



Second Quarter 2024 Earnings Presentation

A u g u s t 7 , 2 0 2 4

Disclaimer

Cautionary Note Regarding Forward-Looking Statements

This presentation (the "Presentation") contains summary information about the activities of Sezzle as of the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete and the information in the Presentation remains subject to change without notice. Also, the information in the Presentation should not be relied upon as advice to potential investors or current shareholders. This Presentation has been prepared without taking into account the objectives, financial situation or needs of any particular prospective investor or current shareholder. Before making an investment decision, prospective investors and current shareholders should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. The Presentation also includes information regarding our market and industry that is derived from publicly available third-party sources that have not been independently verified by Sezzle.

This Presentation contains certain "forward-looking statements" under 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"), including, but not limited to, statements regarding our anticipated new products, our ability to gain future market share, our timeline and intentions relating to operations in international markets, our strategy, our future operations, our financial position, our estimated revenues and losses, our projected costs, our prospects, and the plans and objectives of management. These forward-looking statements are generally identified by the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" or other words or expressions of similar meaning (or the negative versions of such words or expressions). These forward-looking statements are subject to a number of risks and uncertainties, including those set out in this Presentation, but not limited to: (i) impact of the "buy-now, pay-later" ("BNPL") industry becoming subject to increased regulatory scrutiny; (ii) impact of operating in a highly competitive industry; (iii) impact of macro-economic conditions on consumer spending; (iv) our ability to increase our merchant network, our base of consumers and Underlying Merchant Sales ("UMS"); (v) our ability to effectively manage growth, sustain our growth rate and maintain our market share; (vi) our ability to maintain adequate access to capital in order to meet the capital requirements of our business; (vii) impact of exposure to consumer bad debts and insolvency of merchants; (viii) impact of the integration, support and prominent presentation of our platform by our merchants; (ix) impact of any data security breaches, cyberattacks, employee or other internal misconduct, malware, phishing or ransomware, physical security breaches, natural disasters, or similar disruptions; (x) impact of key vendors or merchants failing to comply with legal or regulatory requirements or to provide various services that are important to our operations; (xi) impact of the loss of key partners and merchant relationships; (xii) impact of exchange rate fluctuations in the international markets in which we operate; (xiii) impact of our delisting from the Australian Securities Exchange and trading on the Nasdaq Capital Market as our sole trading exchange; (xiv) our ability to protect our intellectual property rights and third party allegations of the misappropriation of intellectual property rights; (xv) our ability to retain employees and recruit additional employees; (xvi) impact of the costs of complying with various laws and regulations applicable to the BNPL industry in the United States and Canada; (xvii) our ability to achieve our public benefit purpose and maintain our B Corporation certification; and (xviii) the other factors identified in the "Risk Factors" section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on February 29, 2024, subsequent quarterly reports on Form 10-Q, and subsequent reports on Form 8-K. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Nevertheless, and despite the fact that management's expectations and estimates are based on assumptions management believes to be reasonable and data management believes to be reliable, our actual results, performance or achievements are subject to future risks and uncertainties, any of which could materially affect our actual performance. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements to reflect events or circumstances after the date of this Presentation.

This Presentation has been prepared in good faith, but no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness, reliability or adequacy of any statements, estimates, opinions or other information, or the reasonableness of any assumption or other statement, contained in the Presentation (any of which may change without notice). All financial figures are expressed in U.S. dollars unless otherwise stated.

In addition to financial measures presented in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), this Presentation includes certain financial information (including Underlying Merchant Sales ("UMS"), Active Subscribers and Active Consumers, which has been provided as supplemental measures of operating performance that are key metrics used by management to assess Sezzle's growth and operating performance. For example, UMS is an operating metric in assessing the volume of transactions that take place on the Sezzle Platform, which is an indicator of the success of our merchants and the strength of the Sezzle Platform. Sezzle also use these operating metrics in order to evaluate the effectiveness of our business strategies, to make budgeting decisions, and to compare our performance against that of other peer companies using similar measures. UMS, Active Subscribers and Active Consumers do not represent revenue earned by Sezzle, are not components of Sezzle's income or included within Sezzle's financial results prepared in accordance with GAAP. The UMS, Active Subscribers and Active Consumers financial measures used by Sezzle may differ from the non-U.S. GAAP financial measures used by other companies.

No Offer or Solicitation

This report shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act or pursuant to another available exemption.

Trusted & Profitable BNPL Platform

New Awards 2024:



