



sezzle

The way forward.

3Q21 Presentation

29 OCTOBER 2021

This presentation is authorised for
release by the Board
29 October 2021



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



Building on Our Mission



Budgeting Flexibility



Consumer Financial Freedom



Seamless Integration



Mission Driven



Improved Merchant Results



Partnership Approach

14 July 2021, Sezzle officially became 100% carbon neutral - certified by Climate Neutral





Scaled Platform

US\$1.6 billion

LTM UMS^{1,4}

3.2 million

Active Consumers^{2,4}

44,400

Active Merchants^{3,4}

2.7 million+

Cumulative App
Downloads⁴

49x

Average Annual
Transactions for Top
10% of Consumers⁵

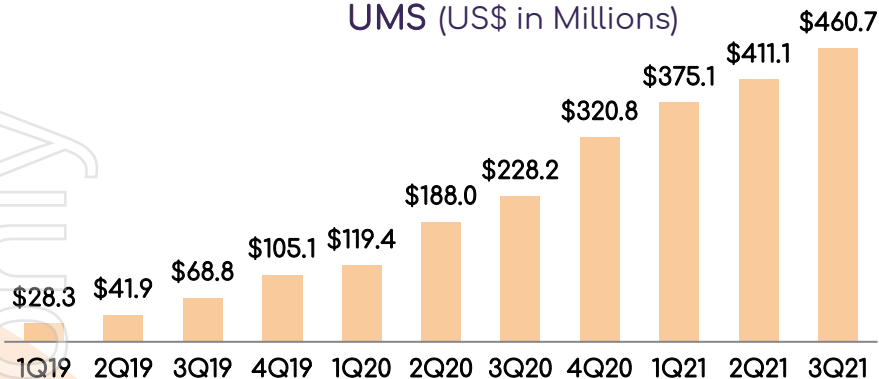
4.9 / 5.0

App Store Rating⁶

¹UMS defined as total value of sales made by merchants based on the purchase price of each confirmed sale through the Sezzle Platform with LTM representing the Last Twelve Months. ²Active Consumers is defined as unique end users who have purchased through the Sezzle Platform within the last twelve months. ³Active Merchants is defined as merchants who have had transactions through the Sezzle Platform in the last twelve months, not subject to a minimum required number of transactions criteria. ⁴As of 30-September-2021. ⁵Based on UMS over rolling 12-month period ended 30-September-2021. ⁶As of 25-October-2021.

Expanding UMS With New Merchant Partners

UMS (US\$ in Millions)



"Last year, Sezzle didn't have any IR200 merchants that were using our core payments product. Now we have five IR200 merchants live, with an encouraging pipeline".

