

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 June 30, 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 001-41781



SEZZLE INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

700 Nicollet Mall, Suite 640, Minneapolis, Minnesota

(Address of principal executive offices)

81-0971660

(I.R.S. Employer
Identification No.)

55402

(Zip Code)

Registrant's telephone number, including area code: +1 651 240 6001

Not Applicable

(Former address)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.00001 per share	SEZL	The Nasdaq Stock Market LLC

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, smaller reporting company, or an emerging growth company (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The total shares of common stock, par value \$0.00001 per share, outstanding at August 4, 2026 were 33,675,014.

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FORWARD-LOOKING STATEMENTS

The information in this Quarterly Report on Form 10-Q and the documents incorporated by reference herein (“Form 10-Q”) includes “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”). All statements, other than statements of historical fact, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management included in this Form 10-Q are forward-looking statements. When used in this Form 10-Q, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” and similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors” included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 (the “2025 Form 10-K”) and in other filings we make with the Securities and Exchange Commission. 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. There is a risk that such predictions, estimates, projections, and other forward-looking statements will not be achieved. 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. Risks and uncertainties that could affect such performance include, but are not limited to:

- impact of the “buy-now, pay-later” (“BNPL”) industry becoming subject to increased regulatory scrutiny;
- impact of operating in a highly competitive industry;
- impact of macro-economic conditions on consumer spending and consumer credit;
- our ability to maintain our relationship with our existing merchant base, increase our merchant network and Gross Merchandise Volume (“GMV”);
- our ability to retain and increase our consumer base and GMV;
- our ability to retain and increase our subscriber base and subscription revenue;
- our ability to effectively manage growth, sustain our growth rate and maintain our market share;
- our ability to maintain adequate access to capital in order to meet the capital requirements of our business;
- the loans facilitated through the Sezzle Platform involve a high degree of financial risk;
- our reliance on our originating bank partner to originate a substantial majority of the loans facilitated by the Sezzle Platform;
- our reliance on third-party data to assess creditworthiness of consumers;
- impact of exposure to consumer bad debts and insolvency of merchants;
- our ability to comply with the applicable requirements of Visa and other payment processors;
- impact of the integration, support and prominent presentation of our platform by our merchants;
- impact of any data security breaches, cyberattacks, employee or other internal misconduct, malware, phishing or ransomware, physical security breaches, natural disasters, or similar disruptions;
- 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;
- impact of exchange rate fluctuations in the international markets in which we operate;
- our ability to protect our intellectual property rights and third party allegations of the misappropriation of intellectual property rights;
- our ability to retain our existing workforce and recruit additional staff;
- impact of the costs of complying with various laws and regulations applicable to the BNPL industry in the United States and Canada;
- our ability to comply with applicable state lending licenses and other state lending laws and regulations;
- the impact of litigation, regulatory investigations and actions, and compliance issues on our business; and
- our ability to achieve our public benefit purpose as a Delaware public benefit corporation.

We caution you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, the risks described under “Risk Factors” in our 2025 Form 10-K. Should one or more of the risks or uncertainties described in the 2025 Form 10-K occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this Form 10-Q are expressly qualified in their entirety by these cautionary statements. These cautionary statements should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. Except as otherwise required by applicable law, we disclaim any intention or obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of this Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Consolidated Balance Sheets (unaudited)

(in thousands, except per share amounts)	As of	
	June 30, 2026	December 31, 2025
Assets		
Current Assets		
Cash and cash equivalents, including amounts held by variable interest entity ("VIE") of \$17,694 and \$25,921, respectively	\$ 79,757	\$ 64,054
Restricted cash, current, including amounts held by VIE of \$4,506 and \$8,245, respectively	4,549	8,413
Notes receivable	321,160	283,400
Allowance for credit losses	(32,001)	(28,505)
Notes receivable, net, including amounts held by VIE of \$260,621 and \$237,062, respectively	289,159	254,895
Other current assets, net	34,899	24,502
Total current assets	408,364	351,864
Non-Current Assets		
Restricted cash, non-current	27,743	30,134
Deferred tax asset	14,670	13,615
Other assets	5,694	4,616
Total Assets	\$ 456,471	\$ 400,229
Liabilities and Stockholders' Equity		
Current Liabilities		
Merchant accounts payable	\$ 57,905	\$ 56,374
Other payables, including amounts held by VIE of \$172 and \$1,476, respectively	6,471	6,908
Deferred revenue	6,821	5,431
Other current liabilities, including amounts held by VIE of \$869 and \$0, respectively	30,467	21,053
Total current liabilities	101,664	89,766
Non-Current Liabilities		
Operating lease liabilities	312	661
Line of credit, net of unamortized debt issuance costs of \$1,978 and \$1,268, respectively, held by VIE	121,522	139,991
Total Liabilities	223,498	230,418
Commitments and Contingencies (see Note 8)		
Stockholders' Equity		
Common stock and additional paid-in capital, \$0.00001 par value; 750,000 shares authorized; 35,065 and 35,130 shares issued, respectively; 33,665 and 33,798 shares outstanding, respectively	196,535	194,890
Treasury stock, at cost: 1,400 and 1,332 shares, respectively	(28,923)	(24,072)
Accumulated other comprehensive loss	(836)	(683)
Accumulated earnings (deficit)	66,197	(324)
Total Stockholders' Equity	232,973	169,811
Total Liabilities and Stockholders' Equity	\$ 456,471	\$ 400,229

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Operations and Comprehensive Income (unaudited)

(in thousands, except per share amounts)	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Total revenue	\$ 149,683	\$ 98,702	\$ 285,222	\$ 203,614
Operating Expenses				
Personnel	14,725	11,681	29,392	26,729
Transaction expense	20,738	14,243	39,258	29,560
Third-party technology and data	4,907	3,428	9,322	6,802
Marketing, advertising, and tradeshow	19,396	8,772	30,642	14,118
General and administrative	4,348	3,846	8,328	6,977
Provision for credit losses	30,608	20,646	44,283	33,447
Total operating expenses	94,722	62,616	161,225	117,633
Operating Income	54,961	36,086	123,997	85,981
Other Income (Expense)				
Net interest expense	(3,250)	(3,501)	(6,265)	(6,415)
Other income (expense), net	1	87	(31)	112
Income before taxes	51,712	32,672	117,701	79,678
Income tax expense	10,947	5,068	25,633	15,910
Net Income	40,765	27,604	92,068	63,768
Other Comprehensive (Loss) Income				
Foreign currency translation adjustment	(75)	729	(153)	822
Total Comprehensive Income	\$ 40,690	\$ 28,333	\$ 91,915	\$ 64,590
Net income per share*:				
Basic	\$ 1.21	\$ 0.82	\$ 2.73	\$ 1.89
Diluted	\$ 1.17	\$ 0.78	\$ 2.64	\$ 1.80
Weighted-average shares outstanding*:				
Basic	33,633	33,733	33,698	33,792
Diluted	34,724	35,507	34,828	35,510

* Effective March 28, 2025, we performed a 6-for-1 stock split of the Company's common stock, effected through a stock dividend. Share and per share amounts have been retroactively adjusted.

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Stockholders' Equity (unaudited)

(in thousands)	Common Stock and Additional Paid-in Capital		Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount					
Balance at April 1, 2025	33,965	\$ 192,703	\$ —	\$ (11,835)	\$ (1,495)	\$ (53,611)	\$ 125,762
Equity based compensation	—	393	—	—	—	—	393
Stock option exercises	522	3,024	—	—	—	—	3,024
Restricted stock issuances and vesting of awards	315	1,105	—	—	—	—	1,105
Stock subscriptions receivable related to stock option exercises	7	44	(44)	—	—	—	—
Repurchase and retirement of common stock	(679)	(3,728)	—	—	—	(19,819)	(23,547)
Repurchase of common stock	(115)	—	—	(4,672)	—	—	(4,672)
Foreign currency translation adjustment	—	—	—	—	729	—	729
Net income	—	—	—	—	—	27,604	27,604
Balance at June 30, 2025	34,015	193,541	(44)	(16,507)	(766)	(45,826)	130,398

(in thousands)	Common Stock and Additional Paid-in Capital		Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Loss	Accumulated Earnings	Total
	Shares	Amount					
Balance at April 1, 2026	33,594	\$ 194,210	\$ —	\$ (25,000)	\$ (761)	\$ 28,273	\$ 196,722
Equity based compensation	—	1,009	—	—	—	—	1,009
Stock option exercises	26	507	—	—	—	—	507
Restricted stock issuances and vesting of awards	152	1,104	—	—	—	—	1,104
Repurchase and retirement of common stock	(53)	(295)	—	—	—	(2,841)	(3,136)
Repurchase of common stock	(54)	—	—	(3,923)	—	—	(3,923)
Foreign currency translation adjustment	—	—	—	—	(75)	—	(75)
Net income	—	—	—	—	—	40,765	40,765
Balance at June 30, 2026	33,665	196,535	—	(28,923)	(836)	66,197	\$ 232,973

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Stockholders' Equity (unaudited)

(in thousands)	Common Stock and Additional Paid-in Capital		Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares*	Amount					
Balance at January 1, 2025	33,735	\$ 188,589	\$ —	\$ (9,391)	\$ (1,588)	\$ (89,775)	\$ 87,835
Equity based compensation	—	1,533	—	—	—	—	1,533
Stock option exercises	623	3,564	—	—	—	—	3,564
Restricted stock issuances and vesting of awards	500	3,539	—	—	—	—	3,539
Stock subscriptions receivable related to stock option exercises	7	44	(44)	—	—	—	—
Repurchase and retirement of common stock	(679)	(3,728)	—	—	—	(19,819)	(23,547)
Repurchase of common stock	(171)	—	—	(7,116)	—	—	(7,116)
Foreign currency translation adjustment	—	—	—	—	822	—	822
Net income	—	—	—	—	—	63,768	63,768
Balance at June 30, 2025	34,015	193,541	(44)	(16,507)	(766)	(45,826)	130,398

(in thousands)	Common Stock and Additional Paid-in Capital		Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Loss	Accumulated (Deficit) Earnings	Total
	Shares	Amount					
Balance at January 1, 2026	33,798	\$ 194,890	\$ —	\$ (24,072)	\$ (683)	\$ (324)	\$ 169,811
Equity based compensation	—	2,007	—	—	—	—	2,007
Stock option exercises	35	618	—	—	—	—	618
Restricted stock issuances and vesting of awards	333	1,427	—	—	—	—	1,427
Repurchase and retirement of common stock	(433)	(2,407)	—	—	—	(25,547)	(27,954)
Repurchase of common stock	(68)	—	—	(4,851)	—	—	(4,851)
Foreign currency translation adjustment	—	—	—	—	(153)	—	(153)
Net income	—	—	—	—	—	92,068	92,068
Balance at June 30, 2026	33,665	196,535	—	(28,923)	(836)	66,197	\$ 232,973

* Effective March 28, 2025, we performed a 6-for-1 stock split of the Company's common stock, effected through a stock dividend. Share and per share amounts have been retroactively adjusted.