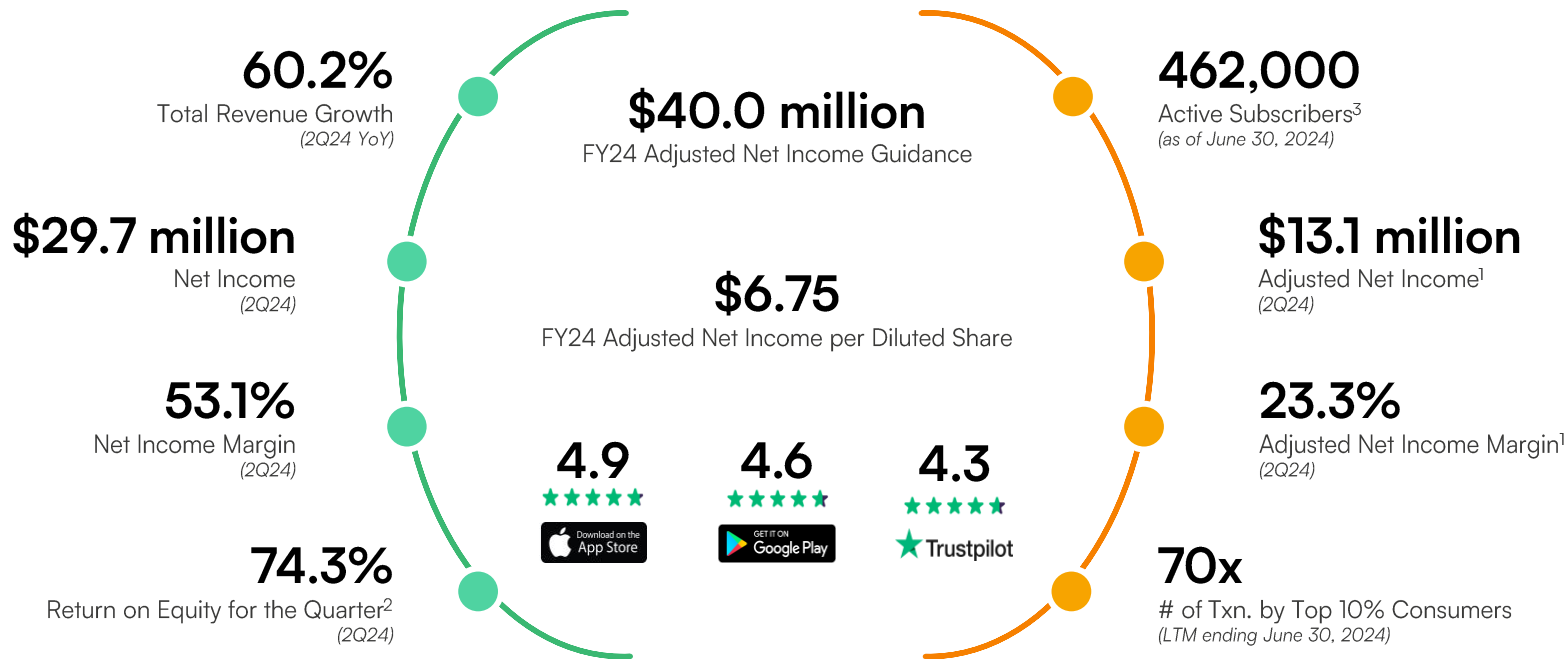
World's Top 250
Fintech Companies

Worth

Impact 150: Leading
Sustainability Progress

MINNEAPOLIS/ST. PAUL
BUSINESS JOURNAL

Fastest-growing Public
Companies in Minnesota



¹ Adjusted Net Income and Adjusted Net Income Margin (defined as Adjusted Net Income (Loss) as a percentage of Total Revenue) are non-GAAP financial measures. For a reconciliation of Net Income to Adjusted Net Income, see Appendix III. The adjustment for the quarter ending June 30, 2024, consists of (\$16.8M) related to the release of deferred tax asset valuation allowance and \$0.3M related to the loss on extinguishment of debt.

² Return on Equity is calculated by taking 2Q24 Net Income divided by the average of the beginning and ending balances of Stockholders' Equity for the respective period.

³ Active Subscribers are rounded to the nearest thousand.

Our Guiding Principles

1



Positively Affecting Profitability

2



Increasing Consumer Lifetime Value (LTV)

3

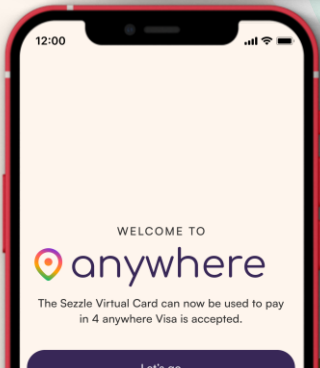
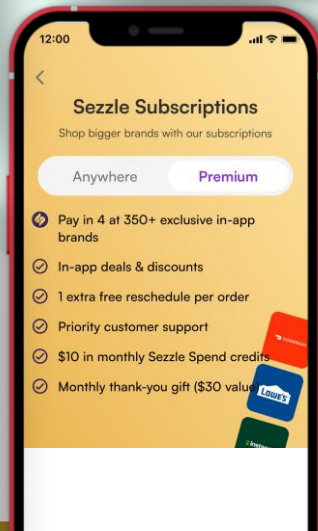
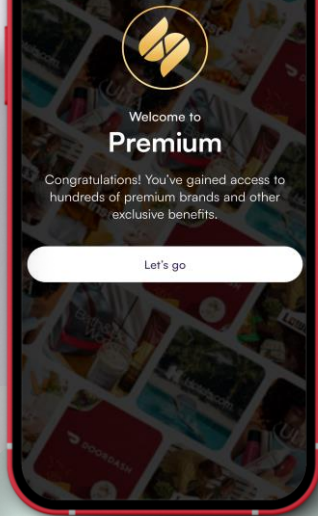
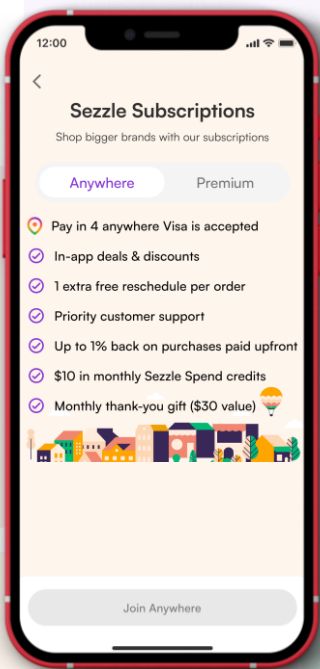


Acquiring New Users

4




Enhancing Stakeholder Satisfaction




Providing an Elevated Experience

462,000 Active Subscribers¹ Across Premium & Anywhere

NPS⁴

ANYWHERE
74 (6 Pts QoQ )

PREMIUM
57 (7 Pts QoQ )

~36%

In-store Orders as %
of Total Anywhere
Orders²

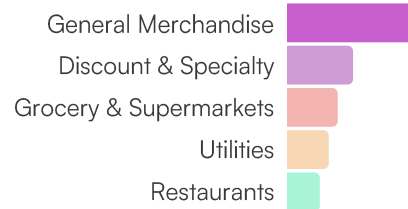
~29x

Top 10% Anywhere
Subscribers 90-days
Frequency³

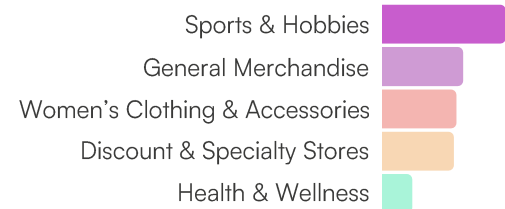
~7+

More Orders from
Subscribers vs. Non-
Subscribers during
2Q24 on Average

Top 5 Anywhere Verticals



Top 5 Non-Anywhere Verticals

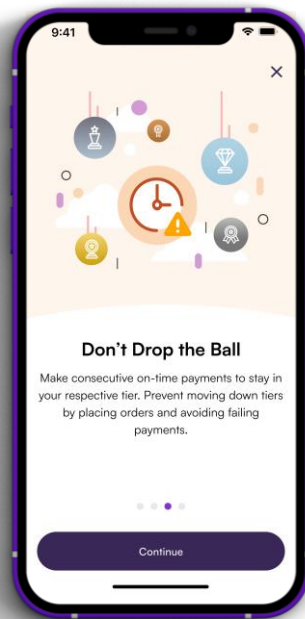
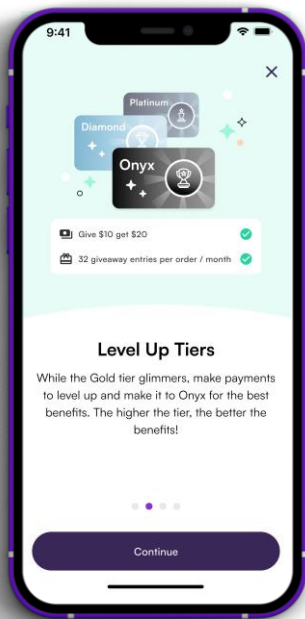
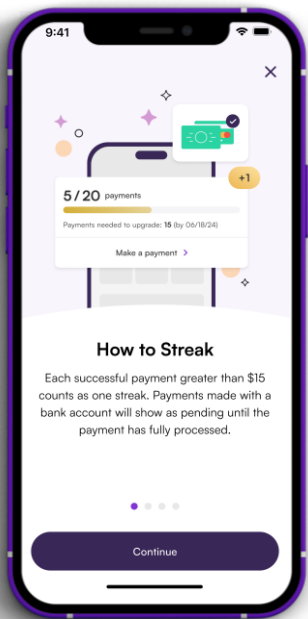


¹ As of June 30, 2024; Active Subscribers rounded to the nearest thousand. ² Orders placed during 2Q24. ³ Date as of July 1, 2024.

