



# Investor Presentation

August 2024

# Disclaimer

## Cautionary Note Regarding Forward-Looking Statements

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

## No Offer or Solicitation

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

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# Sezzle at a Glance

# Prized BNPL Platform

A W A R D E D B Y



Forbes

DIGITAL JOURNAL

11 FS

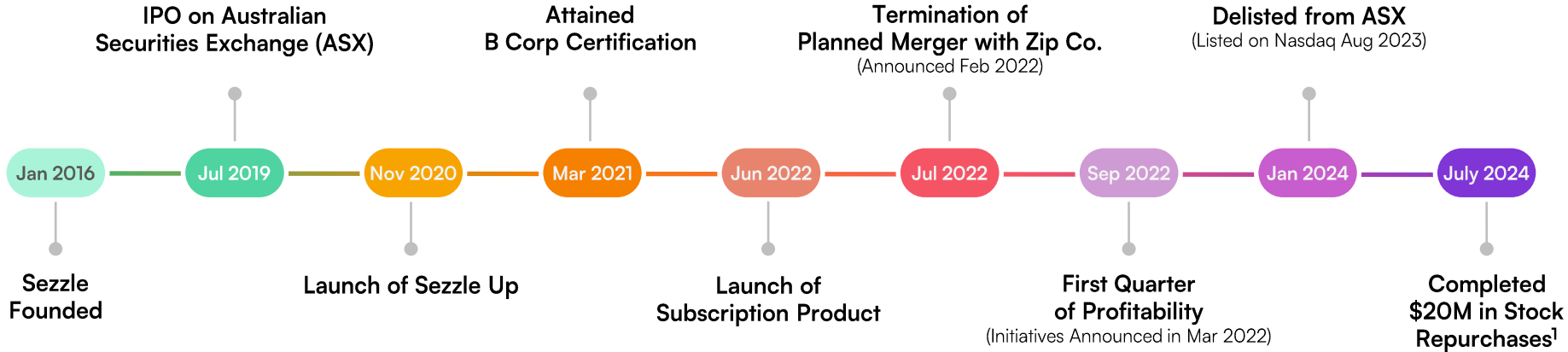
Money

MINNEAPOLIS/ST. PAUL BUSINESS JOURNAL

FORTUNE

BuySide POWER WSJ

Worth



S I N C E L A U N C H <sup>2</sup>

**\$7.8+ Billion**

Underlying Merchant Sales

**81+ Million**

Total Orders

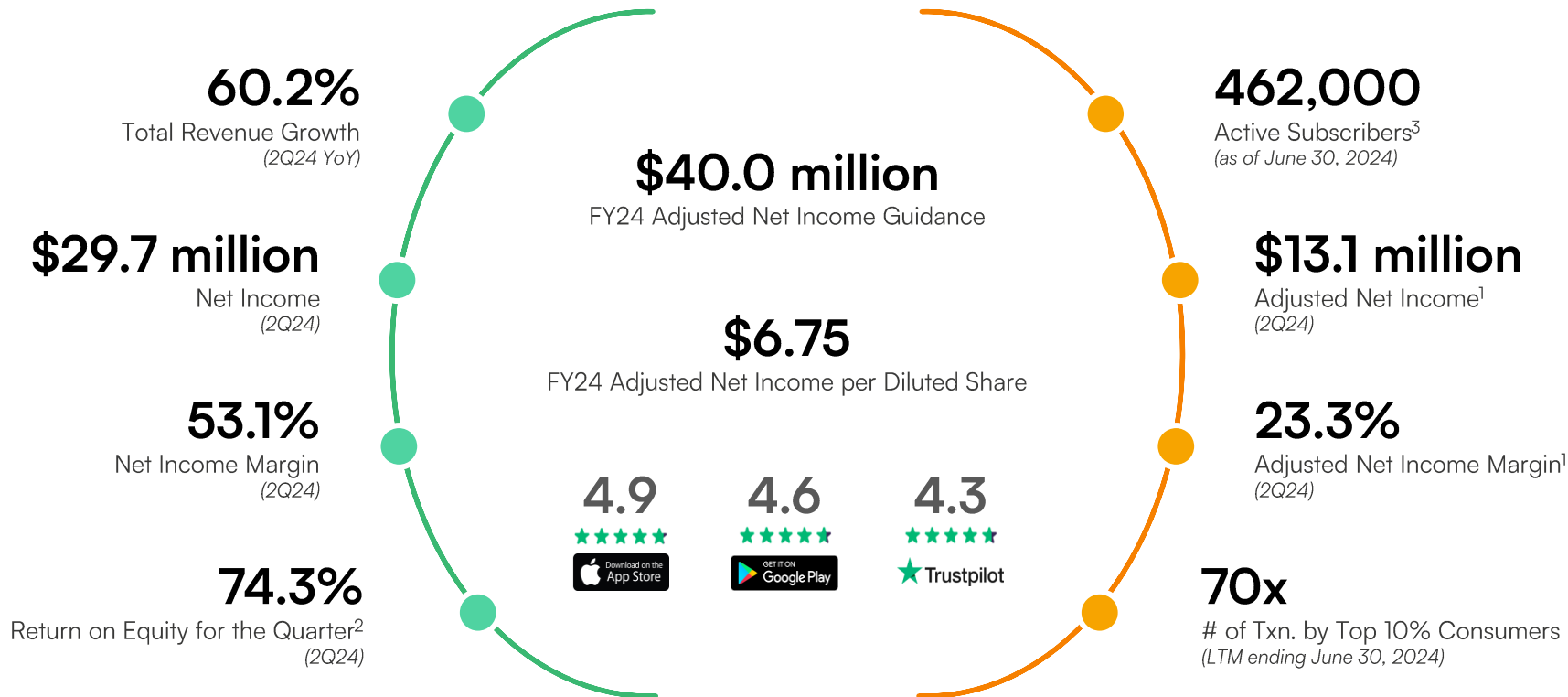
**15+ Million**

Completed Sign-Ups

<sup>1</sup>As of July 9, 2024, Sezzle completed its \$20.0 million in stock repurchase plans announced on December 22, 2023 (\$5.0 million) and June 20, 2024 (\$15.0 million).

<sup>2</sup>Since Launch figures are rounded to the nearest million.

# 2Q24 Snapshot



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

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

<sup>3</sup> Active Subscribers are rounded to the nearest thousand.

OUR MISSION

# Financially Empowering the Next Generation

Committed  
to Driving  
Change



## Justice

Financial accessibility, Diversity & inclusion,  
Employee security & wellness



## Integrity

Governance & controls, Integrated  
decision-making, Workplace culture



## Stewardship

Responsible lending, Environment &  
climate change, Data security & mgmt.



## Advancement

Product innovation, Community  
reinvestment, Employee career development

Positively  
Affecting Profitability



Increasing Consumer  
Lifetime Value (LTV)



Acquiring  
New Users



Enhancing  
Stakeholder Satisfaction



Our  
Guiding  
Principles

# Sezzle Investment Highlights

## Profitable Pure-Play BNPL

Achieved Net Income for every quarter since 3Q22, driven by the success of FY22 and FY23 Initiatives

## Delivering Shareholder Value

Completed the \$20.0M of stock repurchase plans, delivered \$13.1M in Adjusted Net Income<sup>1</sup> and ROE of 74.3% in 2Q24, and revised guidance upwards to \$45.0M in FY24 Adjusted Net Income and Adjusted Net Income per Diluted Share<sup>1</sup> of \$6.75

## Prudent, Simple, and Sustainable Capital Structure

Sole debt funding through the receivables line of credit and no hybrid securities

## Responsible, Transparent Lending

One free installment reschedule per order and low default rates through proprietary AI-driven underwriting algorithms

## Providing Financial Access to the Underserved

Primarily serve consumers with limited access to traditional credit products (e.g., younger generation and prime-to-be)

## Stakeholder-Focused Approach

Only BNPL that is a certified B Corporation with governance and values aligned to enhance the well-being of all stakeholders

<sup>1</sup>Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share are non-GAAP financial measures. For a reconciliation from GAAP to non-GAAP financial measures, see Appendix III.

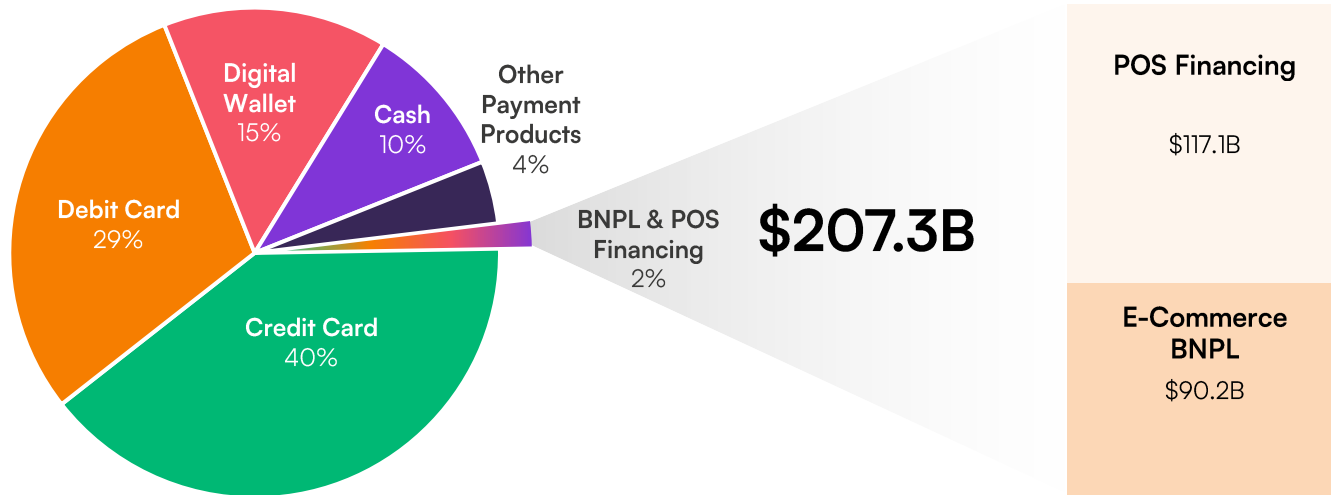


# The Markets We Serve

# The Nascent and Growing BNPL Market

Buy Now, Pay Later (BNPL) represents less than 2% of North America's Total Commerce Transaction Value