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Cash Flows (unaudited)

(in thousands)	For the six months ended June 30,	
	2026	(As restated) 2025
Operating Activities:		
Net income	\$ 92,068	\$ 63,768
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	938	598
Provision for credit losses	44,283	33,447
Provision for other credit losses	20,703	8,523
Discount on notes receivable	(658)	(782)
Equity based compensation and restricted stock vested	3,434	2,771
Deferred income taxes	(1,055)	2,485
Other, net	452	269
Changes in operating assets and liabilities:		
Other assets	(31,076)	(20,523)
Merchant accounts payable	1,845	(8,931)
Other payables	(423)	(4,645)
Other liabilities	9,310	(1,496)
Deferred revenue	1,394	22
Operating leases	11	30
Net Cash Provided from Operating Activities	141,226	75,536
Investing Activities:		
Purchases and originations of notes receivable, net of proceeds from repayments	(77,931)	(53,014)
Purchase of property and equipment	(765)	(431)
Internally developed intangible asset additions	(1,564)	(897)
Net Cash Used for Investing Activities	(80,260)	(54,342)
Financing Activities:		
Proceeds from line of credit	108,000	95,000
Payments to line of credit	(125,760)	(68,700)
Payments of debt issuance costs	(1,143)	(10)
Proceeds from stock option exercises	618	3,564
Repurchase of common stock	(32,805)	(30,663)
Net Cash Used for Financing Activities	(51,090)	(809)
Effect of exchange rate changes on cash	(428)	1,274
Net increase in cash, cash equivalents, and restricted cash	9,876	20,385
Cash, cash equivalents, and restricted cash, beginning of period	102,601	98,310
Cash, cash equivalents, and restricted cash, end of period	\$ 112,049	\$ 119,969
Noncash investing and financing activities:		
Conversion of accrued profit-sharing incentive plan liabilities to stockholders' equity	\$ —	\$ 2,301
Supplementary disclosures:		
Interest paid	\$ 7,748	\$ 7,036
Income taxes paid	35,929	25,169

See the accompanying Notes to the Consolidated Financial Statements.

Notes to Consolidated Financial Statements (unaudited)

Note 1. Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

These unaudited consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the rules and regulations of the Securities and Exchange Commission (“SEC”) applicable to interim financial statements. While these consolidated financial statements and the accompanying notes thereof reflect all normal recurring adjustments that are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. These consolidated financial statements and their accompanying notes should be read in conjunction with the consolidated financial statement disclosures in our 2025 annual consolidated financial statements.

Operating results reported for the three and six months ended June 30, 2026 might not be indicative of the results for any subsequent period or the entire year ending December 31, 2026.

Sezzle Inc. (the “Company”, “Sezzle”, “we”, “us”, or “our”) uses the same accounting policies in preparing quarterly and annual consolidated financial statements. We consolidate the accounts of subsidiaries for which we have a controlling financial interest. The accompanying consolidated financial statements include all the accounts and activity of Sezzle Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions are eliminated in consolidation.

Fair Value

Fair values are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The accounting guidance includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 — Unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 — Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- Level 3 — Unobservable inputs for the asset or liability, which include management’s own assumption about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

As of June 30, 2026 and December 31, 2025, our assets and liabilities measured at fair value were not material. We hold certain financial assets and liabilities that are not measured at fair value on the consolidated balance sheets. Such financial assets and liabilities are comprised of cash and cash equivalents; restricted cash; notes receivable, net; and line of credit, net. Cash and cash equivalents, and restricted cash are classified within Level 1 of fair value hierarchy. Carrying amount approximates fair value because these balances are held on demand. Line of credit, net, is classified within Level 2 of the fair value hierarchy. The line of credit’s carrying value approximates its fair value because the contractual interest rate follows current market rates, and there have been no material change in our credit profile since the line of credit was amended. Notes receivable, net, is classified within Level 3 of the fair value hierarchy. Given the short-term nature of the underlying loans and the recognition of an allowance for credit losses against the notes receivable balance, the carrying amount approximates fair value.

Segments

Segments are components of a company that have discrete financial information available and are regularly evaluated by a chief operating decision maker (“CODM”) to assess performance and decide how resources are allocated. Our Chief Executive Officer is considered to be the CODM, and our operations comprise one reportable segment, primarily deriving revenue from our payment processing platform in North America. Our CODM manages business activities on a consolidated basis and uses consolidated net income, as reported on the consolidated statements of operations and comprehensive income, to evaluate financial performance, allocate resources, and monitor budget versus actuals. The measure of segment assets is reported on the consolidated balance sheets as total assets. Significant expenses reviewed by the CODM are the expense line items presented in the consolidated statements of operations and comprehensive income. There are no significant concentrations by state or geographical location.

Variable Interest Entity

Our primary source of funding consumer receivables is through a secured line of credit. We transfer a portion of our notes receivable to a wholly owned, bankruptcy-remote special purpose entity (the “SPE”), which then pledges such receivables as collateral for our line of credit. We continue to service all receivables sold and pledged to the SPE. The amount we can borrow under our line of credit is dependent on the amount of eligible, pledged notes receivable we have sold to the SPE. While we serve as a limited guarantor for the SPE and are subject to certain financial covenants, our line of credit provider does not have full recourse against our general credit and may absorb losses in the event of default if the cash receipts related to our pledged notes receivable are not sufficient to repay the outstanding line of credit balance. Refer to [Note 7. Line of Credit](#) for more information about our line of credit and the relationship between our line of credit and our notes receivable.

We are required to evaluate the SPE for consolidation, which we have concluded is a VIE. We have the ability to direct the activities that most significantly impact the economic performance of our wholly owned SPE. We also have the obligation to absorb losses and the right to proceeds related to the pledged notes receivable in the SPE, exposing us to losses and returns that could potentially be significant. As such, we have determined that we are the primary beneficiary of the SPE and are required to consolidate the entity as a VIE.

Stock Split

Our Board of Directors approved a stock split of our issued shares of common stock at a ratio of 6-for-1, effected through a stock dividend (the “Stock Split”). The Stock Split became effective March 28, 2025. All share and per share amounts for all periods presented in these consolidated financial statements and their accompanying notes have been adjusted, on a retrospective basis, to reflect the Stock Split, unless otherwise stated. The number of authorized shares and the par value of the shares remained unaffected.

Reclassifications

Certain prior period amounts have been reclassified to conform with the current period presentation format. These reclassifications had no effect on our total assets, total equity, net income, total comprehensive income, or cash flows.

Restatement of Previously Issued Consolidated Financial Statements

We have restated our consolidated statements of cash flows for the six months ended June 30, 2025. Such restatement was previously reported in our Annual Report on Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements

Recently Issued Accounting Guidance, Not Yet Adopted Within Our Consolidated Financial Statements

Standard	Description	Date of Planned Adoption	Effect on Consolidated Financial Statements
ASU 2024-03 , Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses	This ASU requires, in the notes to the consolidated financial statements, the disaggregation of certain expenses within relevant expense captions in tabular format, incremental qualitative disclosures about expenses, and the disclosure of total selling expenses.	Year ended December 31, 2027	As this ASU relates to disclosures only, there will be no impact to our consolidated results of operations and financial condition. We will include the enhanced disclosure requirements in our 2027 annual consolidated financial statements.
ASU 2025-06 , Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software	This ASU changes the criteria required to begin capitalizing internal-use software and website development costs, in addition to clarifying which disclosures are required for capitalized internal-use software costs.	Year ended December 31, 2028	We do not expect the adoption of this ASU to have a material impact on our consolidated financial statements. We expect to elect the prospective transition approach upon adoption.

There are additional new accounting pronouncements issued by the FASB that we have not yet adopted. We do not believe any of these additional accounting pronouncements will have a material impact on the consolidated financial statements or disclosures.

Note 2. Total Revenue

Total revenue was \$149.7 million and \$98.7 million for the three months ended June 30, 2026 and 2025, respectively, and \$285.2 million and \$203.6 million for the six months ended June 30, 2026 and 2025, respectively. Our total revenue is classified into two categories, based on Accounting Standards Codification (“ASC”) recognition criteria: lending-based income and revenue from contracts with customers. Our total revenue by category for the three and six months ended June 30, 2026 and 2025 was as follows:

(in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Lending-based income (ASC Topic 310)	\$ 64,962	\$ 46,686	\$ 125,531	\$ 94,606
Revenue from contracts with customers (ASC Topic 606)	84,721	52,016	159,691	109,008
Total revenue	\$ 149,683	\$ 98,702	\$ 285,222	\$ 203,614

Lending-Based Income (ASC Topic 310)

Total revenue within the scope of ASC Topic 310, Receivables, relates to net origination fees on financing receivables we originate, premiums and discounts on financing receivables we purchase, and delinquency fees on financing receivables we hold. This is primarily comprised of merchant processing fees on orders that result in a financing receivable, delinquency fees, and other ancillary consumer fees, such as fees to reschedule installment due dates and nonrefundable fees assessed for using Sezzle On-Demand. Merchant processing fees are based on the Gross Merchandise Volume (“GMV”) passing through our platform and are predominately based on a percentage of the GMV, plus a fixed fee per transaction. Lending-based income derived from merchants and partners totaled \$10.9 million and \$12.7 million for the three months ended June 30, 2026 and 2025, respectively, and \$21.0 million and \$26.9 million for the six months ended June 30, 2026 and 2025, respectively. Lending-based income derived from consumers totaled \$54.1 million and \$34.0 million for the three months ended June 30, 2026 and 2025, respectively, and \$104.5 million and \$67.7 million for the six months ended June 30, 2026 and 2025, respectively.