⁴ NPS as of July 1, 2024.

Fostering Financial Responsibility Through Gamification

Payment Streaks



- ✓ Seamlessly manage payments, unlock perks, and embark on a journey towards financial wellness
- ✓ Ascend through loyalty tiers for consistent & timely payments
- ✓ Benefits¹ include entries in monthly giveaways, bonuses, and failed payment fee forgiveness
- ✓ Now available in both the US & Canada

¹ Benefits vary by tiers.

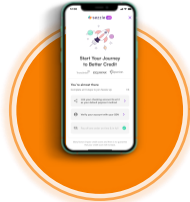
Innovation Expands Reach and Lifetime Value

Consumer Lifetime Value (LTV)



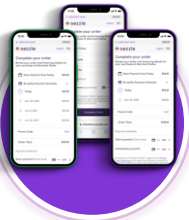
Premium & Anywhere **Subscription** (2022 & 2023)

- Premium: Access to 350+ Premium Merchants & Gift Card platform partners
- Anywhere: Provides consumers the ability to shop anywhere Visa is accepted



Sezzle Up **Credit Reporting** (2021)

- Free to opt-in credit builder
- Reports consumer payments to credit bureaus to help users build credit through BNPL



Pay-in-4, Pay-in-Full, Pay-in-2 **Direct Integration** (2017¹)

- User generally acquired at point of checkout
- Shops at select Sezzle merchants

4Q24

Bank Sponsorship

Immediate Benefits

- Launch of On-Demand Product
- Unification of Fees
- Streamline Regulatory Approach

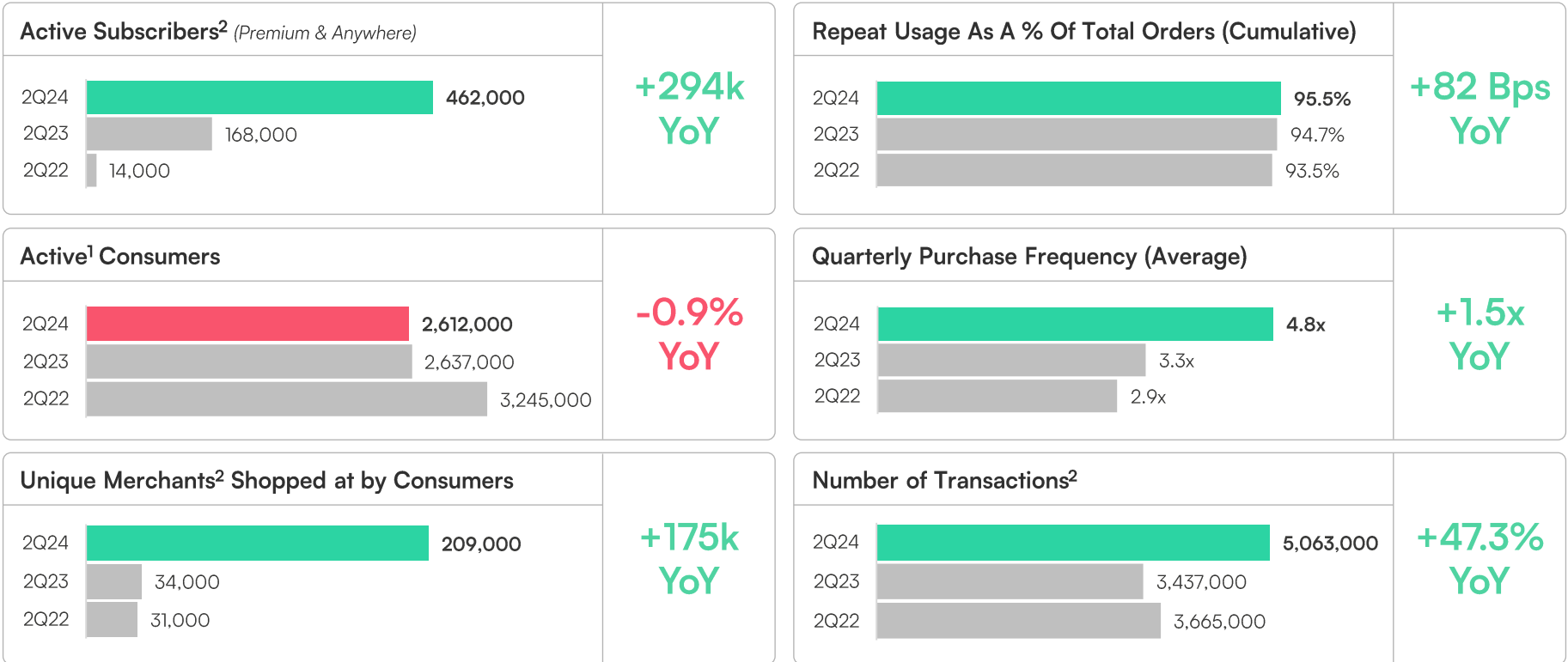
Potential Future Products

- Checking Accounts
- Cash Advances
- Credit Building Products

¹Pay-in-4 was first introduced in 2017, followed by Pay-in-Full in 2022, and the subsequent launch of Pay-in-2 in 2023.

