OMB No. for FDIC 3064-0001 Expires June 30, 2013
OMB no. OCC 1557-0014 Expires February 29, 2028

INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION

Public reporting burden for this collection of information is estimated to average 250 hours per response (125 hours for the charter application and 125 hours for the insurance application), including the time to review instructions, search, and to review and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429; or Licensing Activities, Comptroller of the Currency, 400 7th Street, SW, Washington, DC 20219; and to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503.

An organization or a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

GENERAL INFORMATION AND INSTRUCTIONS

Preparation and Use

This application is used to effect a transaction under:

- Sections 5 and 6 of the Federal Deposit Insurance Act (FDIA), as amended (12 U.S.C. 1815, 1816), for federal deposit insurance.
- Section 5(e) of the Home Owners' Loan Act (HOLA), as amended (12 U.S.C. 1464(e)), for a federal savings association charter.
- The National Bank Act, as amended (12 U.S.C. 21 *et seq*.), for a national bank charter.
- The state law for applying for state depository charters, as approved by state regulatory authorities.

All questions must be answered with complete and accurate information that is subject to verification. If the answer is "none," "not applicable," or "unknown," so state. Answers of "unknown" should be explained.

The questions in the application are not intended to limit the Applicant's presentation nor are the questions intended to duplicate information supplied on another form or in an exhibit. For such information, a cross reference to the information is acceptable. *Any such cross-reference must be made to a specific cite or location in the documents, so the information can be located easily.* Supporting information for all relevant factors, setting forth the basis for Applicant's conclusions, should accompany the application. The regulatory agency may request additional information.

This application form collects information that the regulatory agencies will need to evaluate a charter or insurance application. While most of the information will be available when the organizers submit the application, some information will not be available at that time. Each

agency has specific purposes and different timing requirements in collecting some of this information; for example, receipt of the organizers' draft policies. For any question about when to submit a specific item, organizers should contact the appropriate regulatory agencies to discuss the specific timing for submission.

The regulatory agency must consider the applicable statutory requirements set forth in the preceding provisions, as well as applicable regulatory requirements, when acting on this application. For additional information regarding these statutory and regulatory requirements, as well as processing procedures and guidelines and any supplemental information that may be required, please refer to the appropriate regulatory agency's procedural guidelines [i.e., *Comptroller's Corporate Manual*, the FDIC's Rules and Regulations (12 C.F.R. 303) and Statement of Policy on "Applications for Deposit Insurance", or the application guidelines for the state in which the Applicant seeks a state charter]. The Applicant may contact the agency directly for specific instruction or visit their websites at www.fdic.gov, www.occ.treas.gov, and www.csbs.org (through "Links" to each state banking department).

Notice of Publication

The Applicant must publish notice of the proposed organization in a newspaper of general circulation in the community or communities in which the proposed financial institution will be located. Contact the appropriate regulatory agency for the specific requirements of the notice of publication.

Confidentiality

Any Applicant desiring confidential treatment of specific portions of the application must submit a request in writing with the application. The request must discuss the justification for the requested treatment. The Applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position, invasion of privacy) that would result from public release of information (5 U.S.C. 552 or relevant state law). Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the application (by reference to the confidential section); (2) separately bound; and (3) labeled "Confidential." The Applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the application.

The Applicant should contact the appropriate regulatory agency for specific instructions regarding requests for confidential treatment. The appropriate regulatory agency will determine whether the information will be treated as confidential and will advise the Applicant of any decision to publicly release information labeled as "Confidential."

INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION

(Check all appropriate boxes.)

Type of Charter

X National Bank
State Bank
Federal Savings Bank or Association
State Savings Association
Other _____

Chartering Agency

X Comptroller of the Currency
State _____

Type of Ownership

Mutual
Stock

Special Focus

Community Development
Cash Management
Trust
Bankers' Bank
Credit Card: CEBA Non-CEBA
Other _____

Type of Insurance Application

X De Novo
Operating Noninsured Institution
Other _____

Federal Reserve Status

Member Bank
Nonmember Bank

For OCC: Standard Expedited

Proposed Depository Institution (institution)

Sezzle Bank, National Association
Name

Forthcoming
Street

Las Vegas	NV	00000-0000
City	State	ZIP Code

Holding Company Identifying Information (if applicable)

Name

Street

City	State	ZIP Code

Contact Person

Rajeev Khurana		General Counsel
Name		Title/Employer

700 Nicollet Mall, Suite 640
Street

Minneapolis	MN	55402
City	State	ZIP Code

(847) 530-4184		rajeev.khurana@sezzle.com
Telephone Number	Fax Number	E-Mail Address

1. Overview

(a) Provide a brief overview of the application. The overview should describe the institution's business and any special market niche, including the products, market, services, and any nontraditional activities.

(b) Describe any issues about the permissibility of the proposal with regard to applicable state or federal laws or regulations. Identify any regulatory waiver requests and provide adequate justification.

(c) List and provide a copy of all applications filed in conjunction with this proposal, such as applications for holding company, trust powers, branch offices, service corporations, and other subsidiaries.

(d) When available, provide a copy of all public or private offering materials and the proposed form of stock certificate, including any required restrictive legends.

(e) Provide a copy of the proposed articles of association, articles of incorporation, or charter, and proposed bylaws.

(f) Provide a copy of the business plan. The business plan should address, at a minimum, the topics contained in the appropriate regulatory agency's Business Plan Guidelines.

2. Management

(a) Provide a list of the organizers, proposed directors, senior executive officers, and any individual, or group of proposed shareholders acting in concert, that will own or control 10 percent or more of the institution's stock. For each person listed, attach an Interagency Biographical and Financial Report, a fingerprint card, and indicate all positions and offices currently held or to be held with the institution's holding company and its affiliates, if applicable. Include the signed "Oath of Director" for each proposed director.

(b) Describe each proposed director's qualifications and experience to serve and oversee management's implementation of the business plan. Describe the extent, if any, to which directors or major stockholders are or will be involved in the day-to-day management of the institution. Also list the forms of compensation, if any.

(c) Provide a list of board committees and members.

(d) Describe any plans to provide ongoing director education or training.

(e) Describe each proposed senior executive officer's duties and responsibilities and qualifications and experience to serve in his/her position. If a person has not yet been selected for a key position, list the criteria that will be required in the selection process. Discuss the proposed terms of employment, including compensation and benefits, and attach a copy of all pertinent documents, including an employment contract or compensation arrangement. Provide the aggregate compensation of all officers.

(f) Describe any potential management interlocking relationships (12 U.S.C. 1467a(h)(2), 3201-3208, or applicable state law) that could occur with the establishment or ownership of the institution. Include a discussion of the permissibility of the interlock with regard to relevant law and regulations or include a request for an exemption.

(g) Describe any potential conflicts of interest.

(h) Describe any transaction, contract, professional fees, or any other type of business relationship involving the institution, the holding company, and its affiliates (if applicable), and any organizer, director, senior executive officer, shareholder owning or controlling 10 percent or more, and other insiders. Include professional services or goods with respect to organizational expenses and bank premises and fixed asset transactions. (Transactions between affiliates of the holding company that do not involve the institution need not be described.)

1) State whether the business relationship is made in the ordinary course of business, is made on substantially the same terms as those prevailing at the time for comparable transactions with non-insiders, and does not present more than the normal risk of such transaction or present other unfavorable features.

2) Specify those organizers that approved each transaction and whether the transaction was disclosed to proposed directors and prospective shareholders.

3) Provide all relevant documentation, including contracts, independent appraisals, market valuations, and comparisons.

(i) Describe all stock benefit plans of the institution and holding company, including stock options, stock warrants, and other similar stock-based compensation plans, for senior executive officers, organizers, directors, and other insiders. Include in the description:

1) The duration limits.

2) The vesting requirements.

3) Transferability restrictions.

4) Exercise price requirements.

5) Rights upon termination.

6) Any “exercise or forfeiture” clause.

7) Number of shares to be issued or covered by the plans.

Provide a list of participants, allocation of benefits to each participant, and a copy of each proposed plan. (Plans must conform to applicable regulatory guidelines.)

3. Capital

(a) For each class of stock, provide the number of authorized shares, the number of shares to be issued, par value, voting rights, convertibility features, liquidation rights, and the projected sales price per share. Indicate the amount of net proceeds to be allocated to common stock, paid-in surplus, and other capital segregations.

(b) Describe any noncash contributions to capital, and provide supporting documents for assigned values, including an independent evaluation or appraisal.

(c) Discuss the adequacy of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions, including technology, branching, and projected organization and operating expenses. Present a thorough justification to support the proposed capital, including any off-balance-sheet activities contemplated. Describe any plans for the payment of dividends.

(d) List all known subscribers to stock. For organizers, directors, 10 percent shareholders, senior executive officers, and other insiders, include the number of shares and anticipated investment and the amount of direct and indirect borrowings to finance the investment. Discuss how any debt will be serviced.

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(e) List recipients and amounts of any fees, commissions, or other considerations in connection with the sale of stock.

(f) Indicate whether the institution plans to file for S Corporation tax status.

4. Convenience and Needs of the Community

NOTE: This information must be consistent with the proposed business plan.

(a) Market Characteristics

1) Define the intended geographical market area(s). Include a map of the market area, pinpointing the location of proposed bank's offices and offices of competing depository institutions.

2) Describe the competitive factors the institution faces in the proposed market and how the institution will address the convenience and needs of that market to maintain its long-term viability.

3) Discuss the economic environment and the need for the institution in terms of population trends, income, and industry and housing patterns.

