



# The way forward.



## 3Q 2020 PRESENTATION

This presentation is authorised for release on ASX by the Board | 8 OCTOBER 2020



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





# Agenda

1. NOTABLE 3Q ACCOMPLISHMENTS

2. FAVORABLE 3Q TRENDS

3. RECORD MERCHANT EXPANSION

4. ALLY LENDING PARTNERSHIP

5. SEPARATING FROM THE PACK

6. OUTLOOK

# 3Q20 Accomplishments

## SUCCESSFUL CAPITAL RAISE

Raised A\$86.3M (US\$60M) in July to accelerate growth and strengthen the balance sheet.

## ENHANCED ENTERPRISE SALES TEAM

Hired two senior PayPal executives to spearhead Sezzle's efforts for large enterprise merchants.

## ASSESSING WORLD'S 5<sup>TH</sup> LARGEST ECONOMY

Soft launched India in July. Initial feedback is positive, but still observing consumer payment performance to determine next steps.

## LONG-TERM OPTIONS WITH ALLY PARTNERSHIP

Partnership will give merchants and consumers access to long-term financing options.

## NEW PRODUCT LAUNCHES FOR CONSUMER NEEDS

Inspired by consumer needs: Sezzle Up (credit building), Sezzle Anywhere (affiliate/gift card), Sezzle Spend (rewards) and in-store.

## RECORD NUMBER OF MERCHANT ADDITIONS

Added 4,778 merchants in 3Q, reaching 20,890 at the end of the quarter.



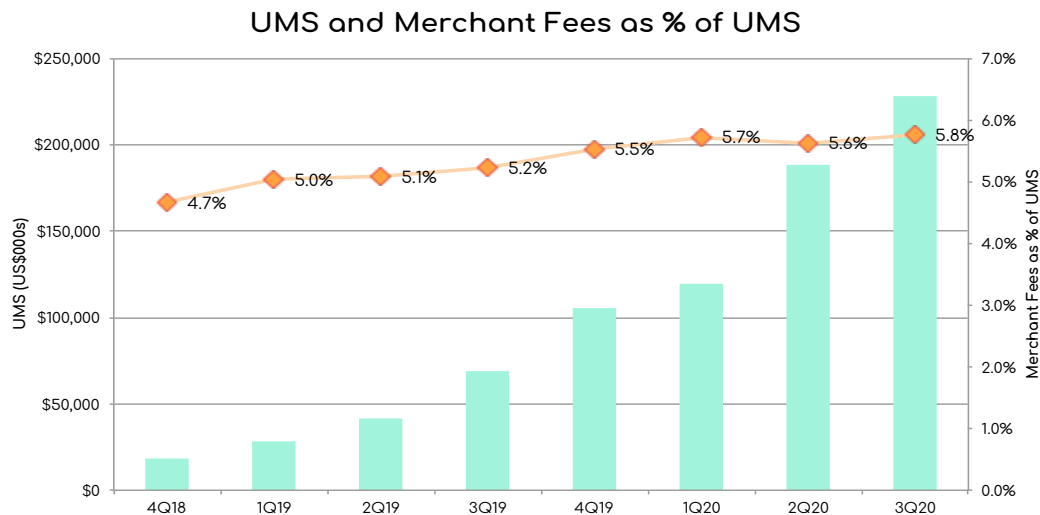


# Favorable 3Q Trends

- 3Q UMS rose 231.5% YoY to US\$228.2M, representing a record quarter.
- Merchant fees as a % of UMS in 3Q improved to 5.8% from 5.2% in the prior year's quarter.
- 5.8% Merchant Fees as a % of UMS represents the highest quarterly result in the Company's history.
- Active Consumers increased 178.1% YoY to nearly 1.8M.
- 3Q20 represented the largest addition of Active Merchants in the Company's history – 4,778.

Key Metrics	Quarter Ended 30 Sep 2020		QoQ change	YoY change
	(A\$ in M's) <sup>1</sup>	(US\$ in M's)		
UMS	\$318.2	\$228.2	21.4%	231.5%
Merchant Fees	\$18.3	\$13.1	24.1%	265.3%
Active Consumers	1,792,681	1,792,681	21.5%	178.1%
Active Merchants	20,890	20,890	29.7%	178.3%

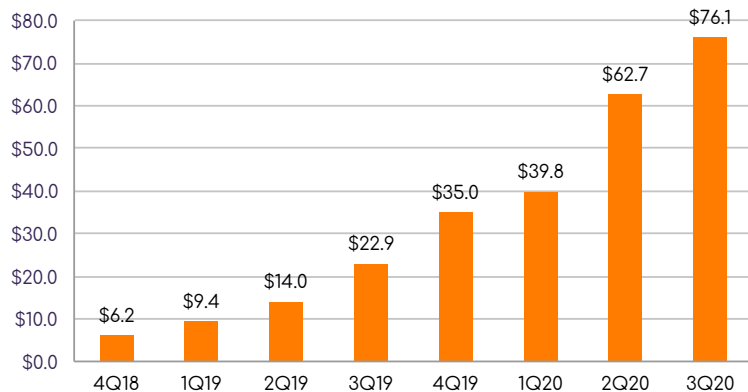
<sup>1</sup>A\$ to US\$ exchange rate of \$0.7170.