Time

2Q24 YoY Engagement Metrics

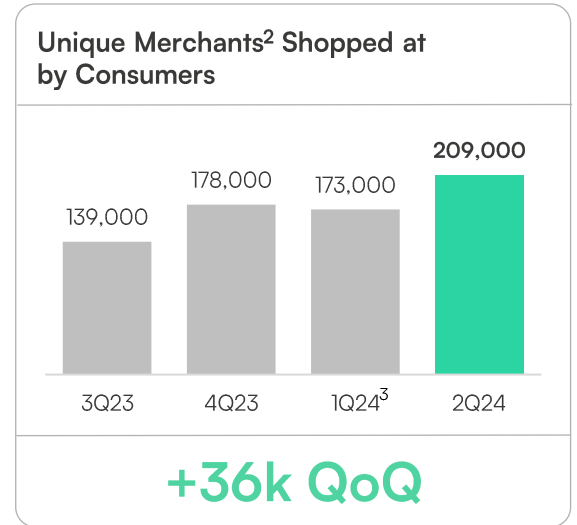
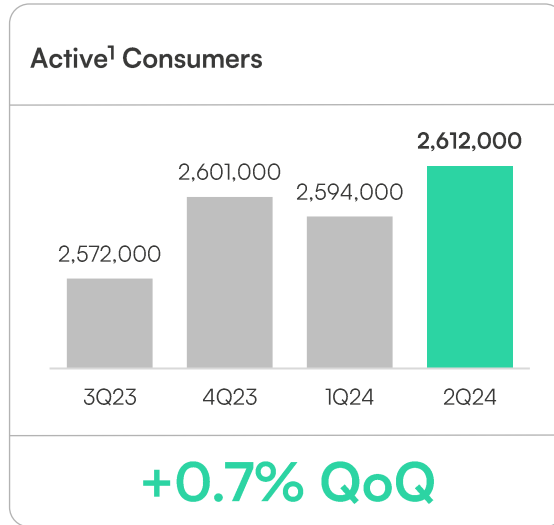
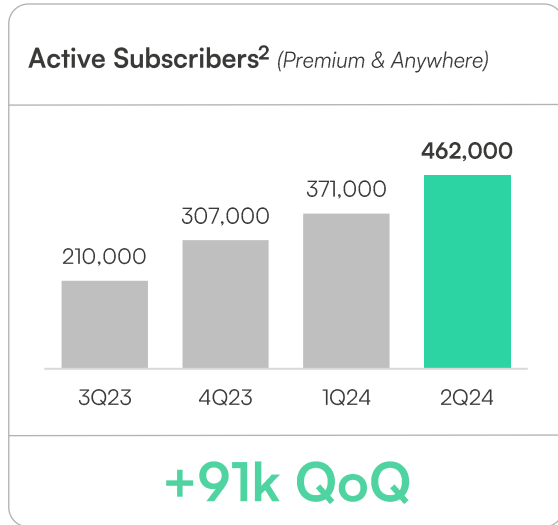


¹ Active is defined as having had at least one transaction through the Sezzle Platform in the last twelve months, not subject to a minimum required number of transactions criteria (Consumers rounded to nearest thousand).

² Active Subscribers, Unique Merchants, and Number of Transactions are rounded to the nearest thousand.

Note: Active Consumer and Number of Transactions numbers have been adjusted to exclude Brazil, Europe, and India, which have been discontinued.

Last Twelve Months (LTM) QoQ Engagement Metrics



¹ Active is defined as having had at least one transaction through the Sezzle Platform in the last twelve months, not subject to a minimum required number of transactions criteria (Consumers rounded to nearest thousand).

² Active Subscribers and Unique Merchants are rounded to the nearest thousand.

³ Previously reported as 149,000. Revised to 173,000 based on further analysis of unique merchant classifications.

YoY Progression Overview

	2Q23	2Q24	YoY Change
Total Revenue	\$34.9M	\$56.0M	60.2% ↑
Net Income	\$1.1M	\$29.7M	2,505.9% ↑
Adjusted Net Income (Loss) ¹	(\$0.2M)	\$13.1M	6,952.5% ↑
Adjusted EBITDA Margin ²	18.3%	32.9%	14.6 Pts ↑
Total Revenue Less Transaction Related Costs ³ as a % of Total Revenue	53.7%	57.6%	3.9 Pts ↑
Non-Transaction Related OpEx ⁴ as a % of Total Revenue	54.2%	32.9%	-21.3 Pts ↓

¹Adjusted Net Income (Loss) is a non-GAAP financial measure. For a reconciliation of Net Income and Adjusted Net Income (Loss), see Appendix III.

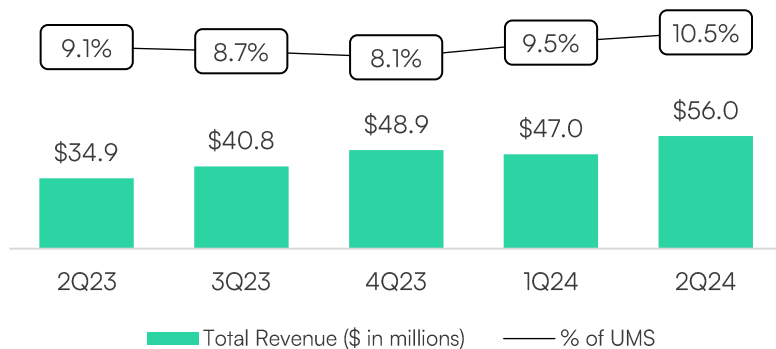
²Adjusted EBITDA Margin is a non-GAAP financial measure equal to non-GAAP Adjusted EBITDA divided by Total Revenue. For a reconciliation of Net Income to non-GAAP Adjusted EBITDA, see Appendix II.

³Total Revenue Less Transaction Related Costs is a non-GAAP financial measure. For a reconciliation of Operating Income and Total Revenue Less Transaction Related Costs, see Appendix I.

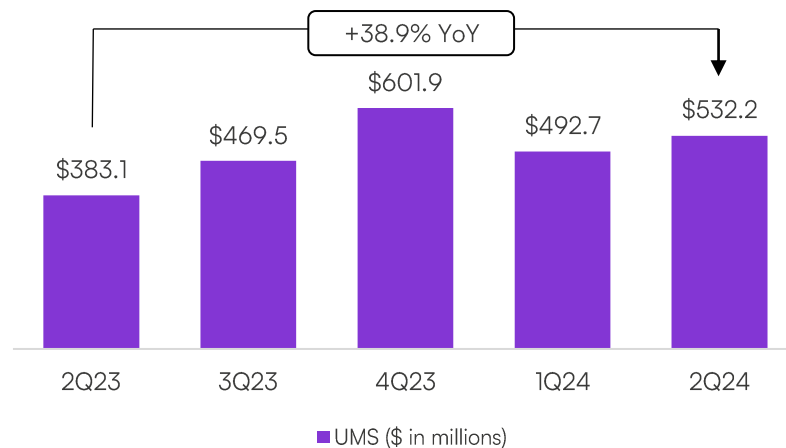
⁴Non-transaction Related Operating Expenses is a non-GAAP financial measure and is equal to Personnel, Third-Party Technology and Data, Marketing, Advertising, and Tradeshows, and General and Administrative Operating Expenses. See Appendix I for reconciliation of Non-transaction Related Operating Expenses and respective definitions.

Total Revenue & UMS

Total Revenue

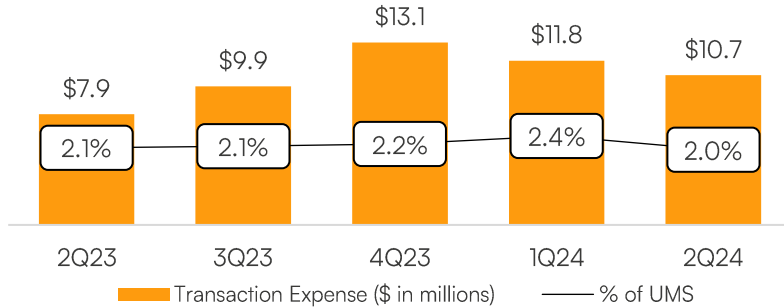


Underlying Merchant Sales (UMS)