(b) Community Reinvestment Act (CRA) Plan[1]

NOTE: The CRA Plan must be bound separately.

1) Identify the assessment area(s) according to the CRA regulations.[2]

[1] See applicable state requirements.
[2] See 12 C.F.R. 25.41, 345.41, 195.41.

2) Summarize the performance context for the institution based on the factors discussed in the CRA regulations.[3]

3) Summarize the credit needs of the institution's proposed assessment area(s).

[3] See 12 C.F.R. 25.21(b), 345.21(b), 195.21.

4) Identify the CRA evaluation test[4] under which the institution proposes to be assessed.

5) Discuss the institution's programs, products, and activities that will help meet the existing or anticipated needs of its community(ies) under the applicable criteria of the CRA regulation, including the needs of low- and moderate-income geographies and individuals.

[4] See 12 C.F.R. 25.21(a); 345.21(a); 195.21.

5. Premises and Fixed Assets

(a) Provide a physical description for permanent premises and discuss whether they will be publicly and handicapped accessible. Indicate the level and type of property insurance to be carried.

(b) If the permanent premises are to be purchased, provide name of seller, purchase price, cost and description of necessary repairs and alterations, and annual depreciation. If the premises are to be constructed, provide the name of the seller, the cost of the land, and the construction costs. Indicate the percentage of the building that will be occupied by the bank. Provide a copy of the appraisal.

(c) If the permanent premises are to be leased, provide name of owner, terms of the lease, and cost and description of leasehold improvements. Provide a copy of the proposed lease when available.

(d) If temporary quarters are planned, provide a description of interim facility, length of use, lease terms, and other associated commitments and costs.

(e) State whether proposed premises and fixed asset expenditures conform to applicable statutory limitations.

(f) Outline the security program that will be developed and implemented, including the security devices.[5]

[5] See 12 C.F.R. 21, 326, 168.

(g) Discuss any significant effect the proposal will have on the quality of the human environment. Include in the discussion changes in air and/or water quality, noise levels, energy consumption, congestion of population, solid waste disposal, or environmental integrity of private land within the meaning of the National Environmental Policy Act, 42 U.S.C. 4321, et seq.

(h) Describe any plan to establish branches or relocate the main office within the first three years. Any acquisition or operating expenses should be reflected in the financial projections.

(i) Indicate if the establishment of the proposed main office and/or any branch site may affect any district, site, building, structure, or object listed in, or eligible for listing in, the National Register of Historic Places pursuant to the National Historic Preservation Act, 16 U.S.C. 470f. (See the Advisory Council on Historic Preservation at www.achp.gov for the Act and implementing regulations.) Specify how such determination was made:

1) Consultation with the State Historic Preservation Officer (SHPO) and/or Tribal Historic Preservation Officer (THPO) (when tribal lands or historic properties of significance to a tribe are involved).

2) Reviewed National Register of Historic Places (see https://www.nps.gov/nr).

3) Applied National Register criteria to unlisted properties.[6]

4) Reviewed historical records.

5) Contact with preservation organizations.

6) Other (describe).

As appropriate, provide a copy of any documentation of consultation with the SHPO and/or THPO. *You are reminded that if a historic property may be affected, no site preparation, demolition, alterations, construction or renovation may occur without the appropriate regulatory agency's authorization.*

[6] See 36 C.F.R. 60.4.

6. Information Systems

(a) State whether the institution plans to market its products and services (the ability to do transactions or account maintenance) via electronic means. If yes, specifically state the products and services that will be offered via electronic banking or the Internet.

(b) Outline the proposed or existing information systems architecture and any proposed changes or upgrades. The information should describe how: (1) the information system will work within existing technology; (2) the information system is suitable to the type of business in which the institution will engage; (3) the security hardware, software, and procedures will be sufficient to protect the institution from unauthorized tampering or access; and (4) the organizers and directors will allocate sufficient resources to the entire technology plan.

(c) Provide lists or descriptions of the primary systems and flowcharts of the general processes related to the products and services. The level of detail in these system descriptions should be sufficient to enable verification of the cost projections in the *pro formas*.

(d) Estimate the start-up budget for the information systems related to the products and services and the expected annual operating and maintenance costs (including telecommunications, hardware, software, and personnel).

(e) Describe the physical and logical components of security. Describe the security system and discuss the technologies used and key elements for the security controls, internal controls, and audit procedures. Discuss the types of independent testing[7] the institution will conduct to ensure the integrity of the system and its controls.

(f) Describe the information security program that will be in place to comply with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information."[8]

[7] Independent tests should cover general and environmental controls as well as audit, monitoring, and balancing controls. Independent testing will provide an objective opinion on the adequacy of these controls.

[8] See 15 U.S.C. 6801, 6805(b); 12 C.F.R. 30; 308 and 364; 168 and 170.

7. Other Information

(a) List activities and functions, including data processing, that will be outsourced to third parties, identifying the parties and noting any affiliations. Describe all terms and conditions of the vendor management activities and provide a copy of the proposed agreement when available. Describe the due diligence conducted and the planned oversight and management program of the vendors' or service providers' relationships (for general vendor management guidance, see the Appendix of the FFIEC's guidance, Risk Management of Outsourced Technology Services).

(b) List all planned expenses related to the organization of the institution and include the name of recipient, type of professional service or goods, and amount. Describe how organization expenses will be paid.

(c) Provide evidence that the institution will obtain sufficient fidelity coverage on its officers and employees to conform with generally accepted banking practices.

(d) If applicable, list names and addresses of all correspondent depository institutions that have been established or are planned.

(e) Provide a copy of management's policies for loans, investments, liquidity, funds management, interest rate risk, and other relevant policies. Provide a copy of the Bank Secrecy Act program. Contact the appropriate regulatory agencies to discuss the specific timing for submission.

(f) For Federal Savings Banks or Associations, include information addressing the proposed institution's compliance with qualified thrift lender requirements.

(g) If the institution is, or will be, affiliated with a company engaged in insurance activities that are subject to supervision by a state insurance regulator, provide:

1) The name of insurance company.

2) A description of the insurance activity that the company is engaged in and has plans to conduct.

3) A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.

OCC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency or agencies. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signature	**Date**	**Typed Name**

FDIC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency or agencies. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

It is understood that the Board of Directors of the Federal Deposit Insurance Corporation (Corporation), in applying the factors set out in federal statutes, will consider the application only with respect to the general character or type of business stated and that the depository institution will not engage in any other business without the prior written consent of the Corporation.

It is further understood that federal deposit insurance will not become effective (a) until the proposed depository institution has been incorporated and authorized to engage in the business of receiving deposits, (b) until the board of directors of the depository institution has adopted a resolution ratifying and confirming the action of the incorporators in making this application with supporting information, (c) until the depository institution has fulfilled such requirements, if any, as the Corporation may impose as a condition of its approval of

this application, and (d) until the depository institution has been notified that its membership in the Corporation has been approved.

Signature	**Date**	**Typed Name**

EXHIBITS (check all that apply)

___ Business Plan
- ___ Financial Projections

___ CRA Plan

___ Articles of Association, Articles of Incorporation, or Charter

___ Bylaws

___ Oath of Director

___ Interagency Biographical and Financial Reports

___ Fingerprint cards (appropriate regulatory agency)

___ Publication Certification/Affidavit/Notice of Publication

___ Copies of contracts/agreements
- ___ Employment/compensation
- ___ Service providers
- ___ Other

___ Stock Benefit Plans

___ Economic survey or market feasibility study
- ___Market Area Map

___ Waiver request, specify: _____

___ Offering Materials

___ Proposed stock certificate

___ Corporate or holding company audited statements or financial reports

___ Copy of policies, specify: _____

FSA ONLY:

___ RB 20a Certification

Oath of the Bank Director

Bank Name _____ Date _____
State of
County of

I, the undersigned, a (proposed) director of the above-named bank do solemnly swear (affirm) that:

As a director, I have a legal responsibility and a fiduciary duty to shareholders to administer the depository institution's affairs faithfully and to oversee its management. In carrying out my duties and responsibilities, I shall exercise reasonable care and place the interests of the depository institution before my own interests. I shall fulfill my duties of loyalty and care to the above-named depository institution.

I shall, commensurate with my duties, diligently and honestly administer the affairs of the depository institution, and I shall not knowingly violate, or willingly permit to be violated, any applicable statute or regulation. I shall ensure that I learn of changes in statutes, regulations, and policies of the Office of Comptroller of the Currency, the Federal Deposit Insurance Corporation, or any state to whose jurisdiction my association is subject, which affect my duties, responsibilities, or obligations as a director and affiliated person of the association.

I am the owner, in good faith and in my own right, of the number of shares of stock that the law requires. I have either subscribed for this stock or it is issued and outstanding, and it is not hypothecated, or in any way pledged, as security for any loan or debt.

I shall attend meetings of the board of directors and participate fully on all committees of the board to which I am appointed.

Signature
Typed Name
Mailing Address
City _____ State _____ ZIP Code

Notary's Affirmation

Sworn to before me and subscribed in my presence, this ___ day of _____, _____.

Notary Public
My Commission Expires _____

Oath of Savings Association Director

Name of Savings Association _____

City _____ County _____ State_____

I, the undersigned, a [proposed] director of the above-named savings association, do solemnly swear (affirm) as follows:

1. I acknowledge that service as a director of a federally insured savings association is an important undertaking that carries with it significant duties and responsibilities. I have read and understand the OCC Directors' Responsibilities Guide describing the duties of directors and officers of savings association.