- Veronica Katz, Chief Revenue Officer

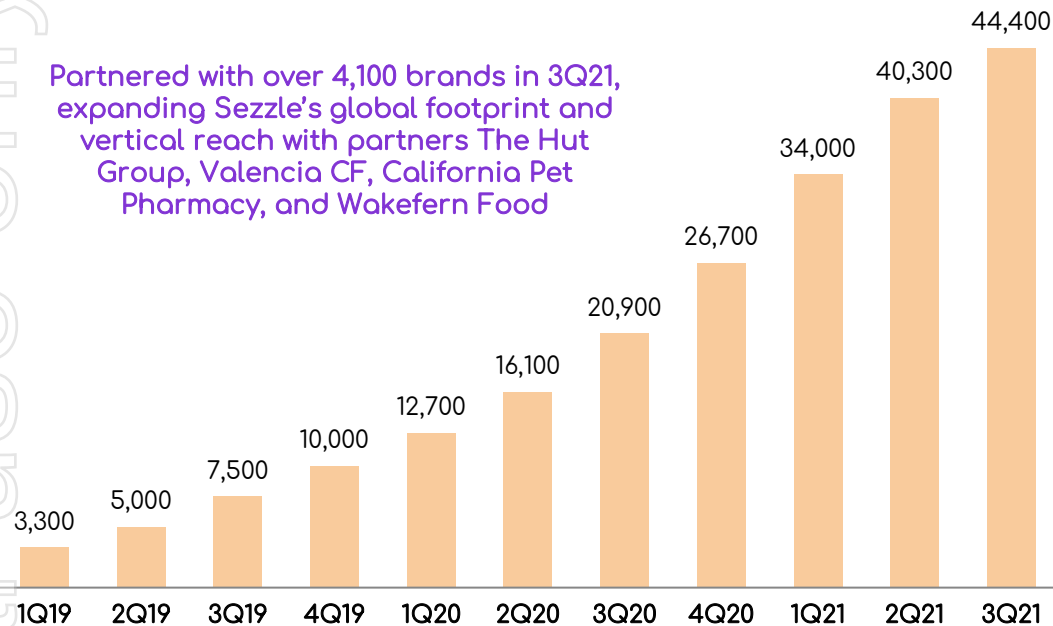




Capturing Merchant Growth Through Best-in-Class Service

Active Merchants¹

Partnered with over 4,100 brands in 3Q21, expanding Sezzle's global footprint and vertical reach with partners The Hut Group, Valencia CF, California Pet Pharmacy, and Wakefern Food



Continued recognition as the preferred installment solution for merchants²



¹ Active Merchants rounded to the nearest hundred.

² Sezzle achieved the highest-rated placement in the G2 Grid® Report in the Installment Payments category.



Recent Partnerships to Accelerate Growth



- On 25 October 2021, Alliance Data Systems (NYSE: ADS) and Sezzle announced a strategic partnership.
- Alliance Data's Bread business unit will offer its pay-over-time installment loan through Sezzle's merchant network, leveraging Bread's three to 48-month product to issue loans for big ticket items with interest rates as low as 0% for qualifying customers.
- Similar to Sezzle's and Ally's long-term product partnership, Bread will originate and maintain loans on its books.
- Bread is expected to be available to Sezzle merchants in early 2022.



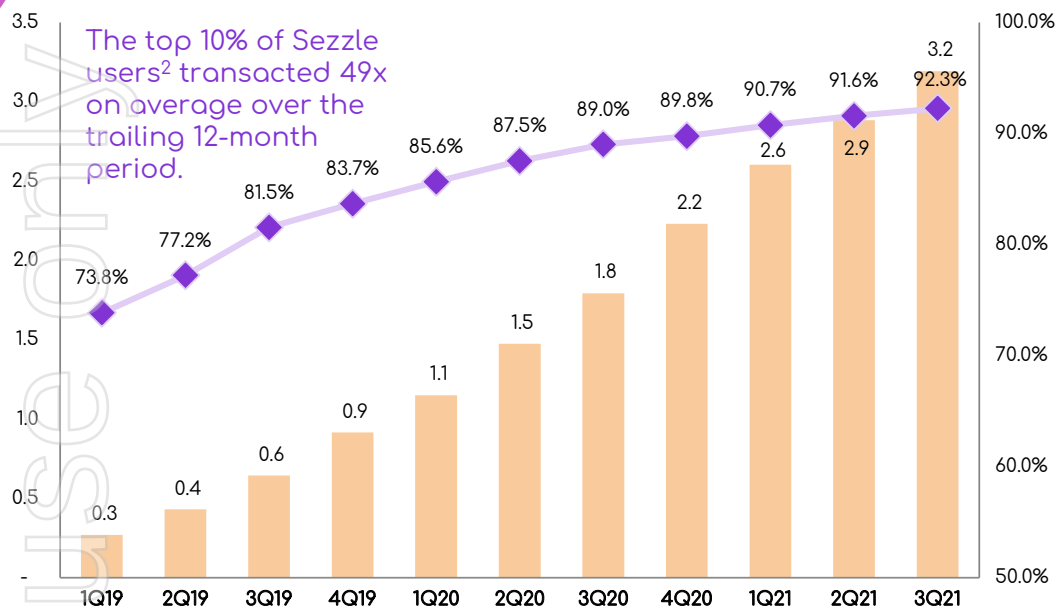
- BigCommerce announced Sezzle as a new preferred buy now, pay later partner.
- BigCommerce serves 60,000+ merchants across 150+ countries.
- Natively integrated as a payment gateway in the BigCommerce Control Panel, merchants can enable the Sezzle payment option with a single click to display a Sezzle widget at checkout.
- BigCommerce (Nasdaq: BIGC) is a leading SaaS ecommerce platform that empowers merchants of all sizes to build, innovate and grow their businesses online.