Sezzle represents less than 1% of North America's Total BNPL Market



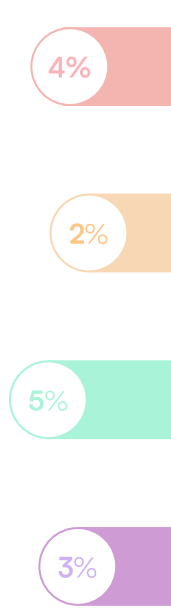
Significant Opportunity for Market Growth in North America

BNPL Market Penetration by Country



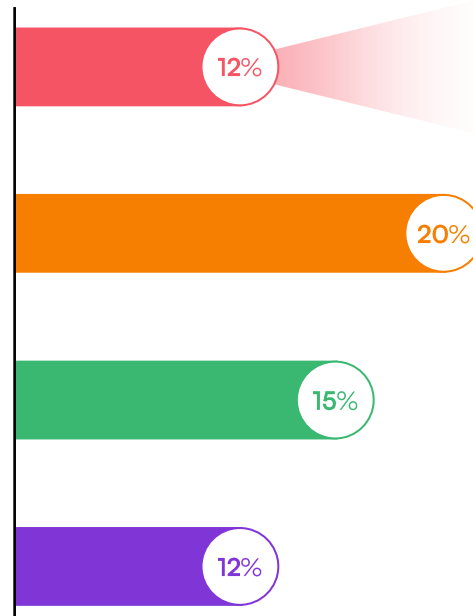
# Projected U.S. BNPL Growth vs. Retail Sales Growth

## U.S. Retail Sales Growth



## U.S. BNPL Growth

2024



**35% - 40%**

Sezzle FY24 Guidance  
Total Revenue Growth

Source: eMarketer, Oberlo.

# Sezzle Footprint

## Core Markets



### United States

- Represented 91.3% of the Company's total Underlying Merchant Sales (UMS) in FY23



### Canada

- Represented 8.7% of the Company's total UMS in FY23
- Highest rated & most reviewed BNPL app in Canada's App Store and Google Play Store
- The only BNPL that offers consumers the ability to build credit through Pay-in-4

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## Discontinued Markets (2022)



### Brazil



### India

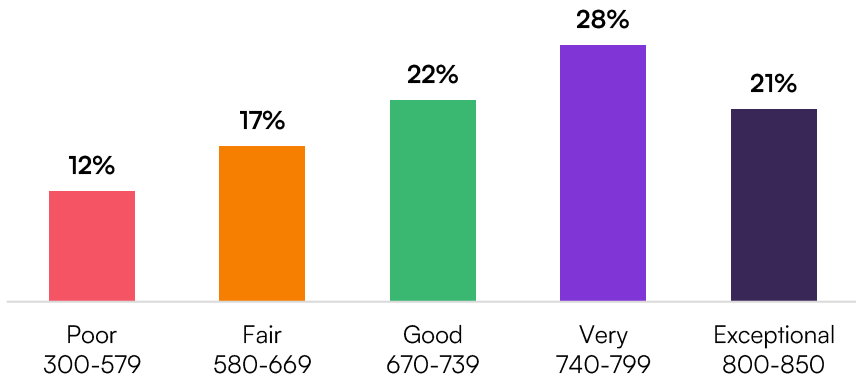


### EU

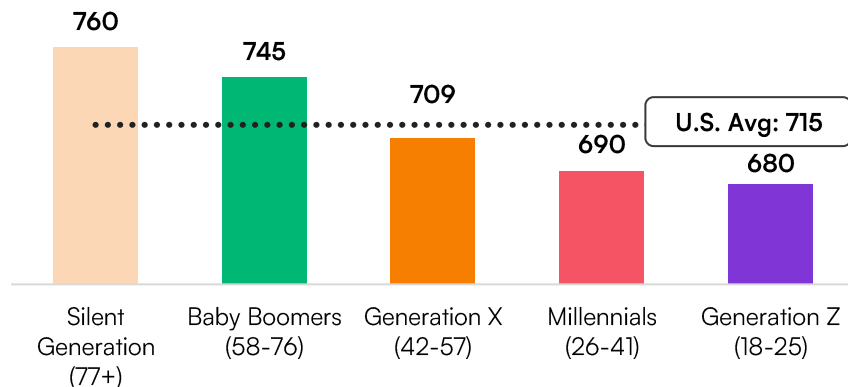
# U.S. Consumer Credit Market Snapshot

Younger generations struggle with below average credit scores

### 2023 U.S. FICO Distribution<sup>3</sup>



### 2023 Average FICO by Generation<sup>3</sup>



**49M**

Adults who are either credit invisible or unscorable<sup>1</sup>



**25%**

Adults who have been rejected at least once when applying for credit products<sup>2</sup>

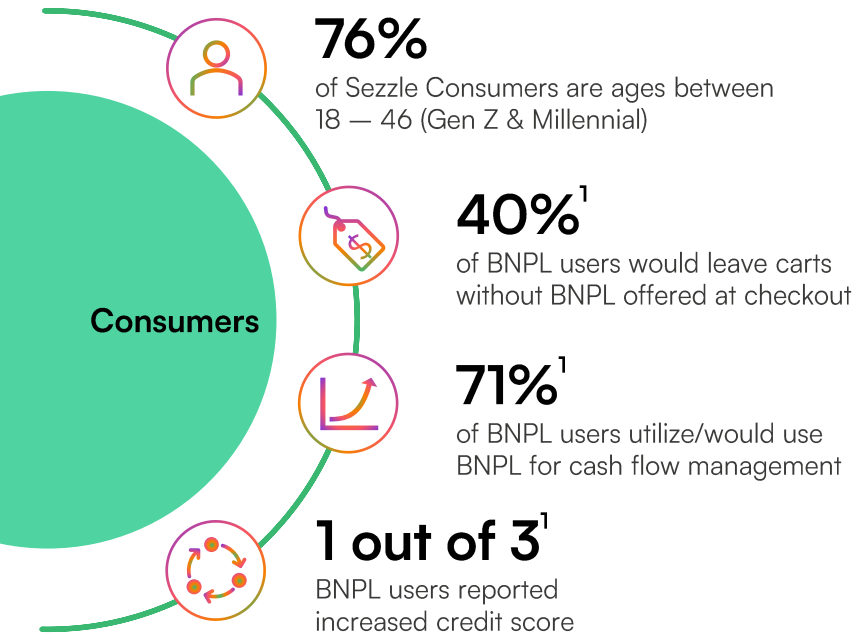
<sup>1</sup> Credit invisible are those with no mainstream credit profile at the credit bureaus; unscorable are those with some information in their mainstream credit file, but not enough to generate a conventional score. 2022 *Financial Inclusion and Access to Credit*, Oliver Wyman & Experian.

<sup>2</sup> *How Credit Insecurity is Changing U.S. Consumers' Borrowing Habits*, PYMNTS.

<sup>3</sup> Experian.

# Why Millions of Consumers Choose Sezzle

Increasing **financial inclusion** by providing credit to those who often face challenges in accessing traditional credit options



## ★ Trustpilot

### This is Sezzle!

“Sezzle is a great way to help build credit and purchase things in a less ‘pressure on the pocket’ kinds way by allowing one to split payments up into four less expensive payments. Awesome.”

Aaron

## ★ Trustpilot

### Sezzle is great

“Sezzle is great. I use it anywhere and everywhere clothes, groceries, even bills when I’ve needed to. Easy to use better than credit card for me.”

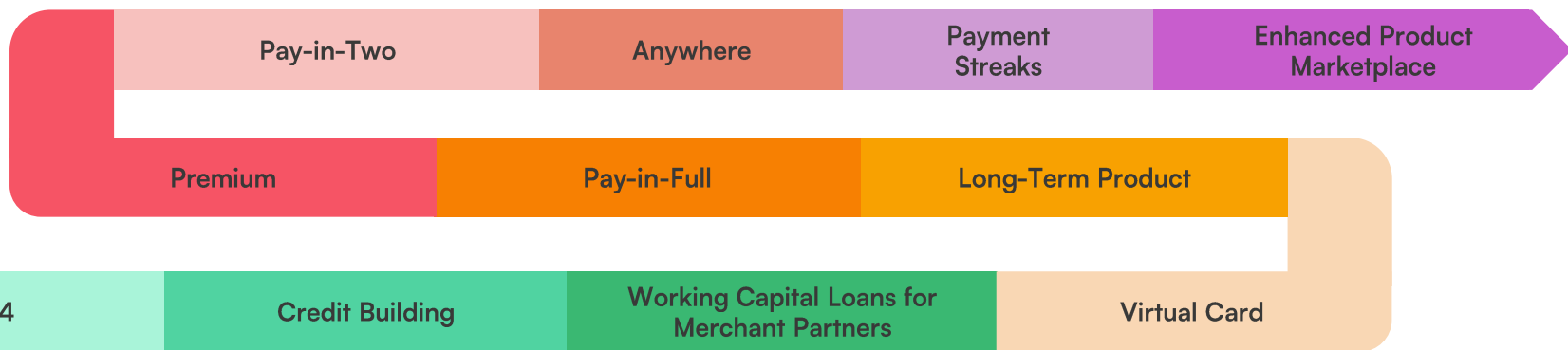
Quinton

<sup>1</sup> PYMNTS series entitled “The Credit Accessibility Series” in collaboration with Sezzle.