2. As a director of the above-named savings association, I have a legal responsibility and a fiduciary duty to its shareholders and creditors and to the applicable federal deposit insurance funds to administer the savings association's affairs faithfully and to oversee its management. In carrying out my duties and responsibilities, I shall exercise reasonable care and place the interests of the savings association before my own interests. I shall fulfill my duties of loyalty and care to the above-named savings association.

3. I shall diligently and honestly administer the affairs of the savings association, and I shall not knowingly violate, or willingly permit to be violated, any applicable statute or regulation. I shall ensure that I learn of changes in statutes, regulations, and policies of the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation or any state to whose jurisdiction my association is subject, which affect my duties, responsibilities, or obligations as a director and affiliated person of the savings association.

4. I shall attend meetings of the board of directors and participate fully on all committees of the board to which I am appointed.

Signature _____
Typed Name _____
Mailing Address _____
City _____ State _____ ZIP Code_____
Date _____

Notary's Affirmation

Sworn to before me and subscribed in my presence this ____ day of _____, _____.

Notary Public _____
My Commission Expires _____

OCC Certification

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency or agencies. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

[Electronically Signed]

Ana Beatriz Wiechmann Elvezio c	
Electronically Signed By	
None Specified	Charter National Bank Under Holding Company (Full Service
Title	Filing Type
10/22/2026 8:13 AM EDT	27248
Date and Time	Institution Charter Number
Sezzle Bank, National Association	2026-Charter-348092
Institution	Filing Control Number

APPLICATION

to the

OFFICE OF THE COMPTROLLER OF THE CURRENCY

and the

FEDERAL DEPOSIT INSURANCE CORPORATION

to organize

SEZZLE BANK, NATIONAL ASSOCIATION

Volume A (Public)

October 21, 2026

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Sezzle Inc. Corporate Background and Financial Report	Confidential Exhibit 32

REQUEST FOR CONFIDENTIAL TREATMENT

Sezzle Inc., as sponsor and acting through the named organizers (the "Organizers"), proposes to organize Sezzle Bank, National Association, a proposed *de novo* national bank (the "Applicant" or "Bank"), and hereby submit an interagency charter and federal deposit application (the "Application") to the Office of the Comptroller of the Currency (the "OCC") and the Federal Deposit Insurance Corporation (the "FDIC"), pursuant to 12 U.S.C. § 1815 and 12 C.F.R. § 303.20-23. The Application is set forth in (a) a Public Exhibits Volume (Volume A) and (b) three Confidential Exhibits Volumes (Volume B, Volume C and Volume D).

Confidential treatment is requested under the Freedom of Information Act, 5 U.S.C. § 552 (the "FOIA"), and the OCC's and FDIC's implementing regulations for the information contained in Volume B, Volume C, and Volume D (the "Confidential Materials"). The Confidential Materials constitute nonpublic commercial or financial information that is privileged or confidential within the meaning of Section 4.12(b)(4) of the OCC's regulations and Section 309.5(g)(4) of the FDIC's regulations or information that is otherwise exempt from public disclosure under Section 4.12(b) of the OCC's regulations and Section 3.09(5) of the FDIC's regulations. Disclosure of this information would reveal to competitors the internal strategies, near-future business plans and competitive position of the Applicant, would place the Applicant at a competitive disadvantage with respect to their competitors who do not publicly reveal such information, and would cause significant harm to the Applicant and its affiliates. The Confidential Materials also include nonpublic personal information that is confidential within the meaning of Section 4.12(b)(6) of the OCC's regulations and of Section 309.5(g)(6) of the FDIC's regulations, the disclosure of which would constitute an unwarranted invasion of personal privacy.

In addition, we request, pursuant to the FOIA and applicable OCC and FDIC regulations and for the reasons set forth above, that any memoranda, notes or other writings of any kind whatsoever made by an employee, agent, or any person under the control of the OCC or the FDIC (or any governmental agency) that incorporate, include or relate to any of the matters referred to in the Confidential Materials (i) furnished by the Applicant, its employees or agents to the OCC or the FDIC (or any other governmental agency) or (ii) referred to in any conference, meeting, telephone conversation or interview between (a) employees, former employees, representatives, agents or counsel of the Applicant and (b) employees, agents or any persons under the control of the OCC or FDIC, be maintained in confidence, not be made part of any public record and not be disclosed to any person.

We also request that, if the OCC or FDIC should make a preliminary determination not to comply with the foregoing requests for confidential treatment, the Applicant be given notice thereof in ample time to permit them to make an appropriate submission as to why such information should be preserved in confidence. We further request that the Applicant be furnished with a copy of all written materials pertaining to such request (including but not limited to the request itself and any determination with respect to such request) and that they be given sufficient advance notice of any intended release so that the affected parties may, if deemed necessary or appropriate, pursue any available remedies.

INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION

(Check all appropriate boxes.)

Type of Charter

- [x] National Bank
- [ ] State Bank
- [ ] Federal Savings Bank or Association
- [ ] State Savings Association
- [ ] Other

Chartering Agency

- [x] Comptroller of the Currency
- [ ] State

Special Focus

- [ ] Community Development
- [ ] Cash Management
- [ ] Trust
- [ ] Bankers' Bank
- [ ] Credit Card [ ] Non-CEBA [ ] CEBA
- [ ] Other

For OCC: [x] Standard [ ] Expedited

Type of Insurance Application

- [x] De Novo
- [ ] Operating Noninsured Institution
- [ ] Other

Federal Reserve Status

- [x] Member Bank
- [ ] Nonmember Bank

Proposed Depository Institution (institution)

Name	Sezzle Bank, National Association						
Street	Forthcoming	City	Las Vegas	State	NV	Zip	N/A

Holding Company Identifying Information (if applicable)

Name	Sezzle Inc.						
Street	700 Nicollet Mall, Suite 640	City	Minneapolis	State	MN	Zip	55402

Contact Person

Name	Rajeev Khurana						
Title/Employer	General Counsel / Sezzle Inc.						
Street	700 Nicollet Mall, Suite 640	City	Minneapolis	State	MN	Zip	55402
Phone #	847-530-4184	Fax #	N/A	E-mail Address	rajeev.khurana@sezzle.com		

INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION

1. Overview

(a) Provide a brief overview of the application. The overview should describe the institution's business and any special market niche, including the products, market, services, and any nontraditional activities.

Sezzle Inc. ("Sezzle") is a publicly traded company listed on the Nasdaq stock exchange (SEZL) with a market capitalization of approximately $4.6 billion. Founded more than 10 years ago in Minneapolis, Minnesota, Sezzle is a purpose-driven payments company whose mission is to financially empower the next generation. In particular, Gen Z and Millennial consumers use credit cards less frequently relative to other generations and, in many cases, lack access to traditional credit. As a result, they tend to have fewer viable options for budgeting, achieving financial flexibility, and building credit history. Sezzle's buy now, pay later ("BNPL") products provide younger generations with a unique solution to these challenges before they move up the FICO score spectrum and have more repayment history.

As a public benefit corporation under Delaware law, Sezzle is deeply committed to having a positive effect on consumer empowerment, education, and transparency in its communities. Sezzle seeks to create an accessible, equitable, and sustainable product suite for consumers, especially for those who lack access to traditional credit. Sezzle uses non-traditional data for underwriting and extending credit to consumers, allowing consumers with little-to-no credit history to use Sezzle's products and access credit.

Sezzle, as sponsor and acting through the named Organizers, proposes to organize Sezzle Bank, National Association (the "Bank"). The Bank will be headquartered in Las Vegas, Nevada, and will be a wholly owned direct subsidiary of Sezzle, which will apply to the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the applicable Federal Reserve Bank to become a bank holding company and be treated as a financial holding company. For additional information regarding Sezzle, please refer to its Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on February 26, 2026, attached as Public Exhibit 2.

The Organizers named herein hereby request:

- Approval of the Office of the Comptroller of the Currency ("OCC") to organize and operate an insured de novo national bank pursuant to 12 U.S.C. §§ 21, 24(Seventh) and 12 C.F.R. § 5.20;
- Approval of the Federal Deposit Insurance Corporation ("FDIC") to obtain federal deposit insurance pursuant to 12 U.S.C. § 1815 and 12 C.F.R. § 303.20-23; and

- Such other approvals or consents as may be deemed necessary in connection with the organization and commencement of operations of the Bank.

The Bank's proposed products include a range of consumer credit products, including BNPL plans, cash advances, and revolving credit cards, as well as deposit accounts, including checking and savings accounts, payments services, and other related financial services, such as financial-wellness services and tools, to meet the growing demand for accessible and responsible consumer financial products.

The target market for the Bank comprises primarily subprime, near-prime, credit-invisible, thin-file, unbanked and underbanked U.S. consumers. The Bank also will serve small and medium businesses and merchants within the Sezzle network.

The products that the Bank intends to offer during the three-year de novo period can be grouped into the following main categories:

- Consumer credit;
- Payments;
- Deposit products; and
- Other related financial services.

The Bank will not engage in any activities for which fiduciary powers are required under state or federal law. Further details regarding the Bank's proposed business, products and services, target markets, and structure are contained in the confidential business plan (the "Business Plan") included as Confidential Exhibit 1.

The Bank plans to maintain two wholly owned special-purpose funding entities (the "Funding SPEs"), currently subsidiaries of Sezzle, as operating subsidiaries pursuant to 12 C.F.R. § 5.34, one as a direct subsidiary of the Bank and the other as an indirect subsidiary of the Bank. The Funding SPEs would support the Bank's funding, liquidity, and balance sheet management activities in connection with its lending products and related financing arrangements. Additional information regarding the structure, activities, and associated risk management framework applicable to the Funding SPEs is provided in Section II.F of the Business Plan. Background on affiliates of the Bank is provided in Confidential Exhibit 2.