- On 20 July 2021, the Company announced the launch of Sezzle Capital in partnership with Wayflyer.
- Sezzle Capital enables qualified merchants to receive same-day funding of working capital up to US\$10 million.
- Qualified merchants can receive non-dilutive funding offers in an hour and receive funds in days.
- No additional credit risk or capital requirements to Sezzle.
- Wayflyer is a leading revenue-based financing and growth platform.

Growing and Deeply Engaged Consumer Base

Active Consumers (in Millions) & Repeat Usage¹



Driving consumer engagement this holiday season with weekly campaigns, including...



Consumers will make purchases at participating merchants for a chance to win cash prizes.

Partnering with charities to help fight homelessness through engagement with participating merchants and consumers.



¹ Repeat usage defined as cumulative orders made by returning end-customers to date relative to total cumulative orders to date.

² As measured by UMS.



Key Digital Payments Platform

Leading recognition across the industry



Note: Reviews rounded to the nearest hundred; reviews as of 25 October 2021.

Tapping into a Global Market



United States

- Primary market.
- Currently over 90% of activity.



Canada

(launched Spring 2019)

- UMS run-rate now in excess of US\$100M annually.
- Reached milestone of 3,000 Active Merchants in the region (220.3% YoY increase).
- Active Consumers increased 232.2% YoY, reaching 190,000 as of quarter end.



India

(launched July 2020)

- UMS increased 38.4% QoQ.
- Continue to see favorable adoption trends with Active Merchants and Active Consumers increasing by 37.0% and 55.9% QoQ, respectively.



EU

(initiated market testing late 2020)

- Gaining traction with large enterprise and cross-border opportunities with North America.
- Signed The Hut Group, a vertically integrated, digital-first consumer brand group.



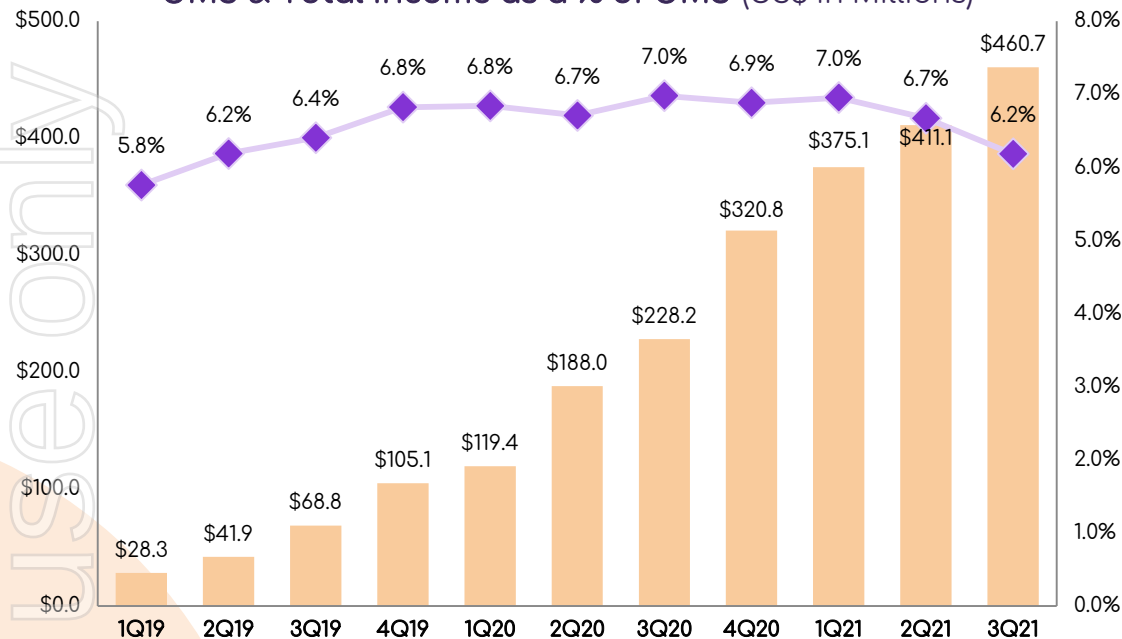
Brazil

(launched April 2021)

- In the early stages of market development.