Lending-based income, other than delinquency fees, is initially recorded as a reduction to notes receivable, net, within the consolidated balance sheets. Such income is subsequently recognized over the average duration of the related note receivable using the interest method. \$2.5 million and \$3.1 million of lending-based income was deferred within notes receivable, net, as of June 30, 2026 and December 31, 2025, respectively. Delinquency fees include fees assessed to consumers who fail to make a timely principal payment or their payment method fails when attempting to make an installment payment, and are recognized at the time the fee is charged to the consumer, to the extent they are reasonably collectible.

Revenue from Contracts with Customers (ASC Topic 606)

Total revenue within the scope of ASC Topic 606, Revenue from Contracts with Customers, primarily relates to subscription revenue, partner revenue, and certain consumer fees. Revenue from contracts with customers derived from merchants and partners totaled \$28.6 million and \$16.5 million for the three months ended June 30, 2026 and 2025, respectively, and \$52.7 million and \$30.5 million for the six months ended June 30, 2026 and 2025, respectively. Revenue from contracts with customers derived from consumers totaled \$56.2 million and \$35.5 million for the three months ended June 30, 2026 and 2025, respectively, and \$106.9 million and \$78.5 million for the six months ended June 30, 2026 and 2025, respectively.

Partner Revenue

We earn revenue from contracts with customers via partners. This revenue primarily includes interchange fees earned through our virtual card and promotional incentives with third parties. We have an agreement with a card-issuing partner to facilitate the issuance of virtual cards to be used by our consumers at checkout. We earn virtual card interchange fees when a consumer uses a virtual card to complete a purchase. Such interchange fees are established by the applicable payment network, are assessed to the merchant’s acquiring bank, and are remitted to the card-issuing partner that issues our virtual cards, which in turn remits to us the portion of those fees to which we are contractually entitled. Our customer in this arrangement is our card-issuing partner, and our performance obligation is to facilitate and process the underlying card transaction. The performance obligation is satisfied at the point in time the transaction is settled by the payment network, at which time the related revenue is recognized. Virtual card interchange revenue totaled \$17.3 million and \$10.5 million for the three months ended June 30, 2026 and 2025, respectively, and \$32.5 million and \$19.3 million for the six months ended June 30, 2026 and 2025, respectively.

We earn promotional incentives from third-party platforms and brand partners for directing consumer traffic or transaction volume to specified merchants or brands. Revenue is recognized at the point in time the performance obligation is fulfilled, which is when a sale is made or traffic is directed to the merchant or brand. Consideration under these arrangements is generally determined based on the volume of consumer traffic or transaction activity in the period.

Subscription Revenue

We earn revenue from two paid subscription services, Sezzle Premium and Sezzle Anywhere, for a fixed fee paid at the beginning of the subscription period. Sezzle Premium allows consumers to shop at select large, non-integrated premium merchants, along with other benefits. Sezzle Anywhere allows consumers to use their Sezzle Virtual Card at any merchant online or in-store, subject to certain merchant, product, goods, and service restrictions. These performance obligations comprise a series of distinct services that are substantially the same; therefore, such revenue is recognized straight-line over the subscription period. Subscription revenue totaled \$35.7 million and \$22.6 million for the three months ended June 30, 2026 and 2025, respectively, and \$68.9 million and \$46.0 million for the six months ended June 30, 2026 and 2025, respectively.

All performance obligations related to these subscriptions are fully satisfied within one year of receiving payment. Payment received for performance obligations not yet satisfied are recorded as deferred revenue within the consolidated balance sheets until such performance obligations are satisfied. Subscription revenue to be recognized over the remaining duration of outstanding performance obligations was \$6.8 million and \$5.3 million as of June 30, 2026 and December 31, 2025, respectively. Total revenue for the six months ended June 30, 2026 includes \$5.3 million of revenue that was included in deferred revenue as of December 31, 2025. Total revenue for the six months ended June 30, 2025 includes \$4.1 million of revenue that was included in deferred revenue as of December 31, 2024.

Consumer Fees

Revenue from contracts with customers also includes revenue from fees assessed when consumers make a scheduled payment using a card or load funds into their Sezzle Balance. Such consumer fees relate to a single performance obligation to process the related payment, which is satisfied, and the related revenue is recognized, at the point in time the transaction is processed.

Note 3. Notes Receivable and Allowance for Credit Losses

We offer consumer installment payment plans on our platform. Consumers pay a portion of the purchase price at the point-of-sale as a down payment, and then pay off the remaining amount over time through scheduled payments. We purchase certain receivables related to installment payment plans extended to consumers in the United States by an independent chartered financial institution (our “originating partner”) and are responsible for servicing such receivables. All other consumer installment payment plans are originated by us. Our notes receivable represents amounts due from consumers primarily for outstanding principal on installment payment plans made on our platform that we have either originated or purchased from our originating partner. Our notes receivable are generally due no later than 56 days from origination.

We classify all of our notes receivable as held for investment, as we have the intent and ability to hold these investments for the foreseeable future or until maturity or payoff. Since our portfolio is comprised of one product segment, point-of-sale unsecured installment loans, we evaluate our notes receivable as a single, homogenous portfolio and make merchant-specific or other adjustments as necessary. Our notes receivable are reported at amortized cost, which includes unpaid principal adjusted for charge-offs and deferred loan fees and costs. The amortized cost basis is adjusted for the allowance for credit losses within notes receivable, net.

As of June 30, 2026 and December 31, 2025, our notes receivable at amortized cost was comprised of the following:

(in thousands)	June 30, 2026	December 31, 2025
Notes receivable, gross	\$ 323,636	\$ 286,459
Deferred loan fees and costs	(2,476)	(3,059)
Notes receivable, amortized cost	\$ 321,160	\$ 283,400

Deferred loan fees and costs are primarily comprised of unrecognized merchant processing fees, which are recognized over the duration of the note with the consumer and are recorded as an offset to total revenue on the consolidated statements of operations and comprehensive income. As of June 30, 2026, our outstanding notes receivable had a weighted average days outstanding of 29 days.

We closely monitor credit quality for our notes receivable to manage and evaluate our related exposure to credit risk. When assessing the credit quality and risk of our portfolio, we monitor a variety of internal risk indicators and consumer attributes that are shown to be predictive of ability and willingness to repay, and combine these factors to establish an internal, proprietary score as a credit quality indicator (the “Prophet Score”). We evaluate the credit risk of our portfolio by grouping Prophet Scores into three buckets that range from A to C, with receivables having an “A” rating representing the highest credit quality and lowest likelihood of loss. Our risk and fraud team closely monitors the distribution of Prophet Scores for signs of changes in credit risk exposure and portfolio performance. Consumers’ Prophet Scores are updated real-time. The risk and fraud team also evaluates the integrity of the Prophet Score machine learning model at least annually and updates it as necessary.

The amortized cost basis of our notes receivable by Prophet Score and year of origination as of June 30, 2026 and December 31, 2025 was as follows:

	June 30, 2026			December 31, 2025		
	Amortized cost basis by year of origination					
(in thousands)	2026	2025	Total	2025	2024	Total
A	\$ 125,034	\$ 25	\$ 125,059	\$ 105,974	\$ 4	\$ 105,978
B	117,942	74	118,016	109,843	13	109,856
C	77,572	456	78,028	67,422	71	67,493
No score	57	—	57	73	—	73
Total amortized cost	\$ 320,605	\$ 555	\$ 321,160	\$ 283,312	\$ 88	\$ 283,400

Our notes receivable are considered past due when the principal has not been received within one calendar day of when they are due in accordance with the agreed upon contractual terms. Any amounts delinquent after 90 days are charged off with an offsetting reversal to the allowance for credit losses through the provision for credit losses on our consolidated statements of operations and comprehensive income. Charged-off principal payments recovered after 90 days are recognized as a reduction to the allowance for credit losses in the period the receivable is recovered. The amortized cost basis of our notes receivable by delinquency status as of June 30, 2026 and December 31, 2025 was as follows:

(in thousands)	June 30, 2026	December 31, 2025
Current	\$ 275,422	\$ 246,720
1–28 days past due	22,766	18,565
29–56 days past due	11,924	8,274
57–90 days past due	11,048	9,841
Total amortized cost	\$ 321,160	\$ 283,400

We maintain an allowance for credit losses at a level necessary to absorb expected credit losses on notes receivables from consumers. The allowance for credit losses is determined based on our current estimate of expected credit losses over the remaining contractual term and incorporates evaluations of known and inherent risks in our portfolio, historical credit losses, and current economic conditions. In estimating the allowance for credit losses, we utilize a roll rate analysis of delinquent and current notes receivable. A roll rate analysis is a technique used to estimate the likelihood that a loan progresses through various stages of delinquency and eventually charges off. We segment our notes receivable into delinquency statuses and semi-monthly vintages for the purpose of evaluating historical performance and determining the future likelihood of default. We regularly assess the adequacy of our allowance for credit losses and adjust the allowance as necessary to reflect changes in the credit risk of our notes receivable. Any adjustment to the allowance for credit losses is recognized in net income through the provision for credit losses on our consolidated statements of operations and comprehensive income. The increase in the allowance for credit losses during the three and six months ended June 30, 2026 is generally consistent with the growth in our GMV, with any deviations a result of changes in expected performance on the current year portfolio compared to the prior year. While we believe our allowance for credit losses is appropriate based on the information available, actual losses could differ from our estimate.

The activity in the allowance for credit losses, including the provision for credit losses, charge-offs, and recoveries for the three and six months ended June 30, 2026 and 2025 was as follows:

(in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Balance at beginning of period	\$ 19,794	\$ 20,522	\$ 28,505	\$ 26,103
Provision for credit losses	30,608	20,646	44,283	33,447
Charge-offs	(20,965)	(20,302)	(46,038)	(39,964)
Recoveries of charged-off receivables	2,564	2,749	5,251	4,029
Balance at end of period	\$ 32,001	\$ 23,615	\$ 32,001	\$ 23,615

Net charge-offs by year of origination for the six months ended June 30, 2026 was as follows:

(in thousands)	2026	2025	2024	2023	2022	Total
Current period gross charge-offs	\$ (13,700)	\$ (32,338)	\$ —	\$ —	\$ —	\$ (46,038)
Current period recoveries	1	4,407	404	180	259	5,251
Current period net charge-offs	\$ (13,699)	\$ (27,931)	\$ 404	\$ 180	\$ 259	\$ (40,787)

Note 4. Other Current Assets, Net

As of June 30, 2026 and December 31, 2025, the balance of other current assets, net, on the consolidated balance sheets comprised the following:

(in thousands)	June 30, 2026	December 31, 2025
Delinquency fees receivable, net	\$ 4,755	\$ 2,871
Merchant and partner income receivable	14,081	14,104
Receivables from originating partner	2,168	2,631
Prepaid expenses	3,124	2,919
Other	10,771	1,977
Other current assets, net	\$ 34,899	\$ 24,502

Delinquency fees are comprised of late payment fees and failed payment fees. Late payment fees are applied to delinquent principal installments. Failed payment fees are applied when a payment method fails when attempting to make an installment payment. Delinquency fees are subject to regulations within specific state jurisdictions and are considered to be the same number of days delinquent as the principal payment associated with the fee. Delinquency fees receivable, net, is comprised of outstanding delinquency fees that we reasonably expect to collect from our consumers. As of June 30, 2026 and December 31, 2025, gross delinquency fees receivable totaled \$18.7 million and \$14.8 million, respectively.