(b) Describe any issues about the permissibility of the proposal with regard to applicable state or federal laws or regulations. Identify any regulatory waiver requests and provide adequate justification.

The Organizers are not aware of any issues relating to the permissibility of the Bank's activities with regard to applicable state or federal laws or regulations. An analysis of the permissibility of the Bank's proposed activities is provided as Confidential Exhibit 3.

The Organizers request multiple residency waivers of the director residency requirements under 12 U.S.C. § 72 and in accordance with 12 C.F.R. § 5.43 for the

Bank's entire Board of Directors. Additional detail and analysis supporting the requested waivers is set forth in Confidential Exhibit 4.

(c) List and provide a copy of all applications filed in conjunction with this proposal, such as applications for holding company, trust powers, branch offices, service corporations, and other subsidiaries.

The Organizers request that the OCC approve the Funding SPEs as operating subsidiaries concurrently with this filing. An analysis of the permissibility of these proposed operating subsidiaries' activities is provided in the Permissibility Analysis included as Confidential Exhibit 3.

Following receipt of the preliminary conditional approval from the OCC ("OCC Preliminary Conditional Approval") and contingent authorization from the FDIC ("FDIC Contingent Authorization" and, together with the OCC Preliminary Conditional Approval, the "Preliminary Approvals"), an application will be filed with the Federal Reserve and the applicable Federal Reserve Bank for Sezzle to become a bank holding company and be treated as a financial holding company. A copy of that application will be provided to the OCC and to the FDIC upon submission.

(d) When available, provide a copy of all public or private offering materials and the proposed form of stock certificate, including any required restrictive legends.

The Bank will be fully capitalized by Sezzle and, therefore, there are no offering materials. The proposed stock certificate is included as Confidential Exhibit 5.

(e) Provide a copy of the proposed articles of association, articles of incorporation, or charter, and proposed bylaws.

Please see Confidential Exhibit 6 for the proposed Articles of Association and Confidential Exhibit 7 for the proposed Bylaws of the Bank.

(f) Provide a copy of the business plan. The business plan should address, at a minimum, the topics contained in the appropriate regulatory agency's Business Plan Guidelines.

The Bank's Business Plan is included as Confidential Exhibit 1.

2. Management

(a) Provide a list of the organizers, proposed directors, senior executive officers, and any individual, or group of proposed shareholders acting in concert, that will own or control 10 percent or more of the institution's stock. For each person listed, attach an Interagency Biographical and Financial Report, a fingerprint card, and indicate all positions and offices currently held or to be held with the institution's holding company and its affiliates, if applicable. Include the signed "Oath of Director" for each proposed director. For an FSA filing, provide a RB 20a Certification for each person listed.

The Bank will be a wholly owned direct subsidiary of Sezzle. Additional information regarding the ownership of Sezzle is set forth in Part III, Item 12 ("*Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*") of Sezzle's Annual Report on Form 10-K/A, filed with the SEC on April 30, 2026, and in Amendment No. 3 to Schedule 13D, filed with the SEC on September 14, 2026 by Charles Youakim and Cerro Gordo LLC. Copies of the Form 10-K/A and the Schedule 13D/A are included as Public Exhibits 3 and 4, respectively.

Directors

The Bank will have six directors, three of whom will be outside directors, with two of them being independent of management. The Bank's proposed directors are:

- Charles Youakim, proposed director and Chairman of the Board;
- Jefferson Harralson, proposed director and President;
- Paul Paradis, proposed director and Chief Operating Officer;
- Michele Sullivan, proposed director (independent);
- Larry Mazza, proposed director (independent); and
- Kyle Brehm, proposed director.

Senior Executive Officers

The senior executive officers of the Bank will include:

- Jefferson Harralson, President;
- Lee Brading, Chief Financial Officer;
- Micah Fetherston, Chief Compliance & BSA Officer;
- Don McFarling, Chief Lending Officer; and
- Paul Paradis, Chief Operating Officer.

The Organizers are still in the process of selecting certain additional senior executive officers.

A schedule of the Bank's Organizers, proposed directors, senior executive officers, and any individual, or group of proposed shareholders acting in concert, that will own or control 10% or more of the Bank's stock ("Principal Shareholders"), which also identifies, as applicable, all positions and offices currently held or proposed to be held by such persons with the Bank, its holding company, and any affiliates, is included as Confidential Exhibit 8.

Completed Interagency Biographical and Financial Reports and Authorizations for Release of Information for the proposed directors, senior executive officers, and Principal Shareholders are provided in Confidential Volume D, as well as a Corporate Background and Financial Report for Sezzle. As soon as practicable following the submission of this application and once authorized by the OCC and the FDIC, certain individuals will have their fingerprints taken electronically.

Each of the proposed directors will execute an Oath of Director in the form attached hereto as Public Exhibit 6.

(b) Describe each proposed director's qualifications and experience to serve and oversee management's implementation of the business plan. Describe the extent, if any, to which directors or major stockholders are or will be involved in the day-to-day management of the institution. Also list the forms of compensation, if any.

The Bank's Organizers and proposed directors have diverse expertise and experience in banking regulation and examination, consumer lending, technology, credit risk and enterprise risk management, compliance, audit and financial reporting, and corporate governance. A brief summary of their qualifications and experience is provided in Section I.C.i of the Business Plan. More detailed information regarding their qualifications and experience is provided in their IBFRs and respective resumes provided in Confidential Volume D.

Other than Messrs. Harralson and Paradis, who will also serve as President and Chief Operating Officer of the Bank, respectively, and Mr. Youakim, who will be a Principal Shareholder of the Bank, it is not contemplated that any of the other directors or major stockholders will be involved in the day-to-day management of the Bank.

For information regarding the forms of director compensation, please refer to Confidential Exhibit 18 and, with respect to the independent directors, Confidential Exhibit 21.

(c) Provide a list of board committees and members.

The Bank's Board of Directors will have two committees: an Audit Committee and a Risk and Compliance Committee.

For additional information regarding the functions of each board committee, members and chairs, please refer to Section IV.A.ii of the Business Plan. In

addition, a draft Audit Committee Charter is provided as Confidential Exhibit 9, and a draft Board Risk and Compliance Committee Charter is provided as Confidential Exhibit 10.

(d) Describe any plans to provide ongoing director education or training.

The Bank's directors will receive training with respect to a variety of topics, including with respect to the Bank's organizational structure, corporate culture, operations, and risk appetite. New directors will undergo an orientation program that will include an introduction to the duties and responsibilities of bank directors, interactions with affiliates, and the significance of regulatory compliance. Directors will thereafter participate in periodic director training programs that are tailored to the directors' needs relative to the Bank's Business Plan and to their roles and responsibilities. More information is provided in Section IV.D.ii of the Business Plan.

(e) Describe each proposed senior executive officer's duties and responsibilities and qualifications and experience to serve in his/her position. If a person has not yet been selected for a key position, list the criteria that will be required in the selection process. Discuss the proposed terms of employment, including compensation and benefits, and attach a copy of all pertinent documents, including an employment contract or compensation arrangement. Provide the aggregate compensation of all officers.

A description of the duties and responsibilities of each proposed senior executive officer is included in Sections IV.B.i to IV.B.x of the Business Plan. A description of their qualifications and experience is included in the biographies provided in Section I.C.ii of the Business Plan, and more detailed information regarding their respective professional backgrounds is included in their respective IBFRs in Confidential Volume D. A description of the criteria that will be required in the selection process for the key positions that have not yet been selected is provided in Sections IV.B.iii, IV.B.vii, and IV.B.x of the Business Plan.

The Bank's senior management team will consist of experienced managers with a proven track record and recent real-world operational experience in the financial services industry, including in banking, technology, operational, compliance, and risk management. The competence, experience, and integrity of the Bank's senior management team contribute to its strong prospects for success.

The form of employment agreement for senior executive officers is attached hereto as Confidential Exhibit 11. Compensation for all senior executive officers will conform with applicable OCC and FDIC rules. The senior executive officers will also be included in the equity incentive program of Sezzle, as described in response to item (i) below, a copy of which is provided as Public Exhibit 5. A summary of the proposed compensation for the Bank's senior executive officers is attached hereto as Confidential Exhibit 17. The executed offer letter for the Bank's President is included as Confidential Exhibit 20.

(f) Describe any potential management interlocking relationships (12 U.S.C. 1467a(h)(2), 3201-3208, or applicable state law) that could occur with the establishment or ownership of the institution. Include a discussion of the permissibility of the interlock with regard to relevant law and regulations or include a request for an exemption.

The Organizers are not aware of any interlocking relationships that will be prohibited by the Depository Institution Management Interlocks Act ("DIMIA"). An analysis of the application of the DIMIA to certain proposed directors of the Bank is included in Confidential Exhibit 12.

(g) Describe any potential conflicts of interest.

The Organizers are aware that certain potential conflicts of interest may arise given the Bank's relationship with Sezzle and the dual roles that will be held by certain officers. Nonetheless, the Board of Directors of the Bank is being structured to include independent members who will be able to address matters that would require recusal by a conflicted director or officer. Additionally, the Bank intends to adopt policies and procedures that will ensure that any conflict of interest is addressed in a timely and appropriate manner.

(h) Describe any transaction, contract, professional fees, or any other type of business relationship involving the institution, the holding company, and its affiliates (if applicable), and any organizer, director, senior executive officer, shareholder owning or controlling 10 percent or more, and other insiders. Include professional services or goods with respect to organizational expenses and bank premises and fixed asset transactions. (Transactions between affiliates of the holding company that do not involve the institution need not be described).