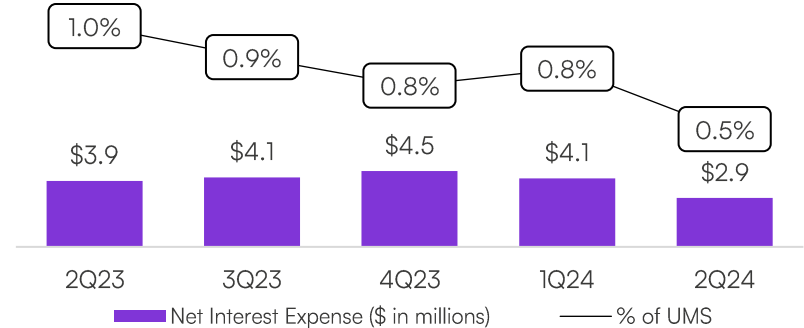


Transaction Related Costs

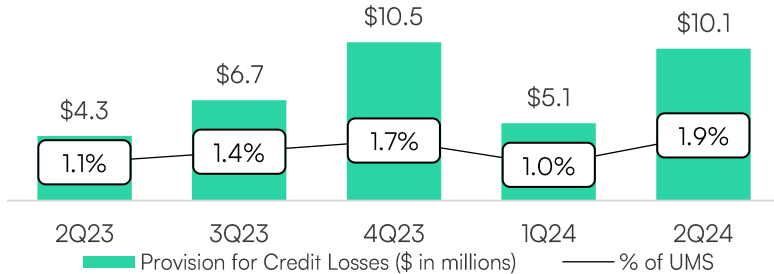
Transaction Expense



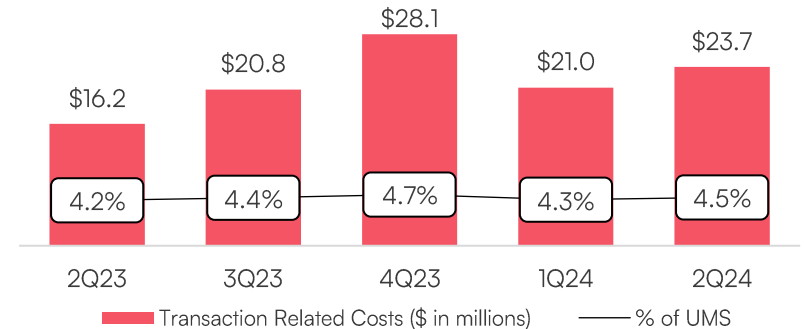
Net Interest Expense



Provision for Credit Losses



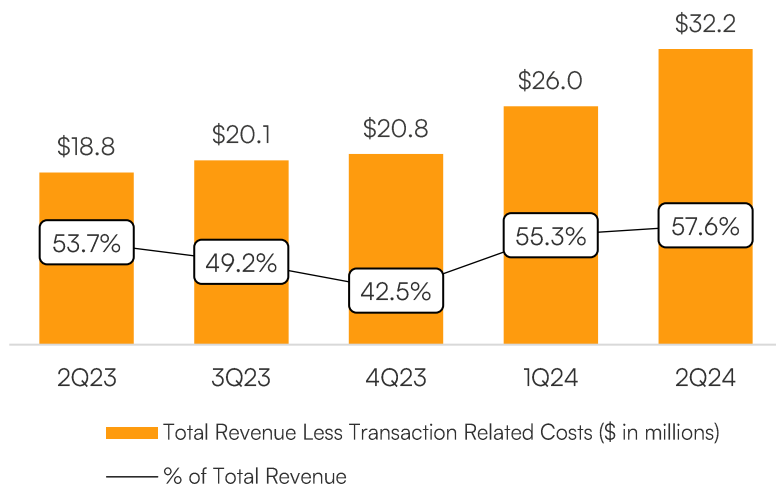
Transaction Related Costs¹



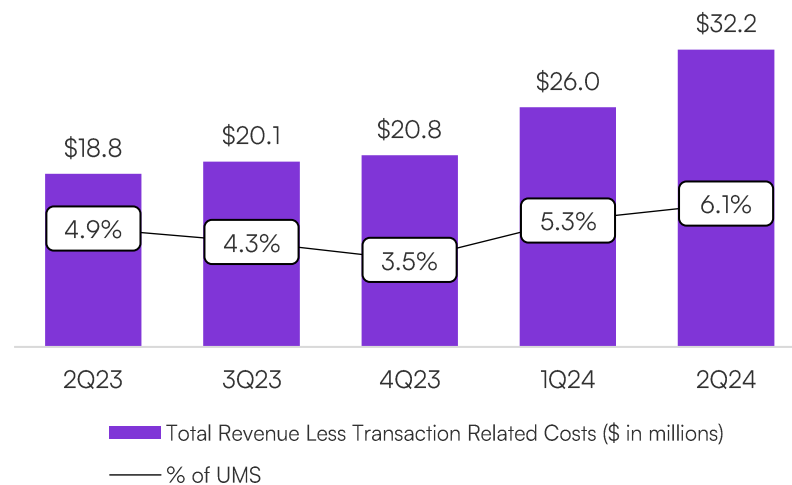
¹ Transaction Related Costs is a non-GAAP financial measure. For a reconciliation of Transaction Related Costs see Appendix II for reconciliation.

Total Revenue Less Transaction Related Costs¹

As a % of Total Revenue



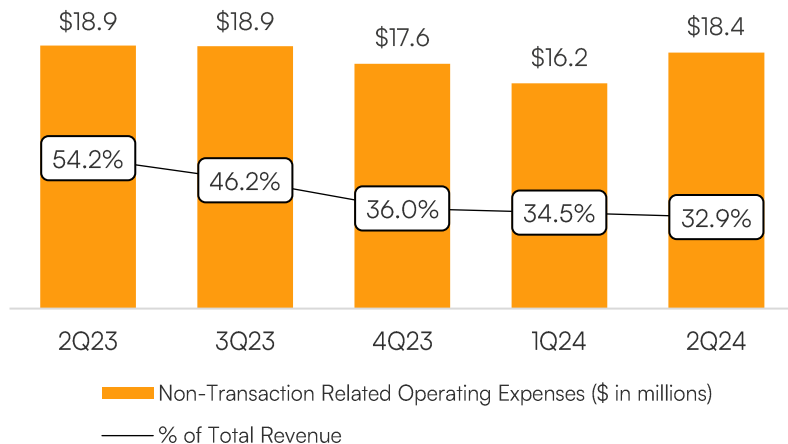
As a % of UMS



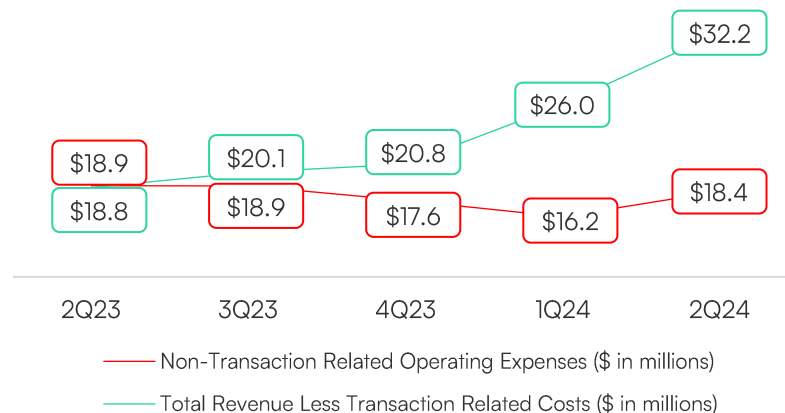
¹Total Revenue Less Transaction Related Costs is a non-GAAP financial measure. For a reconciliation of Operating Income and Total Revenue Less Transaction Related Costs see Appendix I for reconciliation.