Our delinquency fees receivable are considered past due when the principal associated with the order has not been received within one calendar day of when they are due in accordance with the agreed upon contractual terms. We maintain an allowance for other credit losses at a level necessary to absorb expected credit losses on delinquency fees receivable from our consumers. Any amounts delinquent after 90 days are charged off with an offsetting reversal to the allowance for other credit losses. Any adjustment to the allowance for other credit losses is recognized in net income through an offset to total revenue on our consolidated statements of operations and comprehensive income. Payments recovered after 90 days are recognized as a reduction to the allowance for other credit losses in the period the receivable is recovered.

The activity in the allowance for other credit losses related to delinquency fees, including the provision for other credit losses, charge-offs, and recoveries for the three and six months ended June 30, 2026 and 2025 was as follows:

(in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Balance at beginning of period	\$ 9,099	\$ 4,993	\$ 11,915	\$ 5,276
Provision for other credit losses	13,848	4,568	20,703	8,523
Charge-offs	(10,095)	(4,596)	(20,877)	(9,085)
Recoveries of charged-off receivables	1,104	284	2,215	535
Balance at end of period	\$ 13,956	\$ 5,249	\$ 13,956	\$ 5,249

Due to the nature of delinquency fees, we monitor the credit quality of the receivables based on delinquency status. Net delinquency fee charge-offs by year of origination for the six months ended June 30, 2026 was as follows:

(in thousands)	2026	2025	2024	2023	2022	Total
Current period gross charge-offs	\$ (5,999)	\$ (14,878)	\$ —	\$ —	\$ —	\$ (20,877)
Current period recoveries	—	1,989	114	41	71	2,215
Current period net charge-offs	\$ (5,999)	\$ (12,889)	\$ 114	\$ 41	\$ 71	\$ (18,662)

Merchant and partner income receivable primarily represents amounts due to us from our third-party partners and affiliates, including virtual card interchange amounts from the card-issuing bank that issues our virtual cards. Receivables from originating partner represents amounts due to us from our originating partner that will be used to settle outstanding merchant accounts payable on orders originated by them. We do not expect to incur losses on receivables from merchants, partners, or our originating partner; therefore, there is no allowance for credit losses recorded.

Note 5. Merchant Accounts Payable

Merchant accounts payable represents amounts owed to merchants related to orders placed on the Sezzle Platform.

Merchants have the ability to enroll, subject to our approval, into the Delayed Settlement Incentive Program (“DSIP”), which allows merchants to delay payment from us in exchange for daily incentive payments. Within merchant accounts payable, \$45.5 million and \$42.3 million were recorded within the DSIP balance as of June 30, 2026 and December 31, 2025, respectively. The related interest expense was \$0.5 million for both the three months ended June 30, 2026 and 2025, and \$0.9 million and \$1.0 million for the six months ended June 30, 2026 and 2025, respectively. Delayed payments retained in the program bore daily incentive payments at a fixed rate of 4.5% on an annual basis, compounding daily.

Deferred payments are due on demand, up to \$250,000 during any seven day period, at the request of the merchant. Any request larger than \$250,000 is processed within seven to ten days. We reserve the right to impose additional limits on the program and make changes to the program without notice or limits. These limits and changes to the program can include but are not limited to maximum balances, withdrawal amount limits, withdrawal frequency, the daily incentive rate for all or a portion of a merchant’s specific DSIP balance, and the ability for merchants to participate in the DSIP.

Note 6. Other Current Liabilities

As of June 30, 2026 and December 31, 2025, the balance of other current liabilities on the consolidated balance sheets was comprised of the following:

(in thousands)	June 30, 2026	December 31, 2025
Consumer down payments on unpurchased originating partner receivables ⁽¹⁾	\$ 20,046	\$ 9,542
Accrued operational expenses	5,808	4,330
Accrued personnel expenses	4,332	7,018
Operating lease liabilities	281	163
Other current liabilities	\$ 30,467	\$ 21,053

(1) We are the servicer of receivables originated by our originating partner. The balance reported within other current liabilities represents down payments collected from consumers prior to purchasing the related receivables from our originating partner.

Note 7. Line of Credit

We fund our consumer receivables through the use of a secured line of credit. We had an outstanding principal balance on our line of credit totaling \$123.5 million and \$141.3 million as of June 30, 2026 and December 31, 2025, respectively. Our revolving credit facilities are secured by a pool of pledged, eligible notes receivable. As of June 30, 2026 and December 31, 2025, we had pledged \$271.9 million and \$251.1 million of eligible gross notes receivable, respectively. We had an unused borrowing capacity of \$126.3 million and \$73.5 million as of June 30, 2026 and December 31, 2025, respectively.

Expenses related to our line of credit for the three and six months ended June 30, 2026 and 2025 were as follows:

(in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest expense on utilization	\$ 3,116	\$ 3,297	\$ 5,947	\$ 5,938
Interest expense on unused daily amounts	164	40	309	108
Amortization of debt issuance costs	193	111	434	219

For the three months ended June 30, 2026 and 2025, our line of credit carried an effective annual interest rate of 9.00% and 13.05%, respectively. For the six months ended June 30, 2026 and 2025, our line of credit carried an effective annual interest rate of 9.67% and 10.05%, respectively.

2026 Credit Agreement

On May 7, 2026, our SPE amended and restated its secured revolving credit facility (the “2026 Credit Agreement”) with Bastion Funding VI, LP and other certain lenders. The 2026 Credit Agreement has a borrowing capacity of up to \$300 million, with an option to increase the borrowing capacity by an additional \$75 million, and a maturity date of May 7, 2029. The borrowing base is 92.5% of pledged, eligible notes receivable, decreasing to 85% based on the loss rates of the underlying collateral. Eligible notes receivable are defined as notes receivable from consumers from the United States or Canada that are less than 30 days past due and fall within certain term and principal criteria.

The 2026 Credit Agreement carries an interest rate of 3-month Term SOFR plus 3.86%, with a 3-month Term SOFR floor rate of 2.00%. Interest on borrowings is due on collection dates as specified in the loan agreement, typically monthly. We incur an unused facility fee of 0.5% per annum on the difference between the maximum borrowing capacity and the amount of principal outstanding. We are also required to maintain a minimum outstanding balance of \$50 million.

The 2026 Credit Agreement contains customary representations, warranties, affirmative and negative covenants, events of default (including upon change of control or collateral loss rates exceeding pre-determined levels), and indemnification provisions in favor of the lenders. The negative covenants limit the SPE's ability to incur or guarantee additional indebtedness; make investments or other restricted payments; acquire assets or form or acquire subsidiaries; create liens; sell assets; pay dividends or make other distributions or repurchase or redeem capital stock; engage in certain transactions with affiliates; enter into agreements that restrict the creation or incurrence of liens other than liens securing the new 2026 Credit Agreement and related documents; engage in liquidations, mergers, or consolidations; and make any material amendment, modification, or supplement to our credit guidelines or servicing guide, in each case subject to certain exceptions and qualifications. We are also subject to financial covenants, which limit our ability to make certain restricted payments and requires us to meet financial tests related to tangible net worth, liquidity, and leverage.

Prior to May 7, 2026, we had \$153.5 million outstanding under our then existing revolving credit facility. In connection with the amendment and restatement of this prior credit facility, no amounts were repaid at closing, and the outstanding obligations were carried forward into the 2026 Credit Agreement.

Note 8. Commitments and Contingencies

Loan Commitments

Through our strategic partnership program with our originating partner, we have a direct obligation to purchase receivables extended to consumers by our originating partner. During the three months ended June 30, 2026 and 2025, the total order value of loans purchased from our originating partner was \$1,144.6 million and \$820.7 million, respectively, and the carrying value of the receivables on those purchases totaled \$883.7 million and \$603.0 million, respectively. During the six months ended June 30, 2026 and 2025, the total order value of loans purchased from our originating partner was \$2,125.8 million and \$1,527.6 million, respectively, and the carrying value of the receivables on those purchases totaled \$1,633.0 million and \$1,121.8 million, respectively. As of June 30, 2026 and December 31, 2025, the total order value of loans we had an obligation to purchase from our originating partner was \$71.3 million and \$27.3 million, respectively, and the carrying value of the receivables on those obligations totaled \$55.1 million and \$20.1 million, respectively.

Note 9. Net Income Per Share

Basic net income per share is computed by dividing net income for the period by the weighted-average number of shares outstanding during the period, including repurchases carried as treasury stock. Diluted net income per share is computed by dividing net income by the weighted-average number of shares outstanding adjusted for the dilutive effect of all potential shares of stock, including the exercise of employee stock options and assumed vesting of restricted stock units (if dilutive). Diluted net income per share was computed using the treasury stock method for stock options and restricted stock units.

The following table presents the calculation of basic and diluted net income per share:

(in thousands, except per share amounts)	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net income	\$ 40,765	\$ 27,604	\$ 92,068	\$ 63,768
Denominator⁽¹⁾:				
Basic shares:				
Weighted-average shares outstanding	33,633	33,733	33,698	33,792
Diluted shares ⁽²⁾ :				
Stock options	353	369	340	337
Restricted stock units	738	1,405	790	1,381
Weighted-average shares outstanding	34,724	35,507	34,828	35,510
Net income per share:				
Basic	\$ 1.21	\$ 0.82	\$ 2.73	\$ 1.89
Diluted	\$ 1.17	\$ 0.78	\$ 2.64	\$ 1.80

- (1) Effective March 28, 2025, we performed a 6-for-1 stock split of the Company's common stock, effected through a stock dividend. Share and per share amounts have been retroactively adjusted.
- (2) Because their effect would have been anti-dilutive, 4 shares were excluded from the denominator of diluted net income per share for the three and six months ended June 30, 2026.