1) State whether the business relationship is made in the ordinary course of business, is made on substantially the same terms as those prevailing at the time for comparable transactions with non-insiders, and does not present more than the normal risk of such transaction or present other unfavorable features.

2) Specify those organizers that approved each transaction and whether the transaction was disclosed to proposed directors and prospective shareholders.

3) Provide all relevant documentation, including contracts, independent appraisals, market valuations, and comparisons.

The Bank will engage in intercompany services with Sezzle under a master services agreement ("MSA"). All affiliate services will be documented through written agreements defining scope, fees, service levels, reporting, examination and audit access, information security and data protection, data location, business continuity, change management, subcontractor controls, and termination assistance. A copy of the form of MSA is included as Confidential Exhibit 13. Additionally, the Bank

will enter into certain other agreements with Sezzle governing dual-role officer arrangements and tax matters. Please also refer to the Form of Employee Sharing Agreement included as Confidential Exhibit 14. Additional details regarding the intercompany agreements between Sezzle and the Bank are included in Sections II.G and IV.B.xi of the Business Plan. In addition, proposed directors and senior executive officers will receive compensation for their roles, which may include a retainer. For additional information, please refer to Confidential Exhibits 17 and 18.

For more information regarding affiliate transactions and intercompany services, please see Sections II.G and IV.B.xi of the Business Plan. Any transaction by the Bank with insiders will comply with applicable laws and regulations. The Bank's draft Affiliate Transactions Policy is attached as Confidential Exhibit I to the Business Plan.

(i) Describe all stock benefit plans of the institution and holding company, including stock options, stock warrants, and other similar stock-based compensation plans, for senior executive officers, organizers, directors, and other insiders. Include in the description:

1) The duration limits.

2) The vesting requirements.

3) Transferability restrictions.

4) Exercise price requirements.

5) Rights upon termination.

6) Any "exercise of forfeiture" clause.

7) Number of shares to be issued or covered by the plans.

(j) Provide a list of participants, allocation of benefits to each participant, and a copy of each proposed plan.

The Bank does not plan on maintaining a separate stock-based compensation plan for its employees. However, its ultimate parent entity, Sezzle, maintains the 2021 Equity Incentive Plan, established on June 15, 2021, as amended on July 31, 2025 (the "2021 Plan"). The 2021 Plan is a broad-based equity compensation plan, administered by the Compensation Committee of the Board of Directors of Sezzle (the "Compensation Committee"), and authorizes grants of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, unrestricted stock, restricted stock units and other stock units, performance awards, and other awards based on or convertible into common stock. Eligibility extends to employees, directors, and consultants of Sezzle Inc. and its subsidiaries, to the extent designated by the Compensation Committee.

The 2021 Plan provides that no new awards may be granted after ten years from stockholder approval of the plan; however, previously granted awards may remain

outstanding in accordance with their terms. The maximum term of any stock option or stock appreciation right under the 2021 Plan is ten years from grant, except that incentive stock options granted to stockholders holding 10% or more may not exceed five years.

Vesting and exercisability are determined by the Compensation Committee and may be based on continued service, performance conditions, or other criteria in the applicable award agreement. The Compensation Committee may accelerate vesting or exercisability.

Awards are generally nontransferable, except that the Compensation Committee may permit gratuitous transfers of awards other than incentive stock options. The exercise price of a stock option, and the base value of a stock appreciation right, may not be less than 100% of the fair market value on the grant date (or 110% for incentive stock options granted to a stockholder holding 10% or more). The 2021 Plan also includes a no-repricing provision absent stockholder approval, except for customary transaction-related adjustments.

Upon termination of employment or service, unvested awards are generally forfeited, and vested options and stock appreciation rights generally remain exercisable for three months—or one year in the case of death or disability—in each case, subject to the original term. If termination is for cause, or in circumstances determined to constitute cause, all awards, regardless of whether vested, terminate immediately.

The plan also provides for certain forfeiture, cancellation, and clawback mechanics, including for failure to satisfy vesting conditions and for violations of restrictive covenants or applicable company policies.

The 2021 Plan authorized an initial reserve of 25,000,000 shares of Sezzle common stock, subject to an automatic annual increase on January 1 of each year, from 2022 through 2031 in an amount equal to the lesser of 4% of the company's outstanding shares as of the immediately preceding December 31 and such smaller number as may be determined by Sezzle's Board of Directors. As of December 31, 2025, the number of awards authorized for issuance under the 2021 Plan was 7.7 million.

A copy of the 2021 Plan is provided in Public Exhibit 5. A list of current proposed participants who are also insiders and current allocation of benefits to each participant is provided in Confidential Exhibit 19.

3. Capital

(a) For each class of stock, provide the number of authorized shares, the number of shares to be issued, par value, voting rights, convertibility features, liquidation rights, and the projected sales price per share. Indicate the amount of net proceeds to be allocated to common stock, paid-in surplus, and other capital segregations.

For information related to the Bank's capital structure, please refer to Section VIII of the Business Plan, and its proposed Articles of Association, included as Confidential Exhibit 6.

(b) Describe any noncash contributions to capital, and provide supporting documents for assigned values, including an independent evaluation or appraisal.

A portion of the contribution to the Bank's capital will be made in the form of a noncash contribution. For additional detail, please refer to Section II.G of the Business Plan.

(c) Discuss the adequacy of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions, including technology, branching, and projected organization and operating expenses. Present a thorough justification to support the proposed capital, including any off-balance-sheet activities contemplated. Describe any plans for the payment of dividends.

In determining the adequacy of the proposed capital structure, the Bank has analyzed the risks presented by its proposed operations—including credit, interest rate, liquidity, and operational risks—and evaluated earnings prospects and performance under specified stress scenarios. Please see Sections VI.A.iii and VIII.B.iii of the Business Plan for additional information.

The Bank plans on electing to use the community bank leverage ratio framework instead of the generally applicable capital rules. Based on the Bank's three-year financial projections, the Bank is projected to operate as a well capitalized bank throughout the de novo period.

The Bank's leadership will be comprised of a strong management team and directors with proven track records and recent real-world operational experience with financial services, including banking and consumer finance. The competence, experience, and integrity of the Bank's management team and directors contribute to the Bank's strong prospects for success.

The Bank plans to distribute dividends during the three-year de novo period, as discussed in Sections VI.A.i and VIII.B.iii of the Business Plan.

For additional information on the adequacy of the Bank's proposed capital structure and proposed transactions to capitalize the Bank, please refer to Sections VI.A.iii and VIII.B.iii of the Business Plan, and to the draft Capital Policy in Confidential Exhibit V to the Business Plan.

(d) List all known subscribers to stock. For organizers, directors, 10 percent shareholders, senior executive officers, and other insiders, include the number of shares and anticipated investment and the amount of direct and indirect borrowings to finance the investment. Discuss how any debt will be serviced.

As noted in response to question 1(a) above, Sezzle will be the sole shareholder of the Bank. Sezzle is a publicly traded company on the Nasdaq Stock Exchange and will fund the Bank's capitalization from its existing resources and the contribution of noncash assets. No borrowings are contemplated to finance the investment. It is not contemplated that any other Organizer, director, Principal Shareholder, senior executive officer, or other insider will finance investment in the Bank through borrowings. Please refer to Section VI.A of the Business Plan for information regarding Sezzle's capitalization of the Bank.

(e) List recipients and amounts of any fees, commissions, or other considerations in connection with the sale of stock.

There are no brokers involved in the sale of the Bank stock.

(f) Indicate whether the institution plans to file for S Corporation tax status.

Not applicable. The Bank does not plan to file for S Corporation tax status.

4. Convenience and Needs of the Community

(a) Market Characteristics

1) Define the intended geographical market area(s). Include a map of the market area, pinpointing the location of proposed bank's offices and offices of competing depository institutions.

The Bank will initially open an office in Las Vegas, Nevada, which will serve as its main office and headquarters, and will not be physically accessible to the public to make deposits, receive withdrawals, or borrow money. However, as a digital bank with no branch offices, the Bank's business will span the entire geography of the United States. A map showing the location of the Bank's proposed main office and competing depository institutions is attached as Confidential Exhibit 15.

Sections I.B.i and III.A of the Business Plan include detailed information regarding the Bank's target market.

2) Describe the competitive factors the institution faces in the proposed market and how the institution will address the convenience and needs of that market to maintain its long-term viability.

The proposed market is competitive and includes many companies that will compete with the Bank with respect to certain products and services, including BNPL. At the same time, the market remains fragmented, and the Bank believes there is an opportunity to effectively compete by building on Sezzle's existing customer and merchant relationships, technology capabilities, and its experience in digital financial services. A description of how the Bank will differentiate itself against its competitors is included in Section III of the Business Plan.

Additionally, the Bank intends to address the convenience and needs of its proposed market by offering accessible, technology-enabled products designed to meet customer demand for simple, efficient, and reliable financial services.

Additional discussion of the competitive factors that will affect the Bank, and the manner in which it will address the convenience and needs of the proposed market are provided in Section III.C.iii of the Business Plan.

3) Discuss the economic environment and the need for the institution in terms of population trends, income, and industry and housing patterns.

Please refer to the information included with respect to each product in Sections II.B and II.C of the Business Plan.

(b) Community Reinvestment Act (CRA) Plan

1) Identify the assessment area(s) according to the CRA regulations.

2) Summarize the performance context for the institution based on the factors discussed in the CRA regulations.

3) Summarize the credit needs of the institution's proposed assessment area(s).

4) Identify the CRA evaluation test under which the institution proposes to be assessed.