Non-Transaction Related Operating Expenses

% of Total Revenue

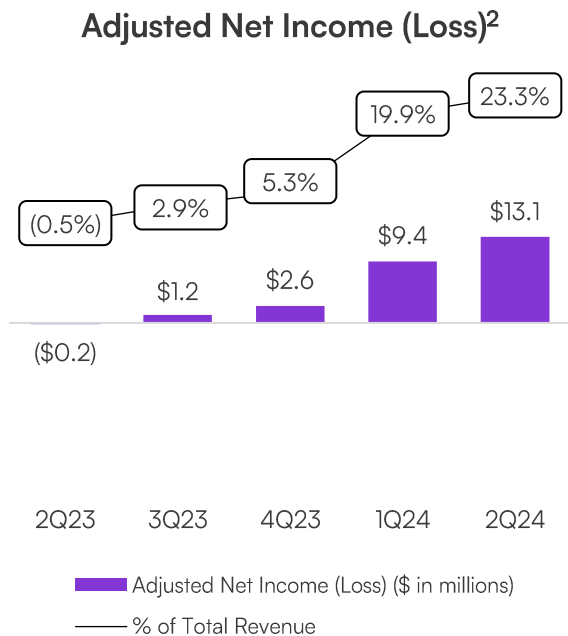
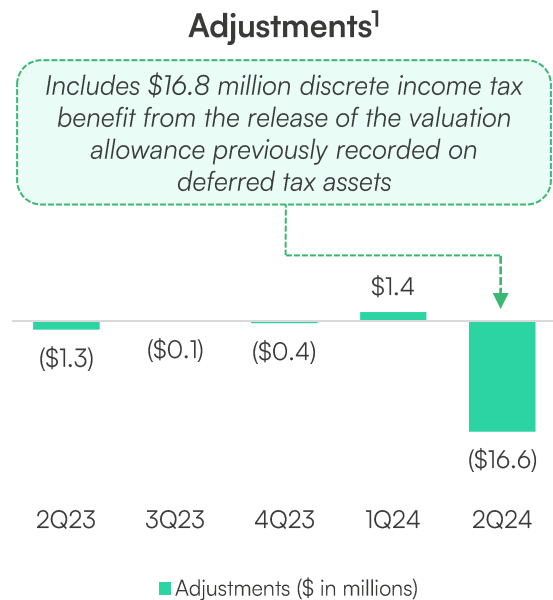
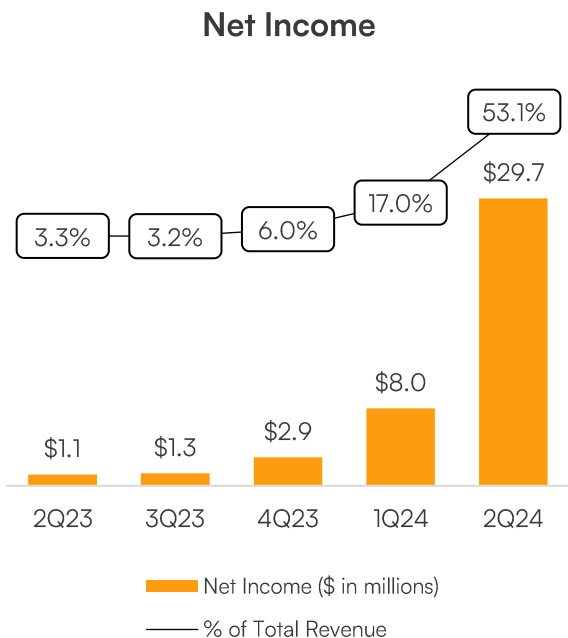


Total Revenue Less Transaction Related Costs vs. Non-Transaction Related OpEx¹



¹Non-Transaction Related Operating Expenses and Total Revenue Less Transaction Related Costs are non-GAAP financial measures. See Appendix I for reconciliations.

Net Income and Adjusted Net Income (Loss)¹

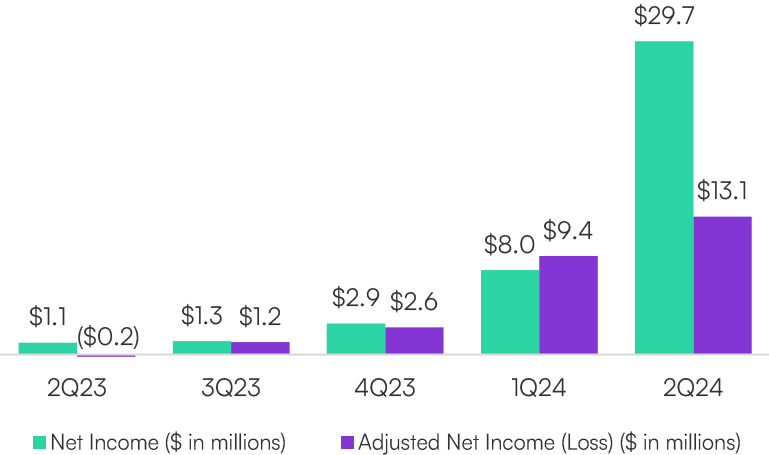


¹ As part of the reconciliation of Net Income and Adjusted Net Income (Loss), fair value adjustments on warrants have been made for the periods from 2Q23 to 1Q24. For 2Q24, the adjustments consist of (\$16.8M) related to the release of the valuation allowance previously recorded on deferred tax assets and \$0.3M related to the loss on extinguishment of debt.

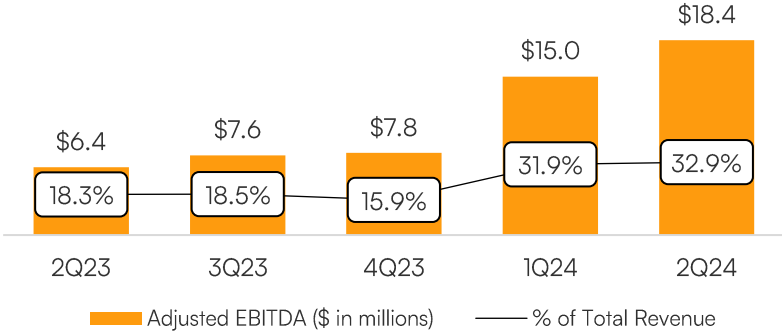
² Adjusted Net Income (Loss) is a non-GAAP financial measure. For a reconciliation of Net Income and Adjusted Net Income (Loss) see Appendix III for reconciliation.