# Robust & Expanding Product Ecosystem

# We're Building an All-Encompassing Services Platform

From credit building to paying later anywhere, we are constantly evolving to match the needs of our users

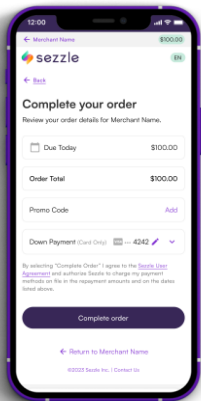




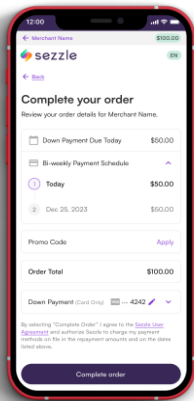
# Comprehensive Suite of Payment Options

Offering a full suite of payment options, allowing consumers to choose based on their schedule and needs

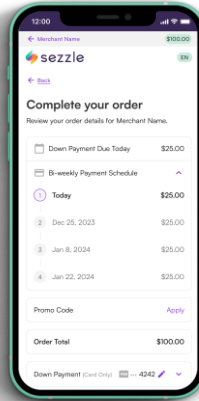
## Pay-in-Full



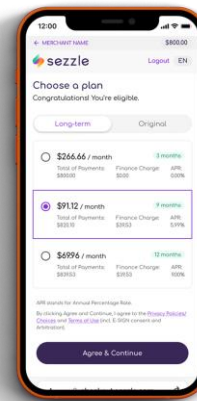
## Pay-in-2



## Pay-in-4



## Long-Term



Example: \$100 Purchase

100%

\$100

Time of purchase

50% 50%

\$50

\$50

Time of purchase

Week 2

25% 25% 25% 25%

\$25

\$25

\$25

\$25

Time of purchase

Week 2

Week 4

Week 6

Monthly With APR<sup>1</sup>

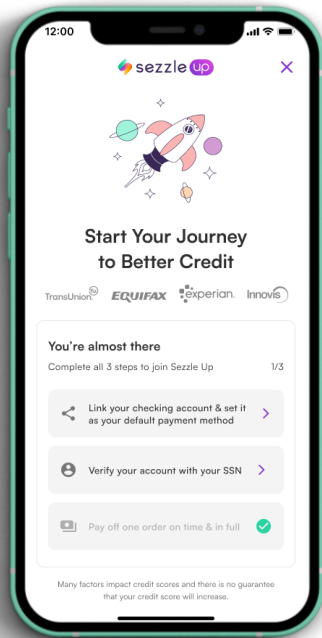
\$8.33

Each Month

<sup>1</sup> Length of loan and APR varies by user and merchant offering and is determined by Sezzle's long-term lending partner.

# Helping Consumers Build Credit

The only BNPL provider in North America to offer credit reporting optionality through Pay-in-4 in the U.S. and Canada



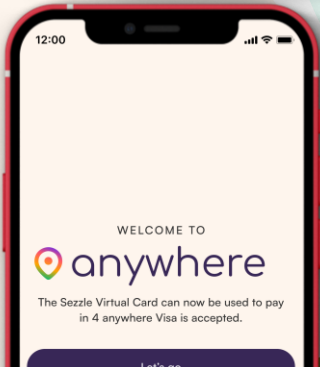
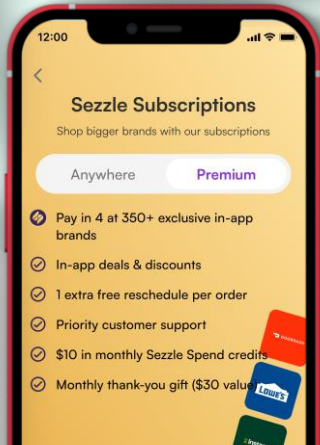
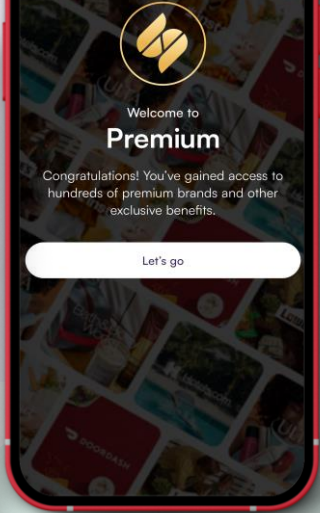
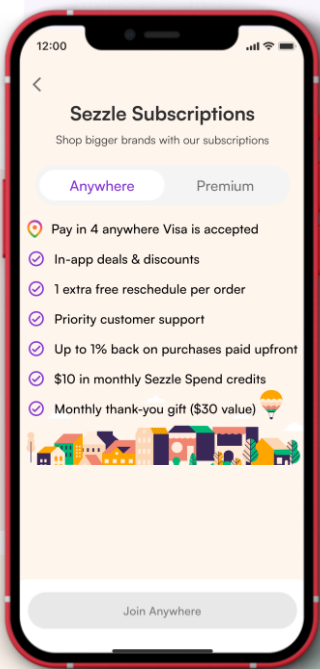
Files Sezzle Up consumer purchase activities to all major credit bureaus in the U.S.

## Lower

2<sup>nd</sup> payment failure rate for average Sezzle Up consumer versus non-Sezzle Up consumer

## Higher

Order count per Sezzle Up consumer versus non-Sezzle Up consumer



Providing an Elevated Experience

# 462,000 Active Subscribers<sup>1</sup> Across Premium & Anywhere

NPS<sup>4</sup>

ANYWHERE  
**74** (6 Pts QoQ ▲)

PREMIUM  
**57** (7 Pts QoQ ▲)

~36%

In-store Orders as %  
of Total Anywhere  
Orders<sup>2</sup>

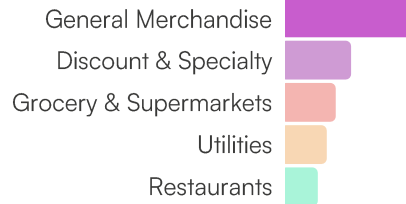
~29x

Top 10% Anywhere  
Subscribers 90-days  
Frequency<sup>3</sup>

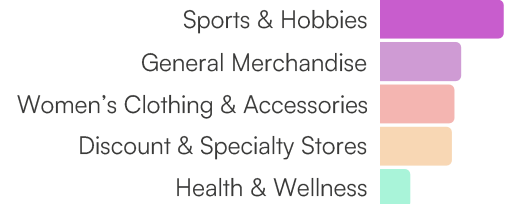
~7+

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

## Top 5 Anywhere Verticals



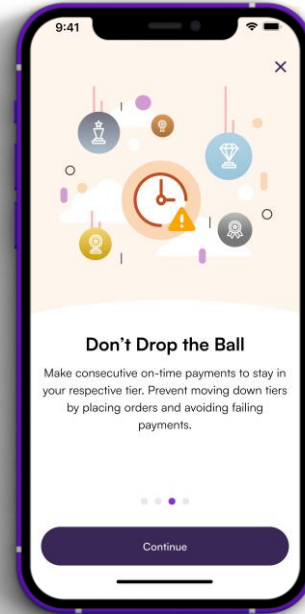
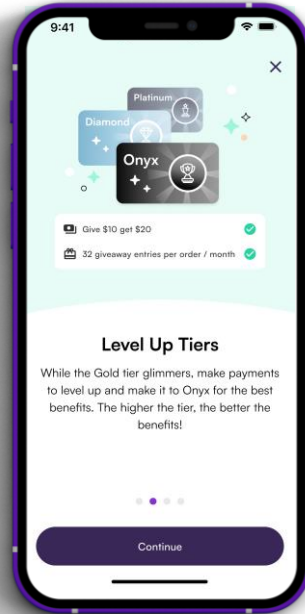
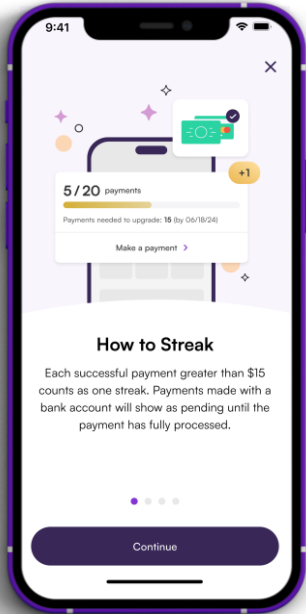
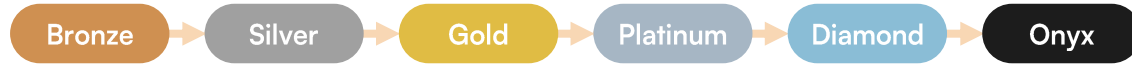
## Top 5 Non-Anywhere Verticals



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

<sup>4</sup> NPS as of July 1, 2024.

# Payment Streaks



- ✓ Seamlessly manage payments, unlock perks, and embark on a journey towards financial wellness
- ✓ Ascend through loyalty tiers for consistent & timely payments
- ✓ Benefits<sup>1</sup> include entries in monthly giveaways, bonuses, and failed payment fee forgiveness
- ✓ Now available in both the U.S. & Canada

<sup>1</sup> Benefits vary by tiers.