5) Discuss the institution's programs, products, and activities that will help meet the existing or anticipated needs of its community(ies) under the applicable criteria of the CRA regulation, including the needs of low- and moderate-income geographies and individuals.

The Bank intends to comply with its CRA obligations through the development and approval of a CRA Strategic Plan. The Bank will proceed in compliance with OCC Bulletin 2019-39 to request approval of such plan following receipt of the Preliminary Approvals. Please see Public Exhibit 7 for additional information.

5. Premises and Fixed Assets

(a) Provide a physical description for permanent premises and discuss whether they will be publicly and handicapped accessible. Indicate the level and type of property insurance to be carried.

As described above and in the Business Plan, the Bank's main office will be located in Las Vegas, Nevada. The Bank will not have any branches or customer-facing offices.

The Bank has not yet identified a final location for its Las Vegas, Nevada main

office but will do so prior to opening and will insure the premises at the level required by the landlord. The Bank will ensure that its premises are handicapped accessible. The premises will not be publicly accessible, with access to the main office restricted to employees and authorized guests.

(b) If the permanent premises are to be purchased, provide name of seller, purchase price, cost and description of necessary repairs and alterations, and annual depreciation. If the premises are to be constructed, provide the name of the seller, the cost of the land, and the construction costs. Indicate the percentage of the building that will be occupied by the bank. Provide a copy of the appraisal.

Not applicable. The Bank does not intend to purchase or construct the permanent premises.

(c) If the permanent premises are to be leased, provide name of owner, terms of the lease, and cost and description of leasehold improvements. Provide a copy of the proposed lease when available.

The premises for the Bank's proposed main office will be in Las Vegas, Nevada. The Bank intends to execute a formal lease following the Preliminary Approvals. The Bank will provide a copy of the executed lease agreement for its Las Vegas, Nevada main office once it has been executed.

(d) If temporary quarters are planned, provide a description of interim facility, length of use, lease terms, and other associated commitments and costs.

Not applicable. No temporary premises are planned.

(e) State whether proposed premises and fixed asset expenditures conform to applicable statutory limitations.

The Bank's expenditures on premises and fixed assets are expected to conform to applicable statutory limitations. The estimated costs for the premises and fixed assets are deemed reasonable for the planned equipment and facilities and details related to these costs are included in Sections VIII.B.i and VIII.C.ii of the Business Plan.

(f) Outline the security program that will be developed and implemented, including the security devices.

Please refer to Section V.F of the Business Plan for further detail on the Bank's security program.

(g) Discuss any significant effect the proposal will have on the quality of the human environment. Include in the discussion changes in air and/or water quality, noise levels, energy consumption, congestion of population, solid waste disposal, or environmental integrity of private land within the meaning of the National Environmental Policy Act, 42 U.S.C. 4321 et seq.

It is not expected that the proposal will have any significant effect on the quality of the human environment.

(h) Describe any plan to establish branches or relocate the main office within the first three years. Any acquisition or operating expenses should be reflected in the financial projections.

Not applicable. The Bank has no plans to establish branches or relocate its main office within the first three years of the de novo period.

(i) Indicate if the establishment of the proposed main office and/or any branch site may affect any district, site, building, structure, or object listed in, or eligible for listing in, the National Register of Historic Places pursuant to the National Historic Preservation Act, 16 U.S.C. 470f. (See the Advisory Council on Historic Preservation at www.achp.gov for the Act and implementing regulations.) Specify how such determination was made:

1) Consultation with the State Historic Preservation Officer (SHPO) and/or Tribal Historic Preservation Officer (THPO) (when tribal lands or historic properties of significance to a tribe are involved).

2) Reviewed National Register of Historic Places (see www.cr.nps.gov/nr).

3) Applied National Register criteria to unlisted properties.

4) Reviewed historical records.

5) Contact with preservation organizations.

6) Other (describe).

As appropriate, provide a copy of any documentation of consultation with the SHPO and/or THPO. *You are reminded that if a historic property may be affected, no site preparation, demolition, alterations, construction or renovation may occur without the appropriate regulatory agency's authorization.*

Not applicable. The Bank's proposed main office is not expected to be located in any district, building, structure or object listed in, or eligible for listing in, the National Register of Historic Places.

6. Information Systems

(a) State whether the institution plans to market its products and services (the ability to do transactions or account maintenance) via electronic means. If yes, specifically state the products and services that will be offered via electronic banking or the Internet.

The Bank expects to market all of its products and services through its mobile smartphone application and on its website. Please refer to Section II.D of the Business Plan for further detail on the products and services that will be offered.

(b) Outline the proposed or existing information systems architecture and any proposed changes or upgrades. The information should describe how: (1) the information system will work within existing technology; (2) the information system is suitable to the type of business in which the institution will engage; (3) the security hardware, software, and procedures will be sufficient to protect the institution from unauthorized tampering or access; and (4) the organizers and directors will allocate sufficient resources to the entire technology plan.

Please refer to Section V.A of the Business Plan for a description of the Bank's proposed information systems architecture.

(c) Provide lists or descriptions of the primary systems and flowcharts of the general processes related to the products and services. The level of detail in these system descriptions should be sufficient to enable verification of the cost projections in the *pro formas*.

Please refer to Section V.A of the Business Plan for descriptions of the primary systems related to the products and services.

(d) Estimate the start-up budget for the information systems related to the products and services and the expected annual operating and maintenance costs (including telecommunications, hardware, software, and personnel).

Please refer to Section VIII of the Business Plan for further information.

(e) Describe the physical and logical components of security. Describe the security system and discuss the technologies used and key elements for the security controls, internal controls, and audit procedures. Discuss the types of independent testing the institution will conduct to ensure the integrity of the system and its controls.

Please refer to Sections V.A and V.B of the Business Plan for further information.

(f) Describe the information security program that will be in place to comply with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information."

The Bank will maintain an information security program in compliance with the Interagency Guidelines Establishing Standards for Safeguarding Customer Information. For a description of the Bank's proposed information security program to safeguard customer information, please refer to Sections V.A.ii, V.A.iii, and V.A.v of the Business Plan. Additionally, please refer to the draft Information Security Program Policy included as Confidential Exhibit XIV to the Business Plan.

7. Other Information

(a) List activities and functions, including data processing, that will be outsourced

to third parties, identifying the parties and noting any affiliations. Describe all terms and conditions of the vendor management activities and provide a copy of the proposed agreement when available. Describe the due diligence conducted and the planned oversight and management program of the vendors' or service providers' relationships (for general vendor management guidance, see the Appendix of the FFIEC's guidance, Risk Management of Outsourced Technology Services).

Please refer to Sections V.A.vii and V.E.ii of the Business Plan for information regarding the Bank's proposed outsourcing and third-party relationships.

(b) List all planned expenses related to the organization of the institution and include the name of recipient, type of professional service or goods, and amount. Describe how organization expenses will be paid.

Sezzle will assume all costs associated with the chartering of the Bank. These include expenses for legal and consulting support and the hiring of staff prior to the opening of the Bank. The Bank will not incur or reimburse Sezzle for expenses incurred in advance of opening. A schedule of projected organizational expenses is provided in Section VIII.C.ii of the Business Plan.

(c) Provide evidence that the institution will obtain sufficient fidelity coverage on its officers and employees to conform with generally accepted banking practices.

The Bank will maintain fidelity coverage on its officers and employees appropriate to conform with generally accepted banking practices, and coverage will be obtained prior to opening. Evidence of such coverage will be provided prior to opening.

(d) If applicable, list names and addresses of all correspondent depository institutions that have been established or are planned.

Please refer to Confidential Exhibit 16.

(e) Provide a copy of management's policies for loans, investments, liquidity, funds management, interest rate risk, and other relevant policies. Provide a copy of the Bank Secrecy Act program. Contact the appropriate regulatory agencies to discuss the specific timing for submission.

The Bank will adopt, implement, and maintain policies with respect to each of these key risk management areas, including compliance with the Bank Secrecy Act. Those policies will conform with applicable regulatory guidance. Because the Bank remains in its pre-organizational phase, the development of many written policies is ongoing.

For additional information, please see Confidential Exhibits I through XIX to the Business Plan.

(f) For Federal Savings Banks or Associations, include information addressing the proposed institution's compliance with qualified thrift lender requirements.

Not applicable.

(g) If the institution is, or will be, affiliated with a company engaged in insurance activities that are subject to supervision by a state insurance regulator, provide:

1) The name of insurance company

2) A description of the insurance activity that the company is engaged in and has plans to conduct.

3) A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.

Not applicable.

OCC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency or agencies. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

	Signature	Date	Typed Name
X	Signed by: 614FFB230BC04BC...	October 21, 2026	Charles Youakim
X	DocuSigned by: Lee Brading 724C93FC9A7A4D6...	October 21, 2026	Lee Brading
X	DocuSigned by: 5082F263447E451...	October 21, 2026	Kyle Brehm
X	DocuSigned by: Paul Paradis 3436D0A96081430...	October 21, 2026	Paul Paradis
X	Signed by: Rajeev Khurana BF26D215A48B4A7...	October 21, 2026	Rajeev Khurana

Add Signature Line

FDIC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency or agencies. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

It is understood that the Board of Directors of the Federal Deposit Insurance Corporation (Corporation), in applying the factors set out in federal statutes, will consider the application only with respect to the general character or type of business stated and that the depository institution will not engage in any other business without the prior written consent of the Corporation.