Net Income and Adjusted EBITDA¹

Net Income & Adjusted Net Income (Loss)²



Non-GAAP Adjusted EBITDA



¹Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation Adjusted EBITDA, see Appendix II.

²Adjusted Net Income (Loss) is a non-GAAP financial measure. For a reconciliation of Net Income and Adjusted Net Income (Loss) see Appendix III for reconciliation.

Select Balance Sheet Metrics


\$ in Thousands	<i>Audited</i> Dec 31, 2023	<i>Unaudited</i> Mar 31, 2024	<i>Unaudited</i> Jun 30, 2024
Key Assets			
Cash and cash equivalents ¹	\$67,624	\$77,785	\$58,026
Restricted cash	\$3,075	\$4,400	\$5,966
Total cash	\$70,699	\$82,185	\$63,992
Total notes receivables, net	\$130,633	\$103,332	\$119,235
Key Liabilities			
Merchant accounts payable	\$74,135	\$73,733	\$71,252
Drawn on Line of Credit ²	\$95,000	\$72,000	\$70,000
Total Stockholders' Equity¹	\$22,094	\$29,613	\$50,290

¹ On December 22, 2023, and June 20, 2024, our Board of Directors authorized stock repurchase plans to buy back up to \$5 million and \$15 million of outstanding shares, respectively. These plans expired on June 17, 2024, and July 9, 2024, respectively, in accordance with their terms.

² The availability on the Line of Credit for quarters ending June 30, 2024, March 31, 2024, and December 31, 2023 is as follows: \$35.3M, \$3.6M, and \$3.5M, respectively.

FY2024 Outlook

	2022 Actual	2023 Actual	2024 Guidance (2Q24)	2024 Guidance (Provided in 1Q24)
Total Revenue	\$125.6M	\$159.4M	35% - 40% Growth	\$200M; up 25%
Total Revenue Less Transaction Related Costs ¹ as a % of Total Revenue	37.5%	50.8%	55.0%	50.0%
Net Income (Loss)	(\$38.1M)	\$7.1M	\$55.0M	\$30.0M
Net Income (Loss) Per Diluted Share	(\$7.00)	\$1.25	\$9.25	\$5.00
Adjusted Net Income (Loss) ²	(\$41.5M)	\$5.6M	\$40.0M	N/A - New guidance
Adjusted Net Income (Loss) Per Diluted Share	(\$7.63)	\$0.99	\$6.75	N/A - New guidance
Second Half 2024 Tax Rate Assumption	<i>The Company expects a mid-single digit annualized effective tax rate for the remainder of FY24, before consideration of discrete tax items</i>			

Market data as of 8/5/2024 ³	S&P 500	Nasdaq Comp.	Russell 2000	 (CY24 Adj. Net Income / Diluted Share)
Price / CY2024 Consensus EPS	21.4x	32.1x	27.3x	10.4x

¹Total Revenue Less Transaction Related Costs is a non-GAAP financial measure. For a reconciliation of Operating Income and Total Revenue Less Transaction Related Costs see Appendix I for reconciliation.

²Adjusted Net Income (Loss) is a non-GAAP financial measure. For a reconciliation of Net Income and Adjusted Net Income (Loss) see Appendix III for reconciliation.

³Source: Bloomberg; indices multiples reflect price to CY2024E consensus EPS, and Sezzle's multiple reflects price to FY2024 Adjusted Net Income (Loss) per Diluted Share based on new 2Q24 guidance.

Appendices

Appendix I: Reconciliation of GAAP to Non-GAAP Measures

Total Revenue Less Transaction Related Costs

(in \$ thousands)	For the three months ended					For the twelve months ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	December 31, 2023	December 31, 2022
Operating income	\$ 16,699	\$ 13,835	\$ 7,667	\$ 5,350	\$ 3,763	\$ 22,200	\$ (28,435)
Personnel	12,737	11,025	11,700	11,079	12,017	46,374	51,217
Third-party technology and data	2,180	2,157	2,161	2,003	1,904	7,816	8,190
Marketing, advertising, and tradeshow	995	655	1,856	3,615	3,314	11,984	18,972
General and administrative	2,522	2,380	1,912	2,184	1,698	8,588	16,412
Net interest expense	(2,911)	(4,081)	(4,515)	(4,143)	(3,933)	(15,968)	(8,601)
Reimbursement of merger-related costs	-	-	-	-	-	-	(11,000)
Write-off of unamortized debt issuance costs	-	-	-	-	-	-	316
Total revenue less transaction related costs	\$ 32,222	\$ 25,971	\$ 20,781	\$ 20,088	\$ 18,762	\$ 80,994	\$ 47,071

Non-Transaction Related Operating Expenses

(in \$ thousands)	For the three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Operating expenses	\$ 39,269	\$ 33,144	\$ 41,234	\$ 35,494	\$ 31,174
Transaction expense	(10,742)	(11,787)	(13,086)	(9,937)	(7,946)
Provision for credit losses	(10,094)	(5,140)	(10,520)	(6,677)	(4,296)
Non-transaction related operating expenses	\$ 18,433	\$ 16,217	\$ 17,628	\$ 18,880	\$ 18,932

Appendix II: Reconciliation of GAAP to Non-GAAP Measures

Transaction Related Costs

<i>(in \$ thousands)</i>	For the three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Operating expenses	\$ 39,269	\$ 33,144	\$ 41,234	\$ 35,494	\$ 31,174
Personnel	(12,737)	(11,025)	(11,700)	(11,079)	(12,017)
Third-party technology and data	(2,180)	(2,157)	(2,161)	(2,003)	(1,904)
Marketing, advertising, and tradeshows	(995)	(655)	(1,856)	(3,615)	(3,314)
General and administrative	(2,522)	(2,380)	(1,912)	(2,184)	(1,698)
Net interest expense	2,911	4,081	4,515	4,143	3,933
Transaction related costs	\$ 23,746	\$ 21,008	\$ 28,120	\$ 20,756	\$ 16,174

Adjusted EBITDA

<i>(in \$ thousands)</i>	For the three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net income	\$ 29,702	\$ 8,007	\$ 2,939	\$ 1,294	\$ 1,140
Depreciation and amortization	247	227	231	218	206
Income tax (benefit) expense	(16,123)	393	563	16	21
Equity and incentive-based compensation	1,462	905	(134)	1,984	2,437
Other (income) expense, net	(50)	92	(727)	(15)	(1,079)
Fair value adjustment on warrants	-	1,262	377	(89)	(252)
Net interest expense	2,911	4,081	4,515	4,143	3,933
Loss on extinguishment of line of credit	260	-	-	-	-
Adjusted EBITDA	\$ 18,409	\$ 14,967	\$ 7,764	\$ 7,551	\$ 6,406

Appendix III: Reconciliation of GAAP to Non-GAAP Measures

Adjusted Net Income (Loss)