# Unlocking Growth For Our Merchant Partners

Driving **traffic and incremental revenue** through a frictionless checkout experience and customized marketing capabilities

## Merchant Benefits



**<6 Months<sup>1</sup>**  
Payback period

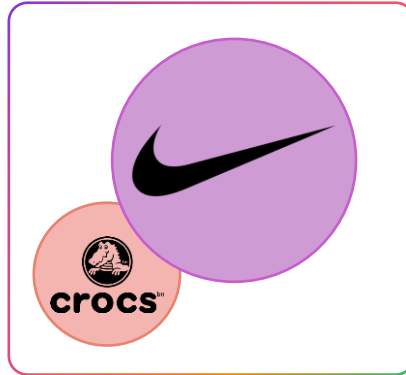


**Up to 57%<sup>1</sup>**  
Average Order Value Lift



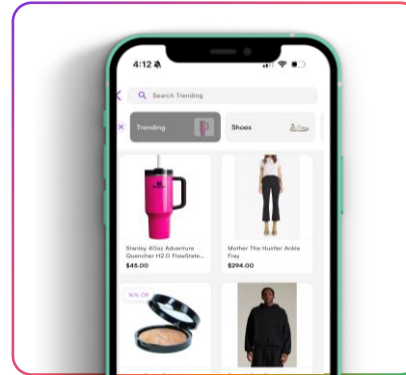
**110%<sup>1</sup>**  
Return on Investment (ROI)

## Ad Integration



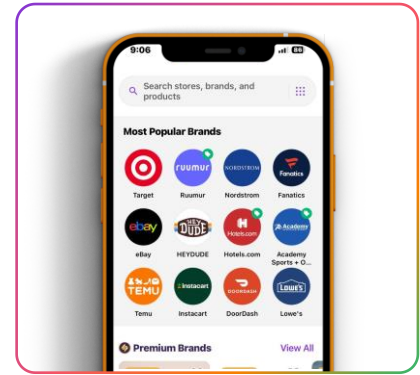
Providing Extra Visibility for Merchant Partners through the Ad Integration

## Product Marketplace



Providing Hyper-Personalized Merchant and Product Recommendations

## In-App Placement

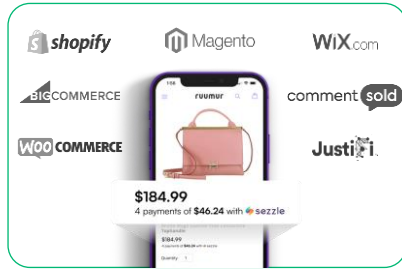


Maximizing Engagement & Driving Additional Sales for Merchant Partners

<sup>1</sup> 2023 The Total Economics Impact of Sezzle, Forrester Research, Inc.

# Expanding Our Merchant Ecosystem

## Initial Business Model

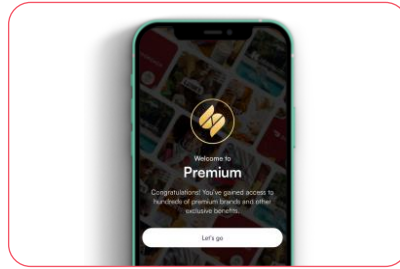


## Direct & Virtual Card Integration

### Economics for Sezzle:

- Merchant discount rate (MDR)
  - Interchange revenue (VC integration)

## Launched in 2Q22



## Premium

### Economics for Sezzle:

- Affiliate & Gift Card commission
  - Interchange revenue
  - Subscription revenue

## Launched in 2Q23



## Anywhere *(Anywhere VISA is accepted)*

### Economics for Sezzle:

- Interchange revenue
- Subscription revenue

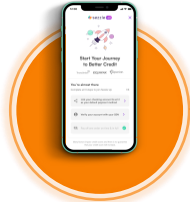
# Innovation Expands Reach and Lifetime Value

Consumer Lifetime Value (LTV)



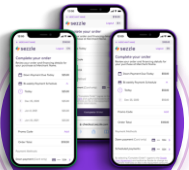
## Premium & Anywhere **Subscription** (2022 & 2023)

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



## Sezzle Up **Credit Reporting** (2021)

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



## Pay-in-4, Pay-in-Full, Pay-in-2 **Direct Integration** (2017<sup>1</sup>)

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

4Q24

## **Bank Sponsorship**

### **Immediate Benefits**

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

### **Potential Future Products**

- Checking Accounts
- Cash Advances
- Credit Building Products

Time

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

# Growing Our Brand Presence



Minnesota Timberwolves  
Official Jersey Sponsor

**GET FINANCIALLY  
FIT WITH SEZZLE**



**REFRESH  
RESPONSIBLY**



Social Media Engagement Campaigns



# **Growing Profitably Through Strong Execution**

# Early Focus on Profitability Beginning in FY22



## Revenue Initiatives

- Introduced Sezzle Premium
- Offboarded or renegotiated pricing with merchants and network partners
- Affiliate merchant enhancements
- Incentivized consumers to shift from card to ACH
- Introduced Pay-in-Full



## Cost Initiatives

- Improved credit underwriting
- Reduction in workforce (RIF)
- Ceased payment operations in India
- Began wind-down of Europe and Brazil
- Reduced, renegotiated, and eliminated non-critical third-party tech and marketing spend

Mar  
2022

**\$10 million**

Announced reduction of workforce (RIF)

April  
2022

**\$17+ million**

Announced initiatives to accelerate path to profitability

July  
2022

**\$50+ million**

Expanded list of initiatives and raised benefit to \$50M

Sep  
2022

**\$60+ million**

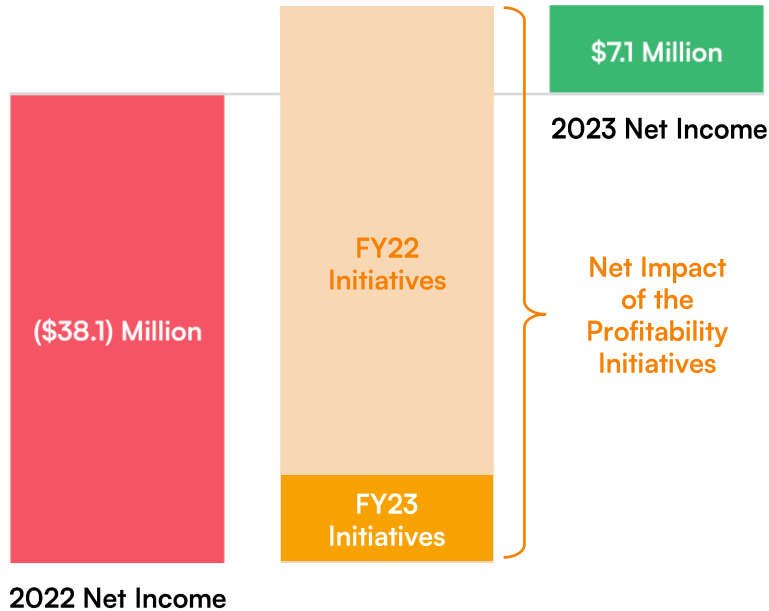
Further raised the impact from the initiatives by \$10M

**\$70 million**

Annualized Impact  
at the end of FY22

# Initiatives Drive Profitability

## Initiatives Exceeding Expectations



## FY24 Initiatives In the Works



### New Product Launches

- Payment Streaks (*completed*),
- Product Marketplace (*testing*), and
- Bank-enabled Products



### Bank Sponsorship

- Unification of standards across the U.S.  
Regulatory approach & consistency of fees
- Bank-enabled Products

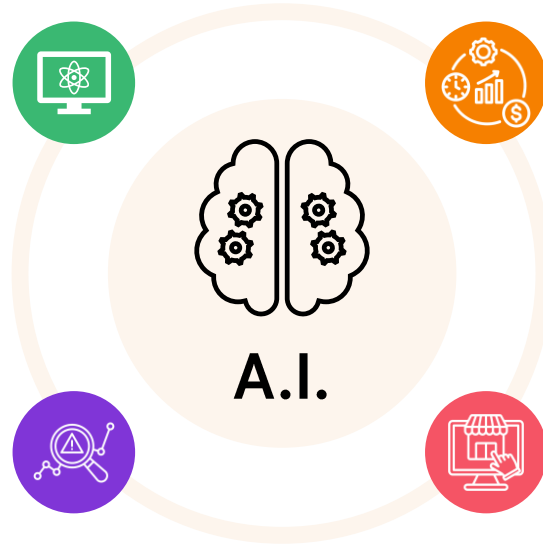
# Increasing Operational Efficiency & Productivity with Proprietary A.I. Models

## Enhanced Underwriting

Baby Prophet (new consumers signups), Prophet(v4) (existing consumers) models evaluate credit using Sezzle internal data and determine spending power

## Fraud Detection

False Prophet machine learning (ML) model for fraud identification



## Payment Processing (near future)

Improved payment processing flow (e.g., minimize payment processing costs)

## Personalized Shopping (near future)

Tailored merchant and product views for consumers

# Annual Snapshot

	2022 Actual	2023 Actual	2024 Guidance
<b>Total Revenue</b>	<b>\$125.6M</b>	<b>\$159.4M</b>	<b>35% - 40% Growth</b>
<b>Net Income (Loss)</b>	<b>(\$38.1M)</b>	<b>\$7.1M</b>	<b>\$55.0M</b>
<b>Adjusted Net Income (Loss)<sup>1</sup></b>	<b>(\$41.5M)</b>	<b>\$5.6M</b>	<b>\$40.0M</b>
<b>Adjusted Net Income (Loss)<sup>1</sup> Per Diluted Share</b>	<b>(\$7.63)</b>	<b>\$0.99</b>	<b>\$6.75</b>
<b>Total Revenue Less Transaction Related Costs<sup>2</sup> as a % of Total Revenue</b>	<b>37.5%</b>	<b>50.8%</b>	<b>55.0%</b>
<b>Non-Transaction Related OpEx<sup>3</sup> as a % of Total Revenue</b>	<b>75.5%</b>	<b>46.9%</b>	<i>Not Provided</i>

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

<sup>2</sup>Total Revenue Less Transaction Related Costs is a non-GAAP financial measure. For a reconciliation of Operating Income and Total Revenue Less Transaction Related Costs, see Appendix I.