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 together with our consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q ("Form 10-Q"). This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. You should review the "Forward-Looking Statements", "Factors Affecting Results from Operations", and "Risk Factors" sections of this Form 10-Q, and the "Risk Factors" sections on this Form 10-Q and the 2025 Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements described in the following discussion and analysis.

Overview

We are a purpose-driven payments company on a mission to financially empower the next generation. Launched in 2017, we have built a digital shopping and payments platform that provides consumers a flexible alternative to traditional credit. Through our platform, we aim to give consumers control of their spending, ways to save money, and access to responsible credit. Our vision is to create a digital ecosystem benefiting all of our stakeholders—including merchants, consumers, employees, communities, and investors—while continuing to drive ethical and sustainable growth.

The Sezzle Platform offers a payments solution for consumers in the United States and Canada that has the ability to instantly extend credit at the point-of-sale, allowing consumers to purchase and receive merchandise, while paying in installments over time. Consumers pay a portion of the purchase price at the point-of-sale as a down payment, and then pay off the remaining amount over time through scheduled payments. We also offer the ability to "pay-in-full" using the Sezzle Platform.

We provide consumers access to subscription products, short-term credit products at the point of sale, which may be free or subject to fees and/or interest, and access to interest-bearing loans with our third-party partner. We make a majority of our revenue from merchants, partners, consumer fees, and through our two paid versions of the core Sezzle experience: Sezzle Premium and Sezzle Anywhere. Sezzle Premium is a paid subscription service for consumers to access large, non-integrated premium merchants for a recurring fee. Sezzle Anywhere is a paid subscription service that allows consumers to use their Sezzle Virtual Card at any merchant online or in-store, subject to certain merchant, product, goods, and service restrictions, for a recurring fee. Sezzle On-Demand allows consumers who are not subscribed to Sezzle Anywhere to use the Sezzle Platform at any merchant online or in-store (subject to the same restrictions as Sezzle Anywhere) in exchange for a finance charge, which is added to the consumer's initial down payment. Additionally, through collaboration with third-party partners we enable our consumers access to interest-bearing monthly fixed-rate installment-loan products at participating merchants for larger-ticket items (up to \$15,000), which extend up to 48 months.

Factors Affecting Results of Operations

The following key factors have affected our financial performance and are expected to impact our performance going forward.

Sustainable Business Model

Our ability to profitably scale our business long-term is reliant on creating a transparent and sustainable ecosystem of products and services that add value for all of our stakeholders, including our consumers and merchants. We stand at the intersection of digital shopping and a need for credit for consumers who prefer to use credit alternatives other than credit cards or do not have access to traditional credit products. We provide consumers access to subscription products, short-term credit products at the point of sale, which may be free or subject to fees and/or interest, and access to interest-bearing loans with our third-party partners.

We earn fees from our merchants predominately based on a percentage of the GMV value plus a fixed fee per transaction, collectively called a “merchant processing fee.” We generally pay our merchants the full transaction value upfront, net of the merchant processing fee owed to us, and assume all costs associated with consumer payment processing, fraud, and payment default. We also earn income from partners, including interchange fees through our virtual card solution, promotional incentives with third parties, and marketing revenue earned from affiliates. Our merchants have access to a toolkit we provide that can assist in the growth of their businesses. This toolkit includes marketing placements, co-branded marketing, and exclusive promotions for consumers using Sezzle.

Acquisition, Monetization, and Retention of Consumers

Our ability to profitably scale our business relies on the acquisition, monetization, and retention of consumers on the Sezzle Platform. Changes in our consumer base have had, and will continue to have, an impact on our results of operations. The success of our business depends on a consumer base that actively engages with the Sezzle Platform. It is costly for us to acquire consumers; therefore, we aim to provide offerings to our consumers that keep them engaged within our ecosystem, such as our in-app product marketplace, price comparison feature, Payment Streaks, Earn tab, and Sezzle Up. High turnover in our consumer base could result in higher than anticipated overhead costs. There is a risk that we may lose consumers for a variety of reasons, including consumers shifting to competitors or other payment options, changes in the general macroeconomic climate, or changes in our underwriting.

Additionally, our results of operations are significantly impacted by our success in monetizing our consumer base who use the Sezzle Platform. A majority of our revenue is earned through consumers using the Sezzle Platform as a payment method when making purchases, especially when using the Sezzle Virtual Card, or when consumers choose to enroll in either of our optional, paid subscription services. There is a risk that we may be unable to successfully monetize consumers who actively engage with the Sezzle Platform, which could adversely impact our results of operations.

Product Innovation

Our expanding product suite enables us to further promote our mission of financially empowering the next generation, and the adoption of these products by our consumers is expected to drive operating and financial performance.

In 2025, we launched price comparison, the Earn tab, and Sezzle Balance. Price comparison is a feature in our product marketplace that provides consumers the ability to compare the price of a product across a variety of different merchants and receive notifications if the price drops. The Earn tab allows consumers the ability to save money through coupons, discounts, and playing games. Sezzle Balance allows consumers to preload funds into a digital wallet for a simplified repayment process.

In 2026, we launched Sezzle Mobile and SezzleCash. Sezzle Mobile is a mobile phone plan embedded directly within the Sezzle app that offers unlimited talk, text, and 5G data on AT&T’s network, to our consumers. SezzleCash allows consumers to borrow funds and pay back the amount over time, plus a service fee. We also partnered with a new long-term lending provider to expand and further integrate interest-bearing monthly fixed-rate installment-loan products into the Sezzle Platform.

We continue to seek out new partners to adopt our existing products and strategize on new products to complement our platform and core products, which we believe will have an impact on the continued growth of our business.

Credit Risk Management

A critical component of our business model is the ability to effectively manage the repayment risk inherent in allowing consumers to pay over time, as we absorb the costs of all credit losses on the credit we extend to our consumers. The provision for credit losses is a significant component of our operating expenses, and excessive exposure to consumer repayment failure may impact our results of operations. To that end, a team of Sezzle engineers and risk specialists oversee our proprietary systems, identify transactions with an elevated risk of fraud, assess the credit risk of the consumer, assign spending limits, and manage the ultimate receipt of funds. Because our consumers settle a portion of the purchase value upfront at the point of sale, we believe repayment risk is more limited relative to other traditional forms of unsecured consumer credit.

We believe our systems and processes are currently effective and allow for predominantly accurate, real-time decisions in connection with the consumer transaction approval process. As the availability of data on consumer repayment behavior grows, we believe we can better optimize our systems and ability to make real-time consumer repayment capability decisions over time. Optimizing repayment capacity decisions of our current and future consumer base is a critical component of our operations, and the optimization of our risk management strategy may influence both our profitability and our provision for credit losses and related charge-offs. We also have a collection strategy where we utilize third-party collection agencies, in addition to our internal collections process, which further helps us lower our loss rates and manage credit risk.

Maintaining our Capital-Efficient Strategy

Maintaining our funding strategy and efficient use of capital is important for the ability to grow our business. We have designed a funding strategy that we believe allows us to scale our business and drive rapid growth. Due to the short-term nature of our products, we are able to recycle capital quickly and create a multiplier effect on our committed capital. We primarily rely on revolving credit facilities to fund our receivables over time, and do not currently require additional equity contributions to directly fund product growth.

General Economic Conditions and Regulatory Climate

Our business depends on consumers transacting with merchants, which is affected by changes in general economic conditions. For example, the retail sector is affected by macroeconomic conditions such as unemployment, interest rates, consumer confidence, economic recessions, public health crises, or extended periods of uncertainty or volatility—all of which may influence consumer spending, and suppliers' and retailers' focus and investment in outsourcing solutions. This may subsequently impact our ability to generate income. Additionally, in weaker economic environments, consumers may have less disposable income to spend, and may be less likely to purchase products by utilizing our services. This could also cause our credit losses to increase due to consumers' failure to repay the loans originated on the Sezzle Platform. Our industry is further impacted by numerous consumer finance and protection regulations, both domestic and international, and the prospects of new regulations, including the cost to comply with such regulations, that have an ongoing impact on our results of operations and financial performance.

Seasonality

We experience seasonality as a result of the spending patterns of our consumers. Total revenue and GMV in the fourth quarter have historically been strongest for us, in line with consumers generally spending more during the holiday shopping season. These seasonal volumes have typically been accompanied by increased charge-offs when compared to the prior three quarters. Increased charge-offs accompanying higher seasonal volumes typically result in an increase in the provision for credit losses on an absolute basis and as a percentage of GMV.

Key Operating Metrics

Gross Merchandise Volume

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Gross Merchandise Volume	\$ 1,278,502	\$ 926,981	\$ 351,521	37.9 %	\$ 2,388,910	\$ 1,735,664	\$ 653,246	37.6 %

GMV is defined as the total value of sales made by merchants based on the purchase price of each confirmed sale where a consumer has selected the Sezzle Platform as the applicable payment option. GMV does not represent revenue earned by us, is neither a component of our income, nor included within our financial results prepared in accordance with U.S. GAAP. However, we believe that GMV is a useful operating metric to both us and our investors in assessing the volume of transactions that take place on the Sezzle Platform, including our Sezzle Premium and Sezzle Anywhere products, which is an indicator of the utilization and strength of the Sezzle Platform.

The increase in GMV was driven by increased usage of our Sezzle Anywhere and Sezzle Premium subscription products.

Active Consumers and Monthly On-Demand Users and Subscribers

	As of		Change	
	June 30, 2026	December 31, 2025	#	%
(in thousands, except percentages)				
Active Consumers	3,160	3,049	111	3.6 %
Monthly On-Demand Users and Subscribers	982	918	64	7.0%

Active Consumers is defined as unique consumers who have placed an order with us within the last twelve months. Monthly On-Demand Users and Subscribers (or “MODS”) is defined as unique consumers who have placed at least one On-Demand order during the month ended June 30, 2026, plus consumers with an active subscription for either Sezzle Premium or Sezzle Anywhere as of the end of the period.