Strong Growth in UMS & Total Income

UMS & Total Income as a % of UMS (US\$ in Millions)



Commentary

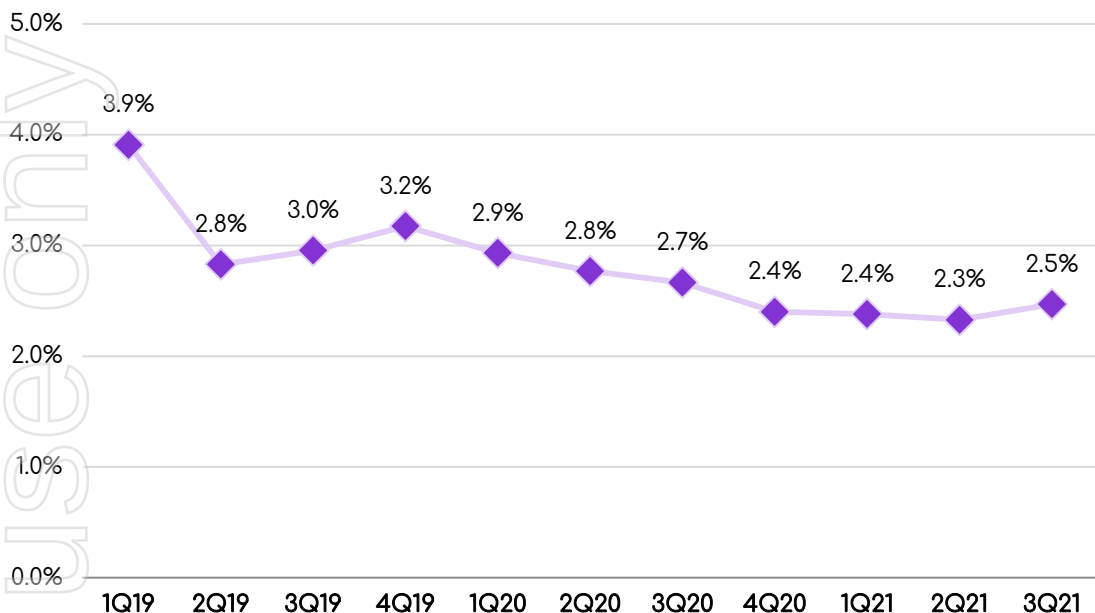
- 3Q21 UMS grew 101.9% YoY, driven by growth in Active Consumers, Active Merchants, and increasing consumer engagement.
- Total Income grew 78.9% YoY to US\$28.5M compared to US\$15.9 million in 3Q20.
- Total income as a percentage of UMS decreased 50 bps compared to the previous quarter due to enterprise merchants becoming a larger percent of the Company's transactions.
- Repeat usage¹ among Active Consumers increased for the 33rd straight month to 92.3%.
- The top 10% of Sezzle users² remained highly engaged, transacting 49x on average over the trailing twelve-month period.

¹ Repeat usage defined as cumulative orders made by returning end-customers to date relative to total cumulative orders to date.

² As measured based on UMS.

Transaction Expense – Improving Profile

Transaction Expense as % of UMS



Commentary

- In 3Q21, the YoY shift in consumer installment repayment methods to ACH and greater third-party discounts for higher payment volumes reduced average per-order processing fee costs (~75% of transaction expenses).
- The slight increase in transaction expense as a percentage of UMS to 2.5% was driven by a shift to card for all first installment payments including ACH, thus lowering the percentage of transactions via ACH from 2Q21 to 3Q21.