<sup>3</sup>Non-Transaction Related Operating Expenses is a non-GAAP financial measure and is equal to Personnel, Third-Party Technology and Data, Marketing, Advertising, and Tradeshows, and General and Administrative Operating Expenses. See Appendix I for reconciliation of Non-Transaction Related Operating Expenses and respective definitions.

# 2Q24 Snapshot

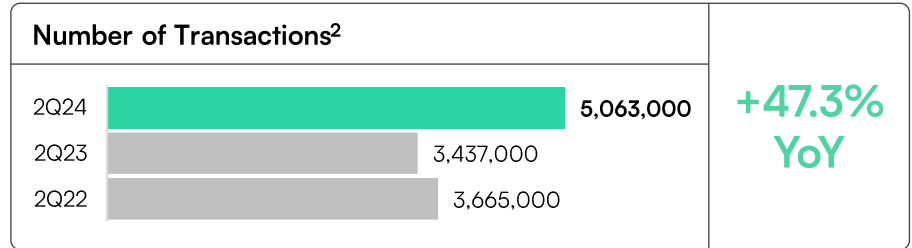
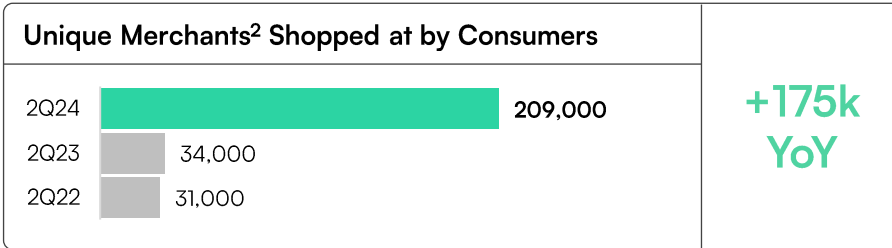
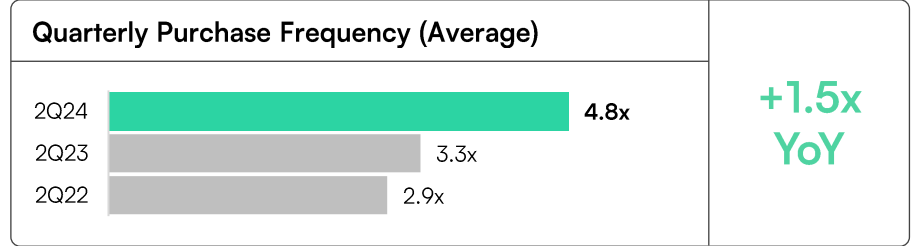
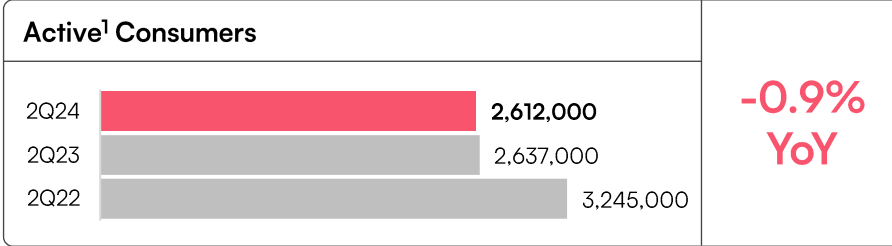
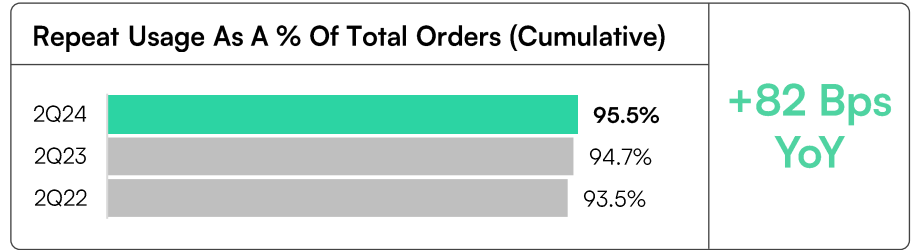
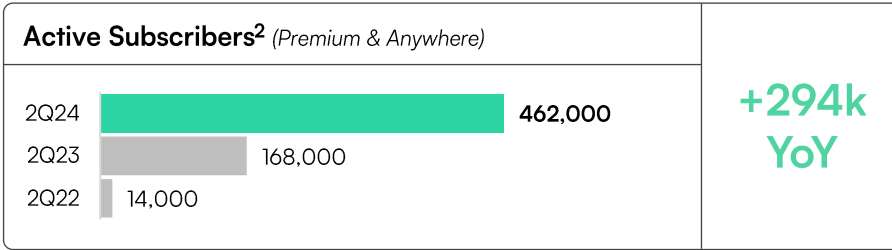
	2Q23	2Q24	YoY Change
Total Revenue	\$34.9M	\$56.0M	60.2% ↑
Net Income	\$1.1M	\$29.7M	2,505.9% ↑
Adjusted Net Income (Loss) <sup>1</sup>	(\$0.2M)	\$13.1M	6,952.5% ↑
Adjusted Net Income (Loss) <sup>1</sup> Per Diluted Share	(\$0.03)	\$2.17	6,523.4% ↑
Total Revenue Less Transaction Related Costs <sup>2</sup> as a % of Total Revenue	53.7%	57.6%	3.9 Pts ↑
Non-Transaction Related OpEx <sup>3</sup> as a % of Total Revenue	54.2%	32.9%	-21.3 Pts ↓

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

<sup>2</sup>Total Revenue Less Transaction Related Costs is a non-GAAP financial measure. For a reconciliation of Operating Income and Total Revenue Less Transaction Related Costs, see Appendix I.

<sup>3</sup>Non-Transaction Related Operating Expenses is a non-GAAP financial measure and is equal to Personnel, Third-Party Technology and Data, Marketing, Advertising, and Tradeshows, and General and Administrative Operating Expenses. See Appendix I for reconciliation of Non-Transaction Related Operating Expenses and respective definitions.

# 2Q24 YoY Engagement Metrics

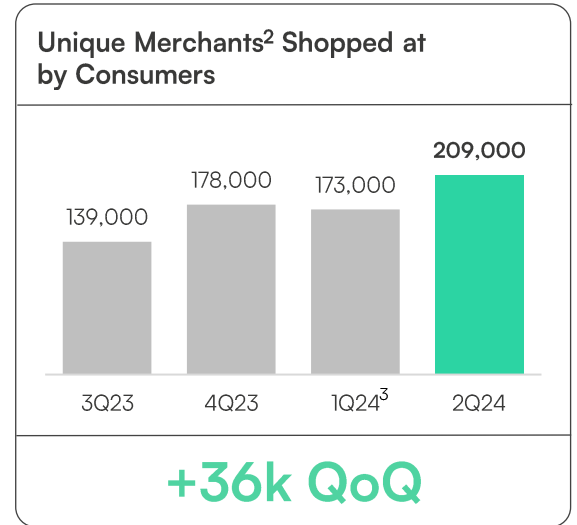
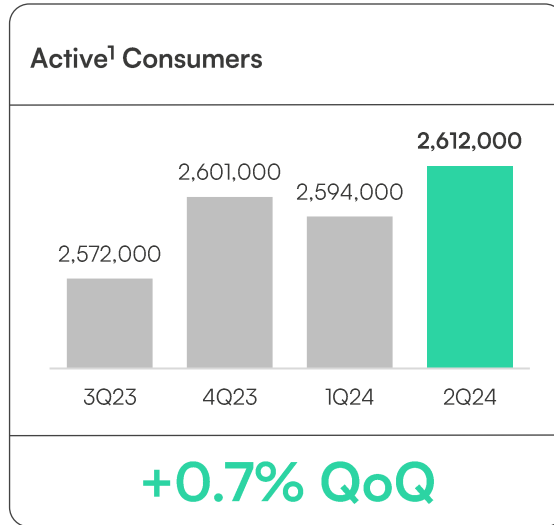
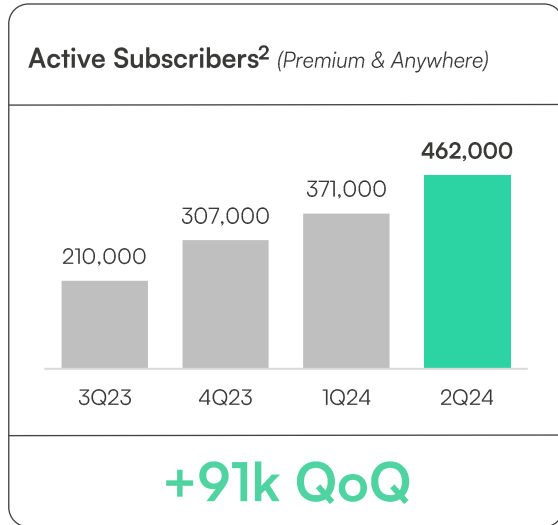


<sup>1</sup> Active is defined as having had at least one transaction through the Sezzle Platform in the last twelve months, not subject to a minimum required number of transactions criteria (Consumers rounded to nearest thousand).