As of June 30, 2026 and December 31, 2025, we had 854 thousand and 670 thousand unique consumers who had an active subscription for either Sezzle Premium or Sezzle Anywhere (“Active Subscribers”), respectively, and 128 thousand and 248 thousand unique consumers who placed an On-Demand order during the months ended June 30, 2026 and December 31, 2025, respectively. The increase in Active Consumers and MODS is attributed to increased marketing and advertising initiatives, as well as new product releases.

Components of Results of Operations

Total Revenue

Our total revenue is classified into two categories, based on ASC recognition criteria: lending-based income and revenue from contracts with customers.

Lending-Based Income

Lending-based income relates to net origination fees on financing receivables we originate, premiums and discounts on financing receivables we purchase, and delinquency fees on financing receivables we hold. This is primarily comprised of merchant processing fees on orders that result in a financing receivable, delinquency fees, and other ancillary consumer fees, such as fees to reschedule installment due dates and nonrefundable fees assessed for using Sezzle On-Demand. Merchant processing fees are based on the GMV passing through our platform and are predominately based on a percentage of the GMV, plus a fixed fee per transaction. Lending-based income, other than delinquency fees, is initially recorded as a reduction to notes receivable, net, within the consolidated balance sheets. Such income is subsequently recognized over the average duration of the related note receivable using the interest method. Delinquency fees include fees assessed to consumers who fail to make a timely principal payment or their payment method fails when attempting to make an installment payment, and are recognized at the time the fee is charged to the consumer, to the extent they are reasonably collectible.

Revenue from Contracts with Customers

We earn revenue from contracts with customers via partners. This revenue primarily includes interchange fees earned through our virtual card and promotional incentives with third parties. We have an agreement with a card-issuing partner to facilitate the issuance of virtual cards to be used by our consumers at checkout. We earn virtual card interchange fees when a consumer uses a virtual card to complete a purchase. Such interchange fees are established by the applicable payment network, are assessed to the merchant's acquiring bank, and are remitted to the card-issuing partner that issues our virtual cards, which in turn remits to us the portion of those fees to which we are contractually entitled. Our customer in this arrangement is our card-issuing partner, and our performance obligation is to facilitate and process the underlying card transaction. The performance obligation is satisfied at the point in time the transaction is settled by the payment network, at which time the related revenue is recognized.

We earn promotional incentives from third-party platforms and brand partners for directing consumer traffic or transaction volume to specified merchants or brands. Revenue is recognized at the point in time the performance obligation is fulfilled, which is when a sale is made or traffic is directed to the merchant or brand. Consideration under these arrangements is generally determined based on the volume of consumer traffic or transaction activity in the period.

Revenue from contracts with customers primarily relates to subscription revenue and certain consumer fees. We earn revenue from two paid subscription services, Sezzle Premium and Sezzle Anywhere, for a fixed fee paid at the beginning of the subscription period. Sezzle Premium allows consumers to shop at select large, non-integrated premium merchants, along with other benefits. Sezzle Anywhere allows consumers to use their Sezzle Virtual Card at any merchant online or in-store, subject to certain merchant, product, goods, and service restrictions. These performance obligations comprise a series of distinct services that are substantially the same; therefore, such revenue is recognized straight-line over the subscription period. All performance obligations related to these subscriptions are fully satisfied within one year of receiving payment. Payment received for performance obligations not yet satisfied are recorded as deferred revenue within the consolidated balance sheets until such performance obligations are satisfied.

Revenue from contracts with customers also includes revenue from fees assessed when consumers make a scheduled payment using a card or load funds into their Sezzle Balance. Such consumer fees relate to a single performance obligation to process the related payment, which is satisfied, and the related revenue is recognized, at the point in time the transaction is processed.

Personnel

Personnel primarily comprises all compensation paid to employees, contractor payments, employer-paid payroll taxes and employee benefits, equity- and incentive-based compensation, and other employee-related expenses.

Transaction Expense

Transaction expense primarily comprises processing fees paid to third parties to process debit, credit and ACH payments received from consumers, merchant affiliate program and partnership fees, consumer communication costs, consumer and merchant support-related costs, and third-party fraud losses. We incur merchant affiliate program and partnership fees when consumers make purchases with merchants who either were referred by another merchant or are associated with partner platforms with which we have a contractual agreement. We incur consumer communication costs when we notify the consumer about the transaction status and upcoming payments. Communications are primarily made via text message and email directly to the consumer.

Third-Party Technology and Data

Third-party technology and data primarily includes cloud-based infrastructure, fraud prevention, obtaining underwriting data, and other third-party services to support our operations.

Marketing, Advertising, and Tradeshows

Marketing, advertising, and tradeshows primarily comprises costs related to marketing, sponsorships, advertising, attending tradeshows, promotions, and co-marketing the Sezzle brand with our merchants.

General and Administrative

General and administrative expenses are primarily comprised of professional service fees, depreciation and amortization, insurance premiums, travel, meals, and entertainment costs. Professional service fees include legal, compliance, audit, tax, and consulting services to support the growth of our company.

Provision for Credit Losses

We maintain an allowance for credit losses at a level necessary to absorb expected credit losses on notes receivable from consumers. The allowance for credit losses is determined based on our current estimate of expected credit losses over the remaining contractual term and incorporates evaluations of known and inherent risks in our portfolio, historical credit losses, and current economic conditions. In estimating the allowance for credit losses, we utilize a roll rate analysis of delinquent and current notes receivable. A roll rate analysis is a technique used to estimate the likelihood that a loan progresses through various stages of delinquency and eventually charges off. We segment our notes receivable into delinquency statuses and semi-monthly vintages for the purpose of evaluating historical performance and determining the future likelihood of default. We regularly assess the adequacy of our allowance for credit losses and adjust the allowance as necessary to reflect changes in the credit risk of our notes receivable. Any adjustment to the allowance for credit losses is recognized in net income through the provision for credit losses on our consolidated statements of operations and comprehensive income. While we believe our allowance for credit losses is appropriate based on the information available, actual losses could differ from our estimate.

Net Interest Expense

We incur interest expense on a continuous basis as a result of draws on our revolving line of credit to fund consumer notes receivable as well as our Delayed Settlement Incentive Program, whereby merchants may delay their payments owed by us in exchange for daily incentive payments. The interest paid on borrowings under our line of credit is based on SOFR. Daily incentives paid to merchants under the Delayed Settlement Incentive Program are based on a fixed interest rate.

Income Tax Expense

Income tax expense consists of income taxes in various jurisdictions, primarily U.S. federal and state income taxes, and also the other foreign jurisdictions in which we operate. Tax effects of transactions reported in the consolidated financial statements consist of taxes currently due. Additionally, we record deferred taxes related primarily to differences between the basis of receivables, property and equipment, equity based compensation, and accrued liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Results of Operations

Total Revenue

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Lending-based income	\$ 64,962	\$ 46,686	\$ 18,276	39.1 %	\$ 125,531	\$ 94,606	\$ 30,925	32.7 %
Revenue from contracts with customers	84,721	52,016	32,705	62.9 %	159,691	109,008	50,683	46.5 %
Total revenue	\$ 149,683	\$ 98,702	\$ 50,981	51.7 %	\$ 285,222	\$ 203,614	\$ 81,608	40.1 %

Lending-based income primarily increased as a result of consumer-derived income, which totaled \$54.1 million and \$34.0 million for the three months ended June 30, 2026 and 2025, respectively, and \$104.5 million and \$67.7 million for the six months ended June 30, 2026 and 2025, respectively. The increase in consumer-derived income when comparing the three months ended June 30, 2026 and 2025 was driven by both a higher number of consumer fees charged, contributing to approximately \$13.4 million of the increase, and higher fee prices, contributing to approximately \$6.6 million of the increase. The increase in consumer-derived income when comparing the six months ended June 30, 2026 and 2025 was also driven by both a higher number of consumer fees charged, contributing to approximately \$23.2 million of the increase, and higher fee prices, contributing to approximately \$13.5 million of the increase. Lending-based income also included merchant- and partner-derived income of \$10.9 million and \$12.7 million for the three months ended June 30, 2026 and 2025, respectively, and \$21.0 million and \$26.9 million for the six months ended June 30, 2026 and 2025, respectively.

Revenue from contracts with customers included merchant- and partner-derived income of \$28.6 million and \$16.5 million for the three months ended June 30, 2026 and 2025, respectively, and \$52.7 million and \$30.5 million for the six months ended June 30, 2026 and 2025, respectively. The increase was a result of higher GMV on our virtual card products and promotional incentive revenue in the current period. Revenue from contracts with customers also increased as a result of consumer-derived revenue, which totaled \$56.2 million and \$35.5 million for the three months ended June 30, 2026 and 2025, respectively, and \$106.9 million and \$78.5 million for the six months ended June 30, 2026 and 2025, respectively. The increase in consumer-derived revenue when comparing the three months ended June 30, 2026 and 2025 was primarily driven by a greater number of consumers subscribed to Sezzle Premium and Sezzle Anywhere, contributing to approximately \$13.1 million of the increase. The increase in consumer-derived revenue when comparing the six months ended June 30, 2026 and 2025 was also primarily driven by a greater number of consumers subscribed to Sezzle Premium and Sezzle Anywhere, contributing to approximately \$22.9 million of the increase.

Personnel

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Personnel	\$ 14,725	\$ 11,681	\$ 3,044	26.1 %	\$ 29,392	\$ 26,729	\$ 2,663	10.0 %

The increase in personnel was driven by overall growth in our workforce and an increase in profit-sharing incentive plan expenses during the current year. Recorded within personnel, equity based compensation totaled \$2.1 million and \$1.5 million for the three months ended June 30, 2026 and 2025, respectively, and \$3.4 million and \$2.8 million for the six months ended June 30, 2026 and 2025, respectively.

Transaction Expense

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Transaction expense	\$ 20,738	\$ 14,243	\$ 6,495	45.6 %	\$ 39,258	\$ 29,560	\$ 9,698	32.8 %

The increase in transaction expense was driven by higher payment processing costs as a result of a higher number of payments processed in the current year in line with GMV. Payment processing costs totaled \$19.3 million and \$13.3 million for the three months ended June 30, 2026 and 2025, respectively, and \$36.8 million and \$27.4 million for the six months ended June 30, 2026 and 2025, respectively. The rest of transaction expense was comprised of affiliate and partner fees, third-party fraud losses, consumer communication, and consumer and merchant support-related costs.