It is further understood that federal deposit insurance will not become effective (a) until the proposed depository institution has been incorporated and authorized to engage in the business of receiving deposits, (b) until the board of directors of the depository institution has adopted a resolution ratifying and confirming the action of the incorporators in making this application with supporting information, (c) until the depository institution has fulfilled such requirements, if any, as the Corporation may impose as a condition of its approval of this application, and (d) until the depository institution has been notified that its membership in the Corporation has been approved.

	Signature	Date	Typed Name
X	Signed by: 614FFB230BC04BC...	October 21, 2026	Charles Youakim
X	DocuSigned by: Lee Brading 724C93FC9A7A4D6...	October 21, 2026	Lee Brading
X	DocuSigned by: 5062F263447E451...	October 21, 2026	Kyle Brehm
X	DocuSigned by: Paul Paradis 3436D0A96081430...	October 21, 2026	Paul Paradis
X	Signed by: Rajeev Khurana BF26D215A48B4A7...	October 21, 2026	Rajeev Khurana

Add Signature Line

EXHIBITS (check all that apply)

☒ Business Plan

☒ Financial Projections

☐ CRA Plan

☒ Articles of Association, Articles of Incorporation, or Charter

☒ Bylaws

☒ Oath of Director (*form*)

☒ Interagency Biographical and Financial Reports

☐ Fingerprint cards (appropriate regulatory agency)

☒ Publication Certification / Affidavit / Notice of Publication

☒ Copies of contracts / agreements

☒ Employment / compensation

☐ Service providers

☒ Other: Form of Intercompany Master Services Agreement and Form of Employee Sharing Agreement

☒ Stock Benefit Plans

☐ Economic survey or market feasibility study

☒ Market Area Map

☒ Waiver request, specify:

- Multiple residency waiver of director residency requirement;

☐ Offering Materials

☒ Proposed stock certificate

☒ Corporate or holding company audited statements or financial reports

☒ Copy of policies, specify: (*drafts as Confidential Exhibits of the Business Plan*)

- Affiliate Transactions (Regulation W) Policy
- Asset Liability Management Policy
- Audit Policy
- Information Security Program Policy
- Business Continuity and Disaster Recovery Policy
- Capital Policy
- Change Management and SDLC
- Compliance Management Program
- Conflict of Interest Policy
- Credit Policy

- Data Governance Policy
- Enterprise Third Party Risk Management Policy
- Financial Crimes Compliance Program
- Incident Response Plan
- Insider Lending (Regulation O) Policy
- Investment Policy
- Liquidity Policy
- Model Governance Policy
- Technology Governance Policy

PUBLIC EXHIBIT 1

Form of Public Notice

In accordance with 12 C.F.R. § 5.8, a public notice of the Application is being published in the Las Vegas Review-Journal, a newspaper of general circulation in Las Vegas, Nevada, on October 22, 2026. A copy of the form of publication is provided below, and the affidavit of publication will be provided as soon as available.

[Remainder of page left blank]

An Application to Organize a National Bank Has Been Filed with the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation

The organizers, identified below, intending to organize and operate an insured national bank according to the provisions of the National Bank Act and the Federal Deposit Insurance Act, as amended, submit an application to the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) for permission to organize an insured national bank, and propose as follows:

1. That the main office of the national bank will be located in Clark County, Las Vegas, Nevada.

2. That the name of the national bank will have the following title: Sezzle Bank, National Association.

The organizers and sponsoring organization of Sezzle Bank, National Association are:

Charles Youakim, Dorado, Puerto Rico
Paul Paradis, Minneapolis, Minnesota
Lee Brading, Charlotte, North Carolina
Rajeev Khurana, Wilmette, Illinois
Kyle Brehm, Eden Prairie, Minnesota

Sezzle Inc., 700 Nicollet Mall, Suite 640, Minneapolis, Minnesota, 55402.

Any person desiring to comment on this application may do so by submitting written comments within 30 days following the date of publication of this notice to the Director for Licensing, Office of the Comptroller of the Currency, 400 7th Street, SW, Washington, DC 20219, or by emailing LicensingPublicComments@occ.treas.gov. A person who wishes to view the public file should submit a request to the Director for Licensing, Office of the Comptroller of the Currency, 400 7th Street, SW, Washington, DC 20219, or by emailing Licensing@occ.treas.gov. The public may find information regarding this application, including the date of the end of the public comment period, at the OCC's Corporate Application Search (CAS) at www.occ.gov.

Any person wishing to comment on the deposit insurance application filed with the FDIC is encouraged to submit comments through the FDIC's website at https://cra.fdic.gov/. Alternatively, comments may be filed in writing with the Regional Director of the FDIC at its Regional Office at 1100 Walnut St, Suite 2100 Kansas City, MO 64106. Comments must be submitted no later than November 21, 2026. The non-confidential portions of the application are on file at the FDIC's Regional Office in Kansas City and available for inspection during regular business hours. Copies of information in the non-confidential portion of the application will be made available upon request.

PUBLIC EXHIBIT 2

Sezzle Inc. Form 10-K for Fiscal Year 2025
filed February 26, 2026

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

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	**81-0971660**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
700 Nicollet Mall, Suite 640, Minneapolis, Minnesota	**55402**
(Address of principal executive offices)	(Zip Code)

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

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

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2025, was $3,165.9 million based on the closing price of $179.25 per share of Common Stock as reported on The Nasdaq Stock Market LLC.

The total number of shares of common stock, par value $0.00001 per share, outstanding at February 24, 2026 was 33,801,675.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this Annual Report on Form 10-K, to the extent not set forth herein, is incorporated herein by reference from the registrant's definitive proxy statement for its 2026 Annual Meeting of Stockholders. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2025.

SEZZLE INC.

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FORWARD-LOOKING STATEMENTS

The information in this Annual Report on Form 10-K and the documents incorporated by reference herein ("Form 10-K") 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-K are forward-looking statements. When used in this Form 10-K, 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 this 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 employees and recruit additional employees;
- 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 this Form 10-K. Should one or more of the risks or uncertainties described in this 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-K 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-K.

SUMMARY OF RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those highlighted in Item 1A "Risk Factors," of this Form 10-K. If any of these risks actually occur, our business, financial condition, or results of operations would likely be materially and adversely affected. In such case, the trading price of our shares of common stock would likely decline, and you may lose all or part of your investment. These risks include, but are not limited to, the following:

Risks Related to Our Industry

- Our industry has become subject to increased regulatory scrutiny.
- We operate in a highly competitive industry.
- Our success is subject to macro-economic conditions that have an impact on consumer spending and consumer credit.
- We, and our industry, has been and may continue to be subject to negative publicity.

Risks Related to Our Strategy and Growth

- We may not be able to maintain historic levels of profitability in the future.
- Our business depends on our ability to maintain and increase our merchant network.
- Our business depends on our ability to retain and increase our consumer base and GMV.
- Our ability to attract and retain consumers to enroll in our subscription products.
- Our ability to effectively manage growth.
- We may not be able to sustain our growth rate.
- Our ability to promote and maintain our brand.
- We may require additional capital.

Risks Related to Our Financing Program

- Loans facilitated through our platform involve a high degree of financial risk.
- Our agreement with our originating bank partner is non-exclusive and subject to termination by our originating partner upon the occurrence of certain events.
- We rely on third-party data to assess the creditworthiness of consumers and such data may be inaccurate.
- Consumer bad debts and insolvency of merchants may adversely impact our financial success.
- Merchants may fail to fulfill their obligations to consumers or comply with applicable law.

Risks Related to Our Technology and the Sezzle Platform

- Our results depend on integration, support, and prominent presentation of our platform by our merchants.
- Unanticipated surges or increases in transaction volumes.
- The occurrence of data security breaches, cyberattacks, employee or other internal misconduct, malware, phishing or ransomware, physical security breaches, natural disasters, or similar disruptions.
- Real or perceived software failures or outages.
- Disruption in service on our platform that prevents or delays us from processing transactions.
- Fraudulent activities occurring on our platform.

Other Risks Related to Our Business

- Our ability to comply with the applicable requirements of payment processors.
- The failure of key vendors or merchants to comply with legal or regulatory requirements or to provide various services that are important to our operations.
- Changes to our key operating metrics and real or perceived inaccuracies.
- Conditions in the capital and credit markets, including higher interest rates.
- Exchange rate fluctuations between the United States and Canada.
- Our ability to protect our intellectual property rights.
- The loss of licenses or any quality issues with third-party technology that support our business operations or are integrated with our products or services.
- Our insurance may not apply or be sufficient.
- Our business is subject to damage or interruption from events beyond our control.
- Our inability to retain our existing workforce or recruit additional staff, and risks of staff misconduct.

Risks Related to Our Regulatory Environment

- The costs of complying with various laws and regulations applicable to the BNPL industry in the United States and Canada.
- We are subject to various laws in the United States and Canada concerning lending programs, consumer finance and consumer protection.
- We are subject to the regulatory, supervisory and enforcement authority of the CFPB.
- We rely on our originating bank partner model to originate a substantial majority of the loans facilitated on the Sezzle Platform.
- Failure to identify, obtain and operate the licenses necessary to operate our business.
- Violating applicable federal, state and/or local lending or other laws.
- Litigation, regulatory actions, and compliance issues could subject us to increased costs.
- Privacy and data protection laws could result in claims or harm our business.