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

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

# Last Twelve Months (LTM) QoQ Engagement Metrics



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

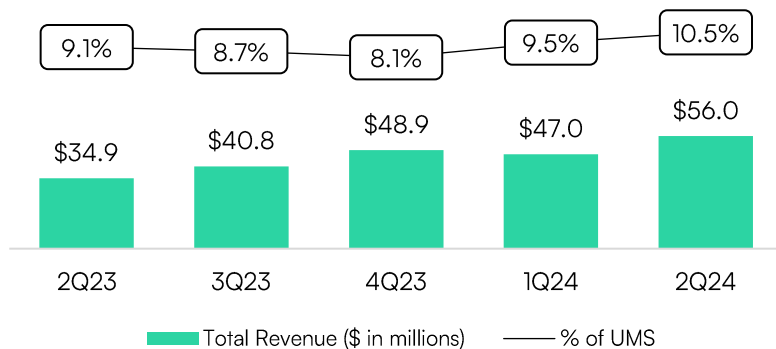
<sup>2</sup> Active Subscribers and Unique Merchants are rounded to the nearest thousand.

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

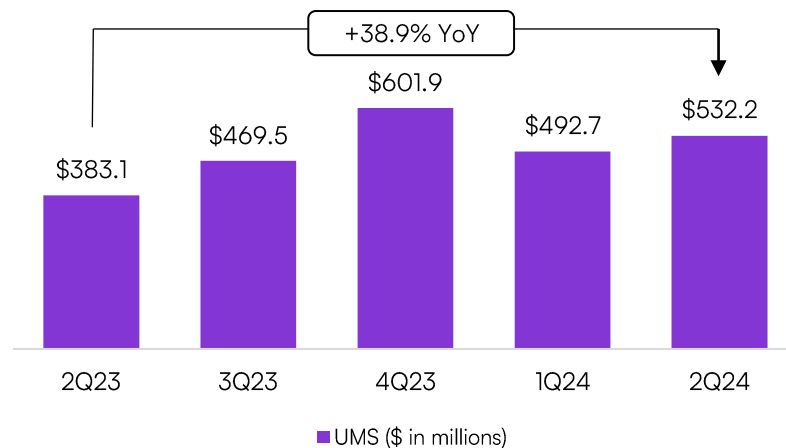


# Total Revenue & UMS

## Total Revenue

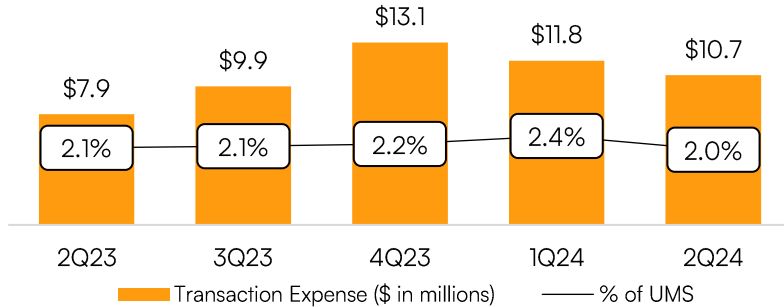


## Underlying Merchant Sales (UMS)

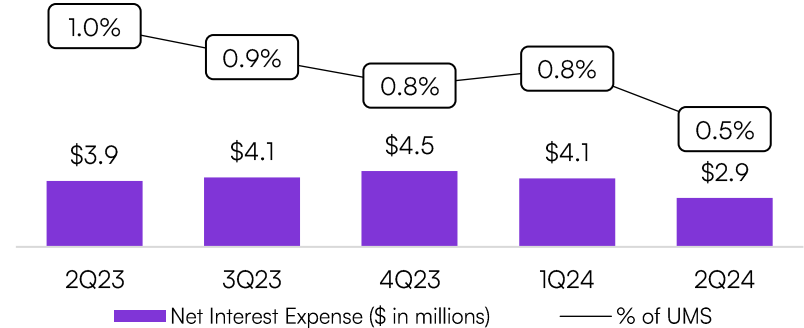


# Transaction Related Costs

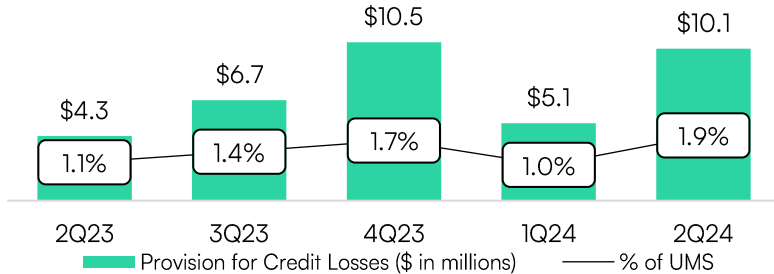
## Transaction Expense



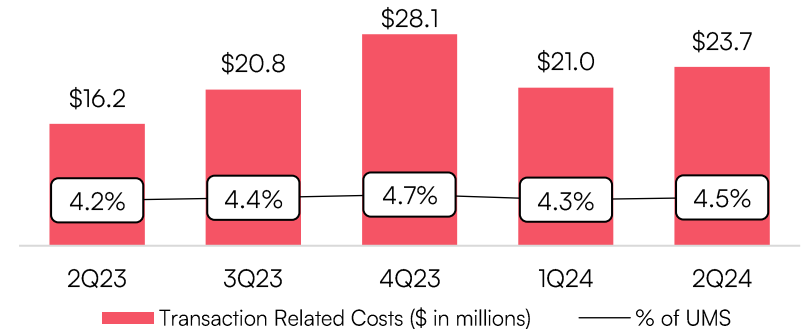
## Net Interest Expense



## Provision for Credit Losses



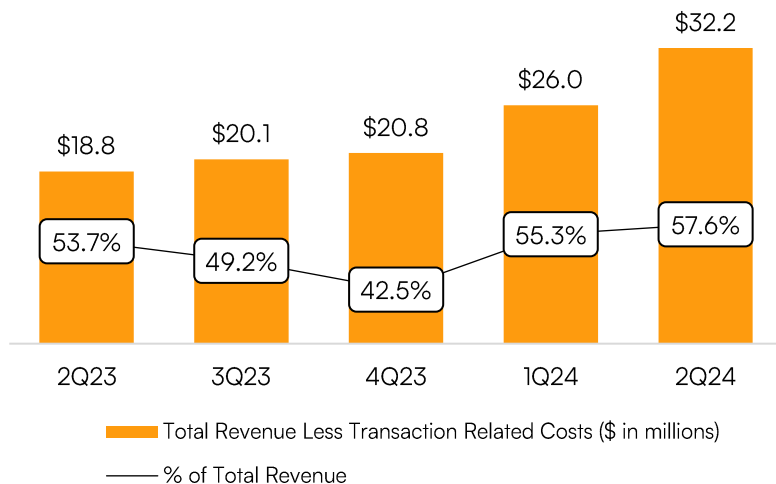
## Transaction Related Costs<sup>1</sup>



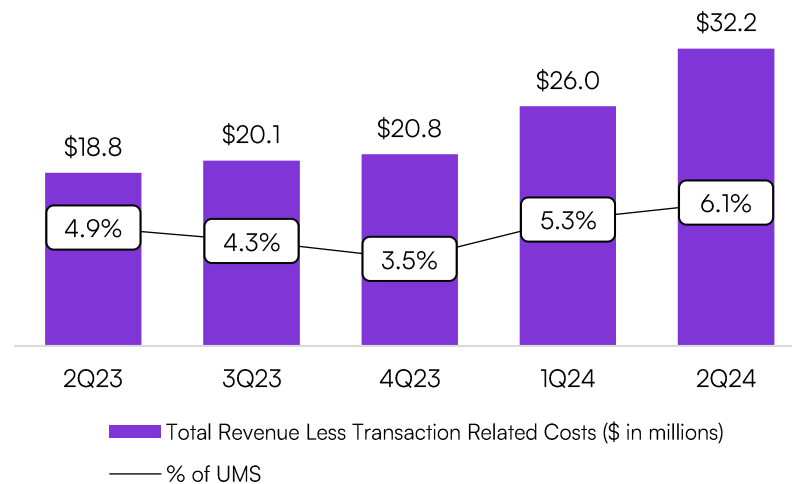
<sup>1</sup>Transaction Related Costs is a non-GAAP financial measure. For a reconciliation of Transaction Related Costs see Appendix II for reconciliation.