<i>(in \$ thousands; except per share amounts)</i>	For the three months ended					For the twelve months ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	December 31, 2023	December 31, 2022
Net income (loss)	\$ 29,702	\$ 8,007	\$ 2,939	\$ 1,294	\$ 1,140	\$ 7,098	\$ (38,094)
Discrete tax benefit for valuation allowance release	(16,845)	-	-	-	-	-	-
Loss on extinguishment of line of credit	260	-	-	-	-	-	814
Fair value adjustment on warrants	-	1,262	377	(89)	(252)	456	(50)
Other (income) expenses, net	(50)	92	(727)	(15)	(1,079)	(1,933)	226
Merger-related costs	-	-	-	-	-	-	6,565
Reimbursement of merger-related costs	-	-	-	-	-	-	(11,000)
Adjusted net income (loss)	\$ 13,067	\$ 9,361	\$ 2,589	\$ 1,190	\$ (191)	\$ 5,621	\$ (41,540)
				Diluted weighted-average shares outstanding		5,679	5,444
				Adjusted net income (loss) per diluted share		\$ 0.99	\$ (7.63)

¹Effective May 11, 2023, we performed a 1-for-38 reverse stock split. Share and per-share amounts have been retroactively restated.

Non-GAAP Financial Measures

To supplement our operating results prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), we present the following non-GAAP financial measures: Total revenue less transaction related costs; transaction related costs; non-transaction related operating expenses; adjusted net income (loss); adjusted net income (loss) margin; adjusted net income (loss) per diluted share; adjusted operating expenses; adjusted earnings before interest, taxes, depreciation, and amortization (“Adjusted EBITDA”); and Adjusted EBITDA margin. Definitions of these non-GAAP financial measures and summaries of the reasons why management believes that the presentation of these non-GAAP financial measures provide useful information to the company and investors are as follows:

- Total revenue less transaction related costs is defined as GAAP total revenue less transaction related costs. Transaction related costs is the sum of GAAP transaction expense, provision for credit losses, and net interest expense less certain non-recurring charges as detailed in the reconciliation table of GAAP operating income to non-GAAP total revenue less transaction related costs above. We believe that total revenue less transaction related costs is a useful financial measure to both management and investors for evaluating the economic value of orders processed on the Sezzle Platform;
- Non-transaction related operating expenses is defined as the sum of GAAP personnel; third-party technology and data; marketing, advertising, and tradeshows; and general and administrative operating expenses. We believe that non-transaction related operating expenses is a useful financial measure to both management and investors for evaluating our management of operating expenses not directly attributable to orders processed on the Sezzle Platform.
- Adjusted EBITDA is defined as GAAP net income, adjusted for certain non-cash and non-recurring charges including depreciation, amortization, equity and incentive-based compensation, and merger-related costs, as well as net interest expense as detailed in the reconciliation table of GAAP net income to adjusted EBITDA. We believe that this financial measure is a useful measure for period-to-period comparison of our business by removing the effect of certain non-cash and non-recurring charges, as well as funding costs, that may not directly correlate to the underlying performance of our business.
- Adjusted EBITDA margin is defined as Adjusted EBITDA divided by GAAP total revenue. We believe that this financial measure is a useful measure for period-to-period comparison of our business' unit economics by removing the effect of certain non-cash and non-recurring charges, as well as funding costs, that may not directly correlate to the underlying performance of our business.
- Adjusted net income (loss) is defined as GAAP net income, adjusted for certain charges including the release of our deferred tax asset valuation allowance, fair value adjustments on warrants, losses on the extinguishment of our lines of credit, and other income and expense, as detailed in the reconciliation table of GAAP net income to adjusted net income (loss). We believe that this financial measure is useful for period-to-period comparison of our business by removing the effect of certain charges that, in management's view, does not correlate to the underlying performance of our business during a given period.
- Adjusted net income (loss) margin is defined as Adjusted net income (loss) divided by GAAP total revenue. We believe that this financial measure is a useful measure for period-to-period comparison of our business by removing the effect of certain charges that, in management's view, does not correlate to the underlying performance of our business during a given period.
- Adjusted net income (loss) per diluted share is defined as non-GAAP adjusted net income (loss) divided by GAAP weighted-average diluted shares outstanding. We believe that this financial measure is a useful measure for period-to-period comparison of shareholder return by removing the effect of certain charges that, in management's view, does not correlate to the underlying performance of our business during a given period.

Non-GAAP Financial Measures (Cont.)

Additionally, we have included these non-GAAP measures because they are key measures used by our management to evaluate our operating performance, guide future operating plans, and make strategic decisions, including those relating to operating expenses and the allocation of resources. Therefore, we believe these measures provide useful information to investors and other users of this press release to understand and evaluate our operating results in the same manner as our management and board of directors. However, non-GAAP financial measures have limitations, should be considered supplemental in nature, and are not meant as a substitute for the related financial information prepared in accordance with U.S. GAAP. These limitations include the following:

- Total revenue less transaction-related costs is not intended to be measures of operating profit or cash flow profitability as they exclude key operating expenses such as personnel, general and administrative, and third-party technology and data, which have been, and will continue to be for the foreseeable future, significant recurring GAAP expenses.
- Transaction related costs exclude significant expenses such as personnel, general and administrative, and third-party technology and data, which have been, and will continue to be for the foreseeable future, significant recurring GAAP expenses.
- Non-transaction related operating expenses exclude significant expenses, including transaction expense and provision for credit losses, which have been, and will continue to be for the foreseeable future, significant recurring GAAP expenses.
- Adjusted EBITDA and adjusted EBITDA margin exclude certain recurring, non-cash charges such as depreciation, amortization, and equity and incentive-based compensation, which have been, and will continue to be for the foreseeable future, recurring GAAP expenses. Further, these non-GAAP financial measures exclude certain significant cash inflows and outflows, which have a significant impact on our working capital and cash.
- Adjusted EBITDA and adjusted EBITDA margin excludes net interest expense, which has a significant impact on our GAAP net income, working capital, and cash.
- Adjusted net income (loss), adjusted net income (loss) margin, and adjusted net income (loss) per diluted share excludes certain charges such as losses on the extinguishment of our lines of credit, fair value adjustments on our warrants, other income and expense, and the release of our deferred tax asset valuation allowance which have been, and may be in the future, recurring GAAP expenses.
- Long-lived assets being depreciated or amortized may need to be replaced in the future, and these non-GAAP financial measures do not reflect the capital expenditures needed for such replacements, or for any new capital expenditures or commitments.
- These non-GAAP financial measures do not reflect income taxes that may represent a reduction in cash available to us.
- Non-GAAP measures do not reflect changes in, or cash requirements for, our working capital needs.
- Other companies, including companies in our industry, may calculate the non-GAAP financial measures differently or not at all, which reduces their usefulness as comparative measures.

Because of these limitations, you should not consider these non-GAAP financial measures in isolation or as substitutes for analysis of our financial results as reported under GAAP, and these non-GAAP financial measures should be considered alongside other financial performance measures, including net income and other financial results presented in accordance with GAAP. We encourage you to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.



sezzle

The Responsible Way to Pay