Third-Party Technology and Data

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Third-party technology and data	\$ 4,907	\$ 3,428	\$ 1,479	43.1 %	\$ 9,322	\$ 6,802	\$ 2,520	37.0 %

The increase in expense was driven by higher utilization of cloud-based infrastructure and other third-party services to support the scaling of the Sezzle Platform as a result of higher GMV and our expanded suite of product offerings.

Marketing, Advertising, and Tradeshows

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Marketing, advertising, and tradeshows	\$ 19,396	\$ 8,772	\$ 10,624	121.1 %	\$ 30,642	\$ 14,118	\$ 16,524	117.0 %

The increase in marketing, advertising, and tradeshow costs was from the continued expansion of initiatives to promote consumer acquisition, retention, and engagement, as well as a result of testing different levels of marketing effort to determine optimal strategies. We expect to realize the benefits of this marketing investment in future periods.

General and Administrative

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
General and administrative	\$ 4,348	\$ 3,846	\$ 502	13.1 %	\$ 8,328	\$ 6,977	\$ 1,351	19.4 %

The increase was primarily from higher professional service fees related to the overall growth of the business, offset against lower operating costs associated with our loan origination partner funding virtual card transactions.

Provision for Credit Losses

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Provision for credit losses	\$ 30,608	\$ 20,646	\$ 9,962	48.3 %	\$ 44,283	\$ 33,447	\$ 10,836	32.4 %

The increase in the provision for credit losses is generally consistent with the growth in GMV, with any deviations a result of changes in expected performance on the current year portfolio compared to the prior year. As a percentage of total revenue, the provision for credit losses was 20.4% and 20.9% for the three months ended June 30, 2026 and 2025, respectively, and 15.5% and 16.4% for the six months ended June 30, 2026 and 2025, respectively.

We expect that increases in GMV and revenue will likely result in higher absolute amounts of credit losses. Additionally, we expect changes in our underwriting strategy to affect the amount of credit losses as a percentage of total revenue. However, tightening or loosening our credit standards that apply to our consumers may impact both total revenue and credit losses to different extents, potentially causing changes in credit losses as a percentage of total revenue. Our underwriting strategy continues to evolve and, therefore, it is challenging to predict the effect changes in our underwriting would have on the amount of future credit losses as a percentage of total revenue.

Net Interest Expense

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Net interest expense	\$ 3,250	\$ 3,501	\$ (251)	(7.2)%	\$ 6,265	\$ 6,415	\$ (150)	(2.3)%

Net interest expense decreased as a result of entering into a new line of credit agreement on May 7, 2026, which carries a lower interest rate than our previous line of credit, offset against higher outstanding borrowings during the three and six months ended June 30, 2026.

Income Tax Expense

	For the three months ended June 30,		Change		For the six months ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(in thousands, except percentages)								
Income tax expense	\$ 10,947	\$ 5,068	\$ 5,879	116.0 %	\$ 25,633	\$ 15,910	\$ 9,723	61.1%

Our effective income tax rate for the three months ended June 30, 2026 and 2025 was 21.2% and 15.5%, respectively. Our effective income tax rate for the six months ended June 30, 2026 and 2025 was 21.8% and 20.0%, respectively. Income tax expense includes \$1.9 million and \$3.1 million of excess tax benefits recorded on equity-based compensation for the three months ended June 30, 2026 and 2025, respectively, and \$3.6 million and \$4.0 million of excess tax benefits recorded on equity-based compensation for the six months ended June 30, 2026 and 2025, respectively.

Liquidity and Capital Resources

For the six months ended June 30, 2026 and 2025, our net income was \$92.1 million and \$63.8 million, respectively. As of June 30, 2026, our principal sources of liquidity were cash, cash equivalents, restricted cash, the unused borrowing capacity on our line of credit, and certain cash flows from operations.

As of June 30, 2026, we had cash and cash equivalents of \$79.8 million, compared to \$64.1 million as of December 31, 2025. Our cash and cash equivalents were held primarily for working capital requirements and the continued investment in our business. As of June 30, 2026 and December 31, 2025, we had restricted cash of \$32.3 million and \$38.5 million, respectively.

As of June 30, 2026 and December 31, 2025, we had working capital of \$306.7 million and \$262.1 million, respectively. The increase in working capital was primarily a result of the growth in cash and cash equivalents, as well as notes receivable, net, driven by higher GMV. Additionally, as of June 30, 2026 and December 31, 2025 we had an unused borrowing capacity on our line of credit of \$126.3 million and \$73.5 million, respectively.

We believe that our existing cash, cash equivalents, restricted cash, our unused borrowing capacity on our line of credit, and certain cash flows from operations will be sufficient to meet our working capital and investment requirements beyond the next twelve months.

Factors Affecting Liquidity and Capital Resources

While we believe that our business will be able to generate enough cash flow from operations and that future borrowings will be available to us in an amount sufficient to enable us to fund our liquidity needs, we cannot provide any assurance. Our ability to meet these needs depends on current economic conditions and other factors, many of which are beyond our control. Material factors that could affect our liquidity and capital resources are consumer delinquencies and defaults, declines in consumer purchases, an inability to access fundraising, macroeconomic conditions, material changes in interest rates, and instability of financial institutions. If our capital is insufficient to satisfy our liquidity requirements, we will need to seek additional equity or debt financing. In an increasing interest rate environment, our ability to raise equity or incur debt could be limited, our borrowing costs could increase, we could be subject to tighter covenants, or we could be required to pledge additional collateral as security. If we are unable to raise additional capital or generate the necessary cash flows, our results of operations and financial condition could be materially and adversely impacted.

Cash Flows

The following table summarizes our cash flows:

(in thousands)	For the six months ended June 30,	
	2026	(As restated) 2025
Net Cash Provided from Operating Activities	\$ 141,226	\$ 75,536
Net Cash Used for Investing Activities	(80,260)	(54,342)
Net Cash Used for Financing Activities	(51,090)	(809)
Net increase in cash, cash equivalents, and restricted cash	\$ 9,876	\$ 20,385

Operating Activities

Our largest source of operating cash is receipts from consumers, and our largest use of operating cash is payments to merchants. Other primary uses of cash from operating activities are for personnel, payment processing costs, and interest payments.

During the six months ended June 30, 2026, net cash provided from operating activities totaled \$141.2 million, driven by our \$92.1 million net income adjusted for \$68.1 million of non-cash adjustments such as credit losses, equity based compensation, deferred income taxes, and depreciation and amortization, offset against cash outflows of \$18.9 million from changes in our operating assets and liabilities. Our cash outflows from changes in our operating assets and liabilities were driven by a \$31.1 million increase in other assets related to the timing of payments to taxing authorities and vendors, as well as higher delinquency fees assessed in the current period not yet collected. Offset against this was a \$9.3 million increase in other liabilities, driven by an increase in collections of consumer down payments on unpurchased originating partner receivables. During the six months ended June 30, 2026, cash payments for personnel-related expenses totaled \$30.1 million, cash payments for processing costs totaled \$36.2 million, cash interest payments totaled \$7.7 million, and cash paid for income taxes totaled \$35.9 million.

During the six months ended June 30, 2025, net cash provided from operating activities totaled \$75.5 million, driven by our \$63.8 million net income adjusted for \$47.3 million of non-cash adjustments such as credit losses, equity based compensation, deferred income taxes, and depreciation and amortization, offset against cash outflows of \$35.5 million from changes in our operating assets and liabilities. Our cash outflows from changes in our operating assets and liabilities were driven by a \$20.5 million increase in other assets related to the timing of payments to taxing authorities and vendors, as well as higher delinquency fees assessed in the current period not yet collected. A \$8.9 million decrease in merchant accounts payable related to the timing of payments to merchants and a \$4.6 million decrease in other payables related to the timing of payments to vendors and taxing authorities also contributed to our cash outflows from operating activities. During the six months ended June 30, 2025, cash payments for personnel-related expenses totaled \$29.7 million, cash payments for processing costs totaled \$31.2 million, cash interest payments totaled \$7.0 million, and cash paid for income taxes totaled \$25.2 million.

Investing Activities

Net cash used for investing activities was \$80.3 million and \$54.3 million for the six months ended June 30, 2026 and 2025, respectively. Cash outflows for investing activities were from purchases and originations of notes receivable, net of repayments; purchasing computer equipment; and payments of salaries to employees who create capitalized internal-use software.

Financing Activities

Net cash used for financing activities during the six months ended June 30, 2026 and 2025 was \$51.1 million and \$0.8 million, respectively.

Our net cash used for financing activities during the six months ended June 30, 2026 was primarily driven by repurchases of common stock totaling \$32.8 million, net payments to our line of credit totaling \$17.8 million, and payment of debt issuance costs totaling \$1.1 million related to our new line of credit. Repurchases of common stock made under our stock repurchase plan totaled \$28.0 million, with the remaining repurchases representing withheld shares of common stock from employees to cover minimum statutory withholding tax obligations owed for vested restricted stock units issued under our equity incentive plans. Offset against these cash outflows were proceeds from stock option exercises totaling \$0.6 million.

Our net cash used for financing activities during the six months ended June 30, 2025 was comprised of repurchases of common stock totaling \$30.7 million, offset against net proceeds from our line of credit totaling \$26.3 million and proceeds from stock option exercises totaling \$3.6 million. Repurchases of common stock were made under our stock repurchase plan totaled \$23.5 million, with the remaining repurchases representing withheld shares of common stock from employees to cover minimum statutory withholding tax obligations owed for vesting restricted stock units issued under our equity incentive plans.

Line of Credit

Refer to [Note 7. Line of Credit](#) on the accompanying Notes to the Consolidated Financial Statements for discussion about our lines of credit.

Loan Commitments

Refer to [Note 8. Commitments and Contingencies](#) on the accompanying Notes to the Consolidated Financial Statements for discussion about our direct obligation to purchase loans from our originating partner.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. These principles require 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 management believes to be reasonable. Our actual results may differ materially from our estimates because of certain accounting policies requiring significant judgment. To the extent that there are material differences between our estimates and actual results, our future consolidated financial statements will be affected.

We evaluate our significant estimates on an ongoing basis, including, but not limited to, estimates related to our allowance for credit losses. We believe this estimate has the greatest risk of affecting our consolidated financial statements; therefore, we consider this to be our critical accounting policy and estimate. Refer to [Note 1. Principal Business Activity and Significant Accounting Policies](#) within the Notes to Consolidated Financial Statements and “Critical Accounting Policies and Estimates” within [Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations](#) in our 2025 Annual Report on Form 10-K for a complete discussion of our significant accounting policies and critical accounting estimates.