# Total Revenue Less Transaction Related Costs<sup>1</sup>

## As a % of Total Revenue

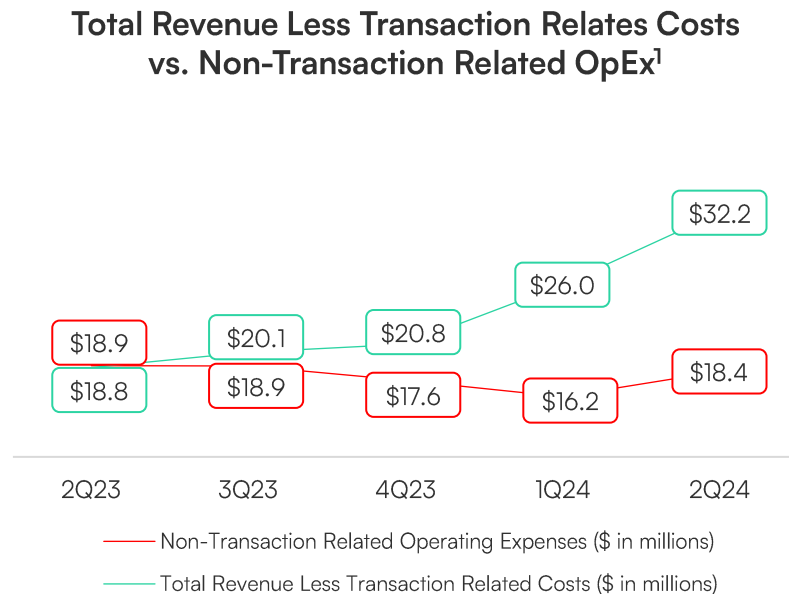
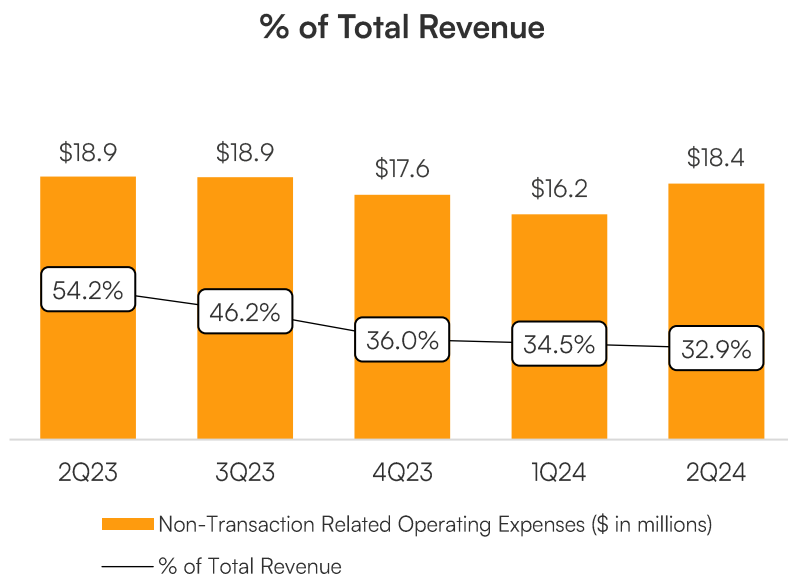


## As a % of UMS



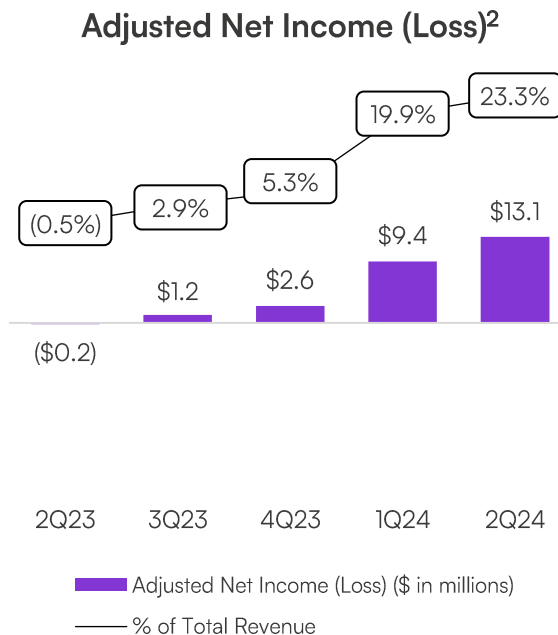
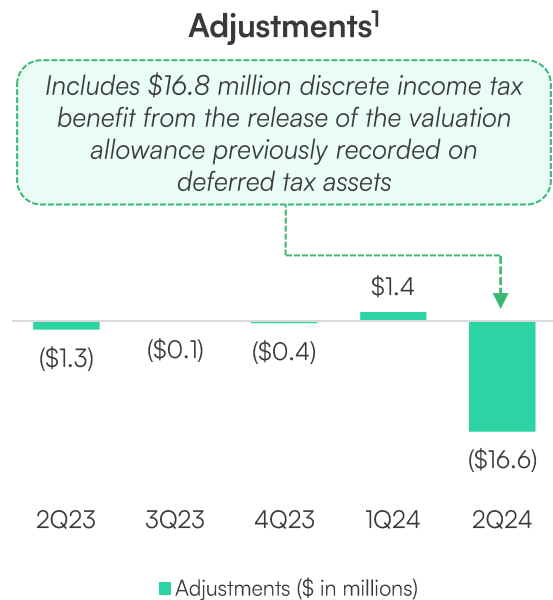
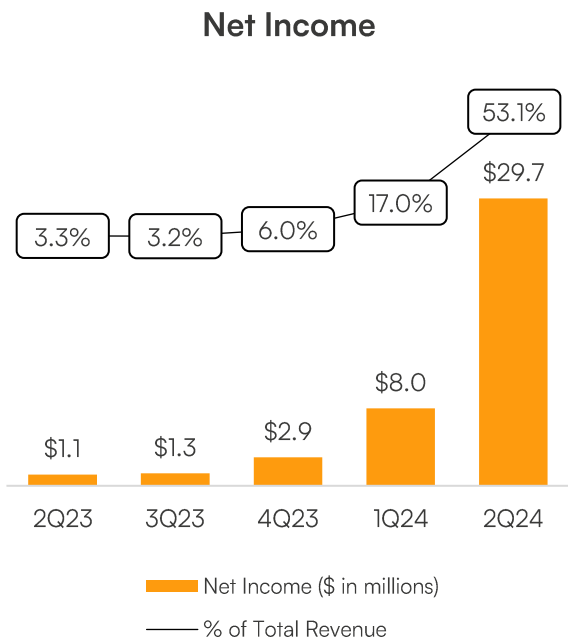
<sup>1</sup>Total Revenue Less Transaction Related Costs is a non-GAAP financial measure. For a reconciliation of GAAP Operating Income and Total Revenue Less Transaction Related Costs see Appendix I for reconciliation.

# Non-Transaction Related Operating Expenses



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

# Net Income and Adjusted Net Income (Loss)<sup>1</sup>

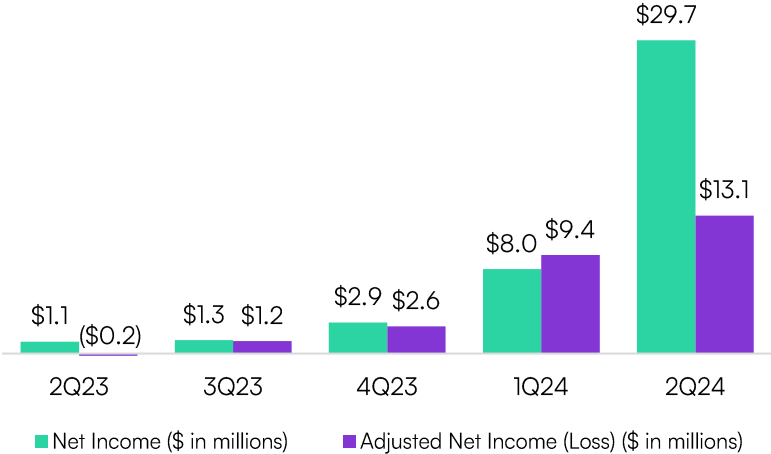


<sup>1</sup> As part of the reconciliation of Net Income and Adjusted Net Income (Loss), fair value adjustments on warrants have been made for the periods from 2Q23 to 1Q24. For 2Q24, the adjustments consist of (\$16.8M) related to the release of the valuation allowance previously recorded on deferred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

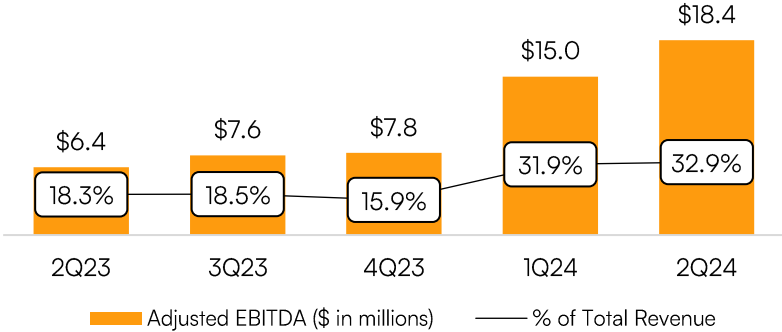
<sup>2</sup> Adjusted Net Income (Loss) is a non-GAAP financial measure. For a reconciliation of Net Income and Adjusted Net Income (Loss) see Appendix III for reconciliation.

# Net Income and Adjusted EBITDA<sup>1</sup>

Net Income & Adjusted Net Income (Loss)<sup>2</sup>




Non-GAAP Adjusted EBITDA<sup>1</sup>



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

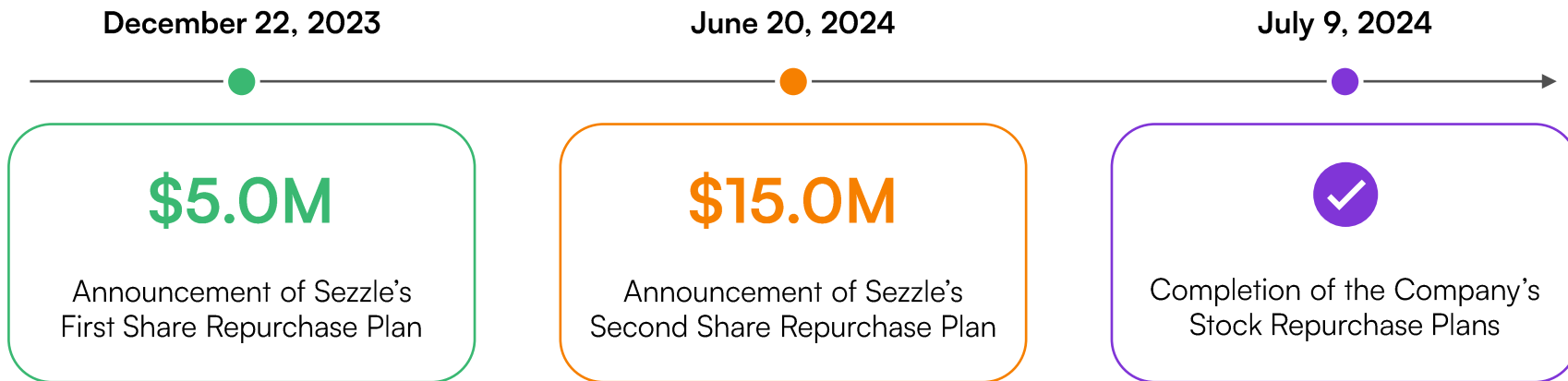
<sup>2</sup>Adjusted Net Income (Loss) is a non-GAAP financial measure. For a reconciliation of Net Income and Adjusted Net Income (Loss) see Appendix III for reconciliation.