Delivering on a Lower Provision

Provision for Uncollectible Accounts as % of UMS

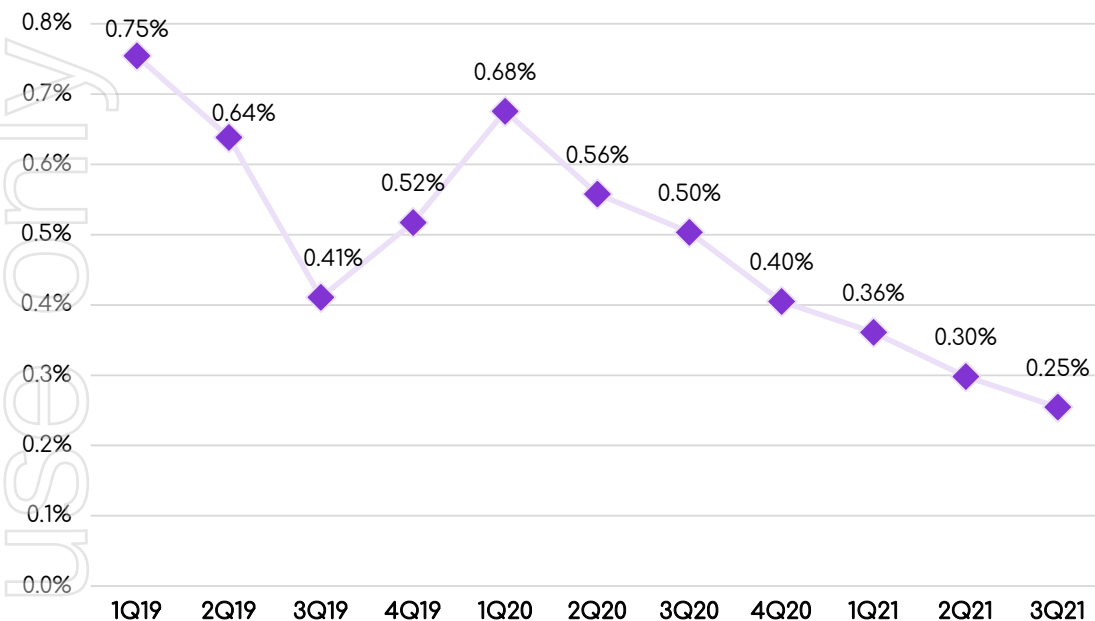


Commentary

- Significantly lowered the provision for uncollectible accounts to 2.3%, a 110bps decrease from the prior quarter, reflecting the operational flexibility of the short-term product.
- Improved recoveries of previously charged-off receivables.
- Several key operational changes were made during the quarter:
 - Requiring a debit or credit card on file to make the initial installment payment when selecting to pay via ACH, and
 - Adjusting approval rates upon various components of risk exposure.

Declining Cost of Capital

Net Interest Expense as a % of UMS



Commentary

- Continuing to improve transaction economics with net interest expense as a percentage of UMS declining for the sixth consecutive quarter.
- Key drivers of net interest expense as a percentage of UMS:
 - Lower borrowing costs, and
 - Reduced utilization of the credit facility.

Well-Capitalized for the Future

Select Balance Sheet Data

US\$000's	Unaudited 30-Jun-2021	Unaudited 30-Sep-2021
Cash and cash equivalents	\$58,184	\$43,967
Restricted cash	\$1,842	\$2,928
Total cash	\$60,027	\$46,895
Drawn on line of credit	\$21,000	\$5,000
Availability on line of credit	\$56,763	\$87,770

Commentary

- Decrease in total cash of \$13.1 million was primarily driven by uses in operating and investing activities, offset by net inflows from financing activities.
- On 14 July 2021, Sezzle received a US\$30.0 million investment from Discover in exchange for 4,559,270 shares of common stock, providing incremental capital to execute on growth plans alongside the US\$250.0 million receivables funding facility.
- Merchant Interest Program¹ balance as of quarter end was US\$78.6 million compared to US\$79.0 million at the end of 2Q21.

¹ Sezzle offers its merchants an interest-bearing program in which merchants may defer payment from the Company in exchange for interest.



Thank You