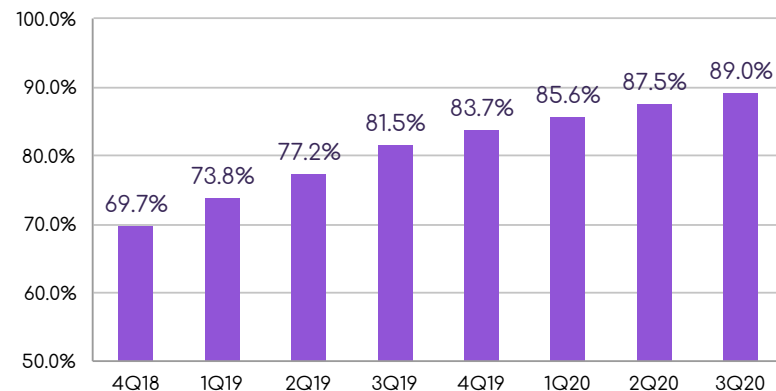
# Favorable 3Q Trends (cont'd)

- UMS of US\$82.2M in September represented a new monthly record.
- Each month of 3Q UMS represented a new Company record.
- Active Consumer repeat usage reached a new Company high of 89.0% in 3Q.
- Consumer repeat usage has improved for 21 straight months.
- Repeat consumer usage is a key driver to lower loss rates and greater NTM.

Average Monthly UMS (US\$ in M's)



Active Consumer Repeat Usage



# Record Merchant Expansion

- Added 4,778 merchants in 3Q – a record for a quarter.
- In excess of 20,800 Active Merchants at 30 September - up 178% YoY.
- UNTUCKit added to the Sezzle family on October 1<sup>st</sup>.
- Over 1,000 Canadian-based merchants offer Sezzle now.
- Upcoming “*Save the Holidays*” marketing campaign.

UNTUCKit

altitude  sports



Hatley



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MODERN

FORTNINE™

MINISTRY  
OF SUPPLY

RUDSAK

 solo stove



BRANDLESS™



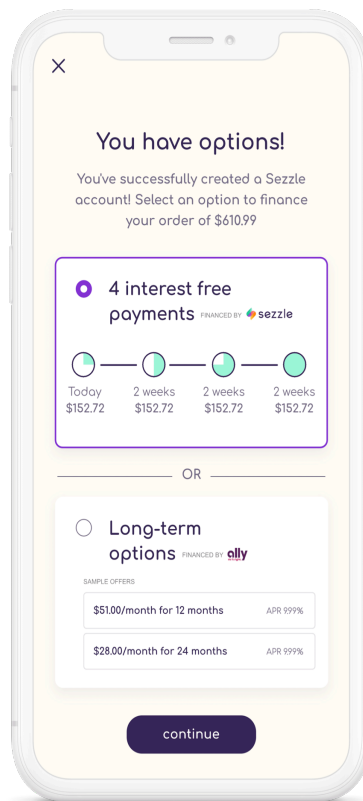
MISSION

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# Ally Lending Partnership

- Ally Lending is the B2B2C lending arm of Ally Bank, the banking subsidiary of Ally Financial (NYSE: ALLY).
- Ally enables monthly fixed-rate installment-loan products that extend up to 60 months and US\$40k per installment.
- Long-term financing provided by Ally will be on its balance sheet.
- 5-year initial term expected to launch in 1Q21.



*"We empathize with the economic situation millions of Americans now face. We're proud to partner with Sezzle to offer budget-friendly, responsible financing options, so consumers can feel more secure when making the purchases they need."*

**Hans Zandhuis,  
President of Ally Lending**





# Separating from the Pack

- **Public Benefit Corporation (PBC).** In June 2020, Sezzle became the first company in the 'Buy Now, Pay Later' sector to achieve PBC status. Sezzle is a purpose-driven company, creating benefits for all stakeholders.
- **Partnership with Ally Lending.** Enables Sezzle to offer merchants and consumers long-term financing options. Long-term financing provided by Ally will be held on Ally's balance sheet.
- **Embracing Credit.** Sezzle's mission is to financially empower the next generation. The Company's Sezzle Up product is a unique offering – allowing the consumer to build credit.
- **Assessing India.** We are the only BNPL option being tested in India – one of the world's largest economies (based on GDP) and most populous nations.
- **Significant SME Acceptance.** Sezzle grew up on SMEs and continues to see significant growth with almost 70% of merchant additions inbound.
- **No Transaction Fees.** Sezzle does not charge consumers to use its product, as long as the consumer pays on time.



# UMS Outlook

In September, Sezzle nearly attained its annualized run-rate goal of US\$1.0B, posting US\$985.9B.

2020 UMS OUTLOOK  
ANNUALIZED RUN-RATE OF

**US\$1.0B**  
BY END OF 2020  
(A\$1.4B<sup>1</sup>)



Notes: 1) A\$ to US\$ exchange rate of \$0.7170 assumed



# Questions & Answers





Thank You