# Credit Facility

<b>Lender</b>	 BASTION
<b>Size</b>	\$150 million plus \$75 million accordion
<b>Term</b>	3 years
<b>Spread</b>	3-month Term Secured Overnight Financing Rate (SOFR) + 6.75% with a SOFR floor of 2.00%
<b>Advance</b>	85% - 90% of eligible originations, dependent upon receivable performance
<b>Unused Additional Interest</b>	0.5% of unused funds, paid annually
<b>Minimum Utilization</b>	\$60 million throughout the life of the facility; previous facility minimum utilization was \$80 million
<b>Other</b>	Covenants, representations & warranties, and reporting obligations typical of a similar receivables warehouse facility

# Equity Capital Management

Evaluating Capital Return Options for Shareholders





# Select Balance Sheet Metrics


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

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

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

# FY24 Outlook Provided with 2Q24 Earnings

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

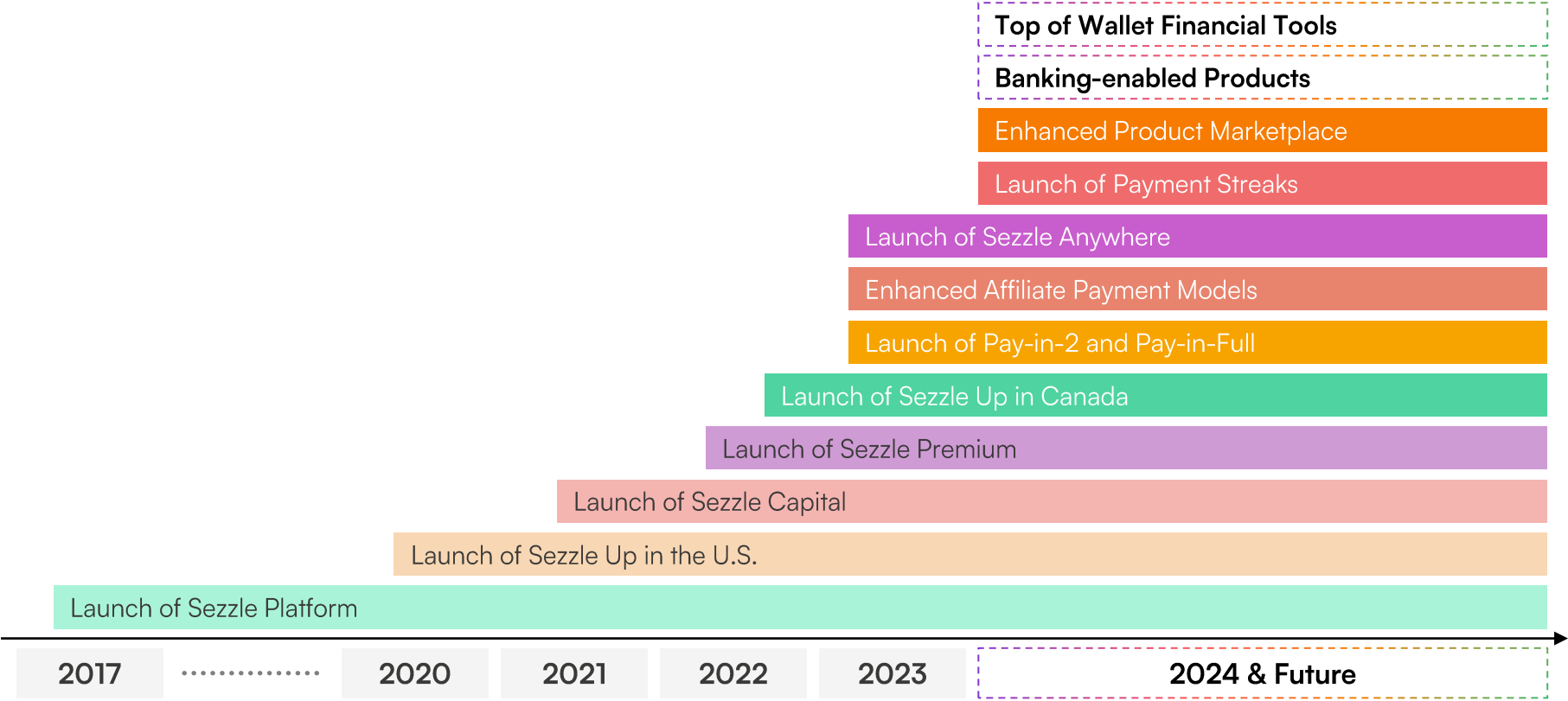
Market data as of 8/5/2024 <sup>3</sup>	S&P 500	Nasdaq Comp.	Russell 2000	 (CY24 Adj. Net Income / Diluted Share)
Price / CY24 Consensus EPS	21.4x	32.1x	27.3x	<b>10.4x</b>

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

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

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

# Our Long-Term Vision



# Sezzle Recap



## Financial Performance

- Prudent, simple, and sustainable capital structure
- Continuous assessment of capital return options for shareholders, including special dividends, share repurchases, or both



## Product Innovation

- Responsible and transparent lending practices
- Providing financial access to the Next Generation

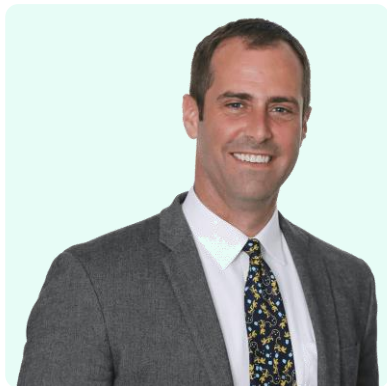


## Sustainability

- Only B Corp Certified BNPL
- Stakeholder-focused approach

# Sezzle Leadership

# Executive Team



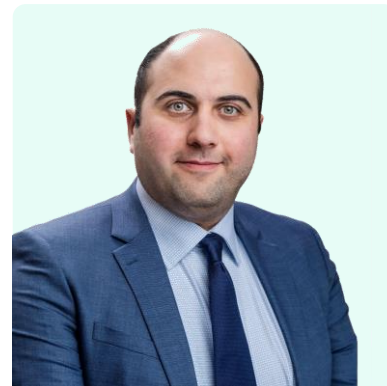
**Charlie Youakim**  
*Co-founder,  
Executive Chairman & CEO*



**Paul Paradis**  
*Co-founder,  
Chief Revenue Officer*



**Karen Hartje**  
*Chief Financial Officer*



**Amin Sabzivand**  
*Chief Operating Officer*

# Appendices

# Appendix I: Reconciliation of GAAP to Non-GAAP Measures

## Total Revenue Less Transaction Related Costs

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

## Non-Transaction Related Operating Expenses

(in \$ thousands)	For the three months ended					For the twelve months ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	December 31, 2023	December 31, 2022
<b>Operating expenses</b>	\$ 39,269	\$ 33,144	\$ 41,234	\$ 35,494	\$ 31,174	\$ 137,156	\$ 154,005
Transaction expense	(10,742)	(11,787)	(13,086)	(9,937)	(7,946)	(39,208)	(40,777)
Provision for credit losses	(10,094)	(5,140)	(10,520)	(6,677)	(4,296)	(23,187)	(29,437)
Reimbursement of merger-related costs	-	-	-	-	-	-	11,000
<b>Non-transaction related operating expenses</b>	\$ 18,433	\$ 16,217	\$ 17,628	\$ 18,880	\$ 18,932	\$ 74,761	\$ 94,791



# Appendix II: Reconciliation of GAAP to Non-GAAP Measures

## Transaction Related Costs

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

## Adjusted EBITDA

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

# Appendix III: Reconciliation of GAAP to Non-GAAP Measures

## Adjusted Net Income (Loss)

<i>(in \$ thousands; except per share amounts)</i>	For the three months ended					For the twelve months ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	December 31, 2023	December 31, 2022
<b>Net income (loss)</b>	\$ 29,702	\$ 8,007	\$ 2,939	\$ 1,294	\$ 1,140	\$ 7,098	\$ (38,094)
Discrete tax benefit for valuation allowance release	(16,845)	-	-	-	-	-	-
Loss on extinguishment of line of credit	260	-	-	-	-	-	814
Fair value adjustment on warrants	-	1,262	377	(89)	(252)	456	(50)
Other (income) expenses, net	(50)	92	(727)	(15)	(1,079)	(1,933)	226
Merger-related costs	-	-	-	-	-	-	6,565
Reimbursement of merger-related costs	-	-	-	-	-	-	(11,000)
<b>Adjusted net income (loss)</b>	\$ 13,067	\$ 9,361	\$ 2,589	\$ 1,190	\$ (191)	\$ 5,621	\$ (41,540)
Diluted weighted-average shares outstanding	6,024	5,961	5,679	5,730	5,656	5,679	5,444
<b>Adjusted net income (loss) per diluted share</b>	\$ 2.17	\$ 1.57	\$ 0.46	\$ 0.21	\$ (0.03)	\$ 0.99	\$ (7.63)

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

## Non-GAAP Financial Measures

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

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

## Non-GAAP Financial Measures (Cont.)

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

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

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

# Thank You

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