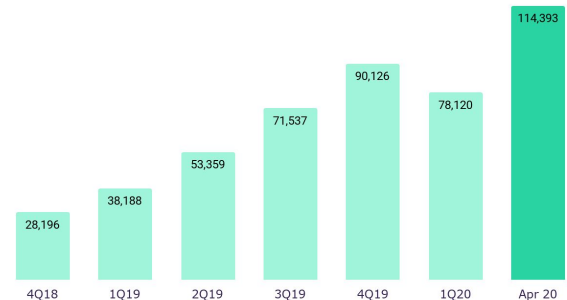
- UMS of \$57.9m (1-month record)
- Added 114.4k Active Customers (1-month record)
- Over 1,100 Active Merchants added (1-month record)
- Leading loss indicators - steady to improving
 - Merchant fees remain resilient in April
 - NTM maintains positive trajectory

AVERAGE MONTHLY UMS US\$ MILLION



MAY
HIGHER
daily UMS pace
than April

AVERAGE MONTHLY ACTIVE CUSTOMER ADDITIONS



Questions & Answers

Thank You