New Accounting Pronouncements

Refer to [Note 1. Significant Accounting Policies](#) on the accompanying notes to our consolidated financial statements for discussion about recent accounting pronouncements.

Off Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, that would have been established for the purpose of facilitating off balance sheet arrangements (as that term is defined in Item 303(a)(4)(ii) of Regulation S-K) or other contractually narrow or limited purposes. As such, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in those types of relationships. We enter into guarantees in the ordinary course of business related to the guarantee of our performance and the performance of our subsidiaries.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks during our ordinary course of business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices, interest rates, and foreign currency exchange rates. Our primary risk exposure is the result of fluctuations in interest rates and foreign currency exchange rates. Management establishes policies and programs around our investing and funding activities in order to mitigate market risks. We continuously monitor risk exposures.

Interest Rate Risk

We are exposed to interest rate risk primarily from our revolving line of credit. As of June 30, 2026 and December 31, 2025, we had a revolving line of credit facility of \$300 million and \$225 million, respectively, available to us. We are obligated to pay interest on borrowing under our line of credit as well as other customary fees, including an unused commitment fee. Borrowings under our line of credit bear interest at a floating rate based on the U.S. Federal Reserve's Secured Overnight Financing Rate ("SOFR"); therefore, we are exposed to risks related to fluctuations in SOFR to the extent of our outstanding borrowings. As of June 30, 2026 and December 31, 2025, we had \$123.5 million and \$141.3 million, respectively, outstanding under our line of credit. For the six months ended June 30, 2026, a 100 basis point hypothetical adverse change in SOFR during the year would have resulted in an additional \$0.6 million of interest expense recorded within net interest expense on our consolidated statements of operations and comprehensive income, based on actual borrowings on our line of credit during the six months ended June 30, 2026.

Interest rates may also adversely impact our consumers' spending levels and ability to repay outstanding amounts owed to us. Higher interest rates could lead to larger payment obligations for consumers under other lenders, such as mortgages and credit cards, which may reduce our consumers' ability to remain current on their installment plans with us. This may lead to increased delinquencies, charge-offs, and credit losses on our notes receivable, which would have an adverse effect on our net income.

Foreign Currency Risk

During the ordinary course of business, we enter into certain transactions denominated in the Canadian dollar, which exposes us to foreign currency exchange rate risk. We have experienced and will continue to experience fluctuations in our net income as a result of transaction gains or losses related to revaluing monetary assets and liabilities that are denominated in currencies other than the functional currency of the entities in which they are recorded. We considered historical trends in foreign currency exchange rates and concluded it was reasonably possible that a 10% change in exchange rates could occur in the near term. If a hypothetical 10% foreign currency exchange rate change was applied to total monetary assets and liabilities denominated in currencies other than the functional currency of the entities in which they were recorded at the balance sheet date, it would not have a material impact on our financial results. At this time, we have not entered into derivatives or other financial instrument transactions in an attempt to hedge our foreign currency exchange risk due to its immaterial nature. In the future, we may enter into such transactions should our exposure become more substantial.

We are also subject to foreign currency exchange risk related to translation, as a number of our subsidiaries have functional currencies other than the U.S. Dollar. Translation from these foreign currencies to the U.S. Dollar is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using an average exchange rate for the period. Resulting translation adjustments are reported as a component of accumulated other comprehensive loss on the consolidated balance sheets. A hypothetical adverse 10% change in all of our subsidiaries' functional currencies against the U.S. Dollar compared to the exchange rate during the six months ended June 30, 2026 and 2025 would have resulted in an additional foreign currency translation adjustment of approximately \$1.5 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of June 30, 2026, Sezzle conducted an evaluation, under supervision and with the participation of management, including the Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended (Exchange Act).

Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were not effective at a reasonable assurance level, due to the material weakness described in Management's Annual Report on Internal Control over Financial Reporting as disclosed in the Company's 2025 Form 10-K. Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) of the Exchange Act as controls and other procedures that are designed to ensure that information required to be disclosed by us in reports filed with the SEC under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management previously identified a material weakness in internal control over financial reporting as we did not design and maintain effective controls to evaluate the appropriate classification of the cash flows related to our notes receivable. This material weakness resulted in the restatement of our Consolidated Statement of Cash Flows for the year ended December 31, 2024, as well as a material misclassification of the Consolidated Statements of Cash Flows for the three months ended March 31, 2025 and 2024, six months ended June 30, 2025 and 2024, and nine months ended September 30, 2025 and 2024. If not remediated, this material weakness could result in misstatements of the aforementioned cash flow statements or related disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Remediation Plan

To remediate the material weakness in its internal control over financial reporting related to the classification of notes receivable in our Consolidated Statements of Cash Flows, we have implemented an enhanced control into our disclosure controls and procedures as they relate to the classification of our notes receivable. While we have implemented the enhanced control, the material weakness cannot be considered remediated until the control has operated for a sufficient period of time and management has concluded, through testing, that the control is operating effectively.

Changes in Internal Control Over Financial Reporting

As of June 30, 2026, our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated our internal control over financial reporting. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded, with the exception of the newly implemented control outlined in our remediation plan above, that no changes in our internal control over financial reporting occurred during the six months ended June 30, 2026, other than the changes discussed above, materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Except as set forth below, we are not currently involved in any material legal proceedings, other than ordinary routine litigation incidental to the business, to which we or any of our subsidiaries is a party or of which any of their property is subject.

On June 9, 2025, we filed a lawsuit against Shopify, Inc., in the U.S. District Court for the District of Minnesota asserting federal and state antitrust violations. The lawsuit alleges that Shopify has been engaging and continues to engage in monopolistic and anticompetitive business practices in order to stifle competition for “buy now, pay later” service options on Shopify’s e-commerce platform. Sezzle is seeking an injunction to prevent Shopify from continuing its anticompetitive conduct and to restore competition and consumer choice. Sezzle is also seeking damages, which could be tripled under applicable laws. Shopify denied the allegations and filed a motion to dismiss the complaint and a hearing on such motion was held on December 8, 2025. On May 11, 2026, the court granted in part and denied in part Shopify’s motion. The court dismissed, without prejudice, Sezzle’s claim of unlawful tying under Section 1 of the Sherman Act and its parallel claim under Minnesota antitrust law to the extent that claim asserts the same tying theory. The court denied the motion in all other respects, and Sezzle’s remaining claims, including its claims of monopolization and attempted monopolization under Section 2 of the Sherman Act, unlawful restraint of trade under Section 1 of the Sherman Act, and its parallel claims under Minnesota antitrust law and the Minnesota Deceptive Trade Practices Act, are proceeding. The outcome of this litigation, including the timing of any resolution, cannot be predicted with certainty.

While the outcome of these matters cannot be predicted with certainty, we do not believe that the outcome of any of these matters, individually or in the aggregate, will have a material adverse effect on our consolidated balance sheets, operations and comprehensive income, or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors described in [Part I, Item 1A. Risk Factors](#) of our [Annual Report on Form 10-K](#) for the year ended December 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three months ended June 30, 2026, we withheld shares of common stock from employees to cover minimum statutory withholding tax obligations owed for vested restricted stock units issued under our equity incentive plans. We also repurchased shares in the open market under our stock repurchase plan, as described in our Current Report on Form 8-K filed December 15, 2025. The table below presents information with respect to such common stock purchases made by us during the three months ended June 30, 2026, as follows:

Issuer Purchases of Equity Securities				
Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs ⁽²⁾
April 1, 2026 through April 30, 2026	101,311	\$ 61.42	53,250	\$ 72,037,469
May 1, 2026 through May 31, 2026	1,304	96.83	—	72,037,469
June 1, 2026 through June 30, 2026	4,521	157.45	—	72,037,469
Total	107,136	\$ 65.91	53,250	\$ 72,037,469

(1) 53,886 shares were surrendered to satisfy minimum statutory tax obligations under our equity incentive plans.

(2) On December 12, 2025, the Board of Directors authorized a stock repurchase program to repurchase up to \$100 million of our outstanding shares. This program commenced on December 12, 2025 and does not have a fixed expiration date.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1(c) and/or non-Rule 10b5-1 Trading Arrangements

During the quarter ended June 30, 2026, none of the officers (as defined in Exchange Act Rule 16a-1(f)) or directors of the Company adopted or terminated a “Rule 10b5-1 trading arrangement,” (as defined in Item 408(a) of Regulation S-K) intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement. However, our officers (as defined in Exchange Act Rule 16a-1(f)) and directors may adopt 10b5-1 Plans or non-Rule 10b5-1 trading arrangements in the future.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	File Number	File Date	
10.1	Employment Agreement between Sezzle Inc. and Lee Brading, dated January 26, 2026*	8-K	001-41781	1/29/2026	
10.2	Amended And Restated Revolving Credit And Security Agreement, dated May 7, 2026	8-K	001-41781	5/12/2026	
10.3	Amendment No. 3 To Limited Guaranty And Indemnity Agreement, dated May 7, 2026	8-K	001-41781	5/12/2026	
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification of the Chief Executive Officer as Adopted Pursuant to 18 U.S.C. Section 1350 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of the Chief Financial Officer as Adopted Pursuant to 18 U.S.C. Section 1350 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS	XBRL Instance 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

* Indicates a management contract or compensation plan, contract, or arrangement.

SIGNATURE

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

SEZZLE INC.

Dated: August 6, 2026

By: /s/ Charles Youakim
Charles Youakim
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Lee Brading
Lee Brading
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

Certifications

I, Charles Youakim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sezzle 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: August 6, 2026

/s/ Charles Youakim

Charles Youakim

Chairman and Principal Executive Officer

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

Certifications

I, Lee Brading, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sezzle 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: August 6, 2026

/s/ Lee Brading

Lee Brading

Principal Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Sezzle Inc., a Delaware corporation (“the Company”), for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (“the Report”), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 6, 2026

/s/ Charles Youakim

Charles Youakim

Chairman and Principal Executive Officer

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

In connection with the Quarterly Report on Form 10-Q of Sezzle Inc., a Delaware corporation (“the Company”), for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (“the Report”), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 6, 2026

/s/ Lee Brading

Lee Brading

Principal Financial Officer