Risks Related to Our Corporate Structure

- We have not paid dividends on our common stock and any future payment of dividends will be at the discretion of our board directors and depend on certain factors.
- Our stock repurchase(s) could affect the price of our stock and increase volatility in the market.
- Our Chief Executive Officer and Chairman of the board owns a large percentage of our stock and can exert significant influence over us.
- A large percentage of our stock are pledged securities subject to foreclosure or disposal upon the occurrence of certain events.
- We are no longer a “emerging growth company” or a “smaller reporting company” and the reduced U.S. public company reporting requirements applicable to emerging growth companies and smaller reporting companies will no longer apply to us.
- We incur significant costs and are subject to extensive regulations and requirements as a U.S. public company.
- Our inability to continue to meet Nasdaq's continued listing requirements.
- Failure to maintain effective internal control over financial reporting or disclosure controls may adversely affect our ability to report our financial results in a timely and accurate basis.
- Some provisions of our charter documents may have anti-takeover effects, and the exclusive forum designation may limit stockholders’ ability to obtain a favorable judicial forum for disputes with us.

Risks Related to Our Existence as a Public Benefit Corporation

- As a public benefit corporation, we cannot provide any assurance that we will achieve our public benefit purpose.
- As a public benefit corporation, our focus on providing a public benefit purpose may negatively impact our financial condition.
- Our directors have a fiduciary duty to consider not only our stockholders’ interests, but also our specific public purpose and the interests of other stakeholders affected by our actions.
- Increased derivative litigation concerning our duty to balance stockholder and public benefit interest.

PART I

ITEM 1. BUSINESS

Unless otherwise noted, references in this Form 10-K to "we," "us," "our," "Company," or "Sezzle" refer collectively to Sezzle Inc. and our subsidiaries.

Our Company

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 products, 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.

We launched Sezzle amid a backdrop during which digital shopping began to claim a larger share of the retail sector and younger generations (i.e., Gen Z and Millennials) started demonstrating a need for credit. Gen Z and Millennial consumers, who we define as individuals currently between ages 18–29 and 30–48, respectively, use credit cards less frequently than other generations and, in many cases, lack access to traditional credit. These same consumers are tech-savvy and gravitate towards modern, streamlined commerce solutions, whether online or in-person. Our platform addresses the shortcomings in legacy payment offerings consumers face by providing a flexible, secure, omnichannel alternative with the structural benefit of "creditizing" traditional debit products. The technology solutions we have designed align with our mission of financially empowering the next generation.

We believe our stakeholder approach gives us a competitive advantage and positions our company for success. Stakeholders want to be affiliated with a purpose-driven partner and, to that extent, we elected to become a Delaware public benefit corporation in June 2020. Public benefit corporations are for-profit corporations intended to produce a public benefit and operate in a responsible and sustainable manner. Under Delaware law, public benefit corporations must identify in their certificate of incorporation the public benefit or benefits they will promote, and their directors have a duty to manage the affairs of the corporation in a manner that balances the pecuniary interests of the stockholders, the best interests of those materially affected by the corporation's conduct, and the specific public benefit or public benefits identified in the public benefit corporation's certificate of incorporation. Being a public benefit corporation offers advantages, including:

- public benefit corporation status is a clear differentiator in an increasingly growing, and sometimes crowded, industry;
- we are more likely to become an employer of choice as the younger workforce increasingly seek employment from companies which align with their ethical values;
- further opportunities to conduct business with brands that also care about sustainability;
- the potential to expand our consumer base due to conscious consumers;
- added credibility to our mission statement and potential to grow capital through impact investing; and
- further opportunities for positive public relations and marketing.

We operate in the United States and Canada, and are currently winding down and exiting operations in India and certain countries in Europe.

Products

Sezzle Platform

The Sezzle Platform offers a payments solution for consumers that instantly extends credit at the point-of-sale, allowing consumers to purchase and receive the ordered merchandise at the time of sale while paying in installments over time.

The Sezzle Platform can be integrated into merchants' websites via pre-built widgets for select e-commerce platforms or our direct Application Programming Interface. Consumers can access the Sezzle Platform through the Sezzle mobile application or Sezzle online dashboard. We are able to rapidly onboard and integrate merchants through an increasingly automated merchant underwriting process and, once integrated, consumers can choose the Sezzle Platform as a payment method at the merchant's point-of-sale. The Sezzle Platform is presented alongside other payment options on the merchant's checkout page. Consumers then select Sezzle as their payment option and, if they are a first-time user, create an account with Sezzle in a quick and streamlined process integrated into the selected merchant's checkout. If a particular merchant is not directly integrated with us, consumers are still able to checkout with the Sezzle Platform using a virtual card if they are subscribed to Sezzle Premium (for select merchants) or Sezzle Anywhere (subject to certain merchant, product, goods, and service restrictions), or if they elect to use Sezzle On-Demand (as discussed below).

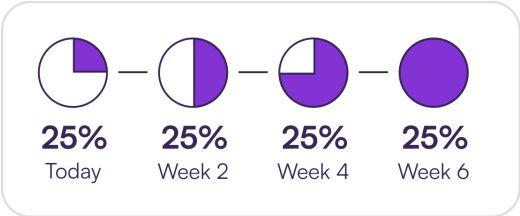
The Sezzle Platform reviews the transaction and consumer profile in real-time and, if approved, quickly confirms the transaction for both the consumer and the merchant. Once an initial transaction is approved, consumers are granted a spending limit. Our underwriting platform analyzes above-limit purchase attempts and may provide alternative terms to prevent a consumer from being denied outright. After a transaction is approved and merchant checkout is completed, the merchant ships the order and receives payment, just as if the consumer had paid in cash or used a traditional credit or debit card.

In 2024, we launched Payment Streaks, a new feature designed to reward consumers for consistent and timely payments. Our free Payment Streaks program enables consumers to ascend through loyalty tiers by consistently making on-time payments, with each tier providing additional benefits to consumers.

In 2025, we launched a variety of platform enhancements including a price comparison tool, auto-couponing, express checkout, customer wishlist, and the Sezzle "Earn" tab. Through the Sezzle "Earn Tab", users may accumulate Sezzle Spend by completing certain activities and participating in partner-sponsored offers, subject to applicable terms and conditions. Sezzle Spend are credits issued to consumers that may be applied toward eligible future purchases within the Sezzle ecosystem. Activities currently available in the Sezzle Earn tab include (i) elect mobile games and apps to earn rewards upon achieving specified milestones; (ii) financial literacy modules through Money IQ (powered by Zogo); (iii) offers providing rewards or cost reductions on purchases such as gas, dining, and groceries; (iv) Sezzle's browser extension to identify available coupons and merchant offers while shopping online; and (v) referral bonuses when a user invites a friend. By providing opportunities to earn credits and access savings on everyday purchases, we seek to enhance consumer value, encourage engagement with financial education content, and support responsible financial decision-making.

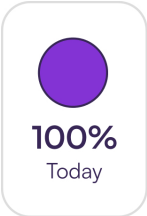
A substantial majority of the short-term credit products available on the Sezzle Platform are originated by our originating bank partner, WebBank, a Federal Deposit Insurance Company ("FDIC")-insured Utah state-chartered industrial bank ("WebBank").

Pay-in-Four



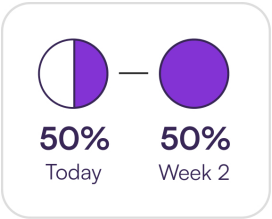
The Sezzle Platform flagship product, "pay-in-four," allows consumers to pay a fourth of the purchase price up front, and then another fourth of the purchase price every two weeks thereafter over a total of six weeks. The "pay-in-four" product may be free or subject to fees and/or interest. Consumers who fail to make scheduled payments using a bank account or Sezzle Balance are charged a 'late saver' fee for each installment payment. Consumers receive a notification via email, text message, and the Sezzle mobile application two days prior to the date the installment payment is automatically debited by the Sezzle Platform from the consumer's payment method provided under the consumer's account. The consumer is able to review and manage their Sezzle account via the Sezzle Platform's online dashboard or mobile application. Consumers are also able to reschedule an order up to two times (or three times for subscribers to certain subscription products), subject to applicable fees and state laws. Consumers who fail to pay for their purchases on time (or reschedule their payments as permitted above) may incur a late payment fee, which requires the settlement of an outstanding balance (including the late payment fee) before they may use our platform again in the future. Additionally, when a payment method fails consumers may incur a failed payment fee. We typically do not report delinquent consumer Sezzle accounts to any credit bureaus, unless the consumer has elected to participate in Sezzle Up (as discussed below). Sezzle utilizes third-party collection agencies for past due balances, which may report such delinquent balances to credit bureaus.

Pay-in-Full



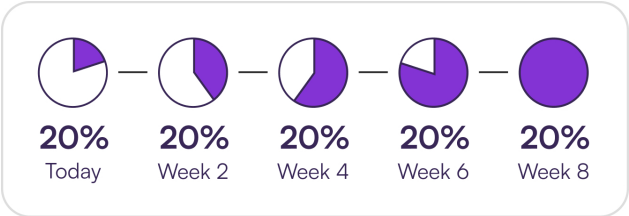
We began offering a "pay-in-full" option to consumers in 2022. This option allows consumers to pay for the full value of their order up-front through the Sezzle Platform without the extension of credit. We believe this provides value for both new and existing consumers on the Sezzle Platform. This allows new consumers who are denied credit to complete their order through our platform without the need to re-enter any payment information. For existing consumers with payment information already saved, pay-in-full allows an express checkout option in instances where the consumer may not want to enter into a new installment plan.

Pay-in-Two



We also began offering a "pay-in-two" option for smaller dollar transactions and for certain consumers who are not qualified for our "pay-in-four" product in 2023. In "pay-in-two," a consumer pays half of the value of their order up-front and the second half in two weeks. The "pay-in-two" product is subject to the same payment parameters, consumer notifications, rescheduling rights, and applicable fees (including late, failed payment, and 'late saver' fees) described above for our "pay-in-four" product.

Pay-in-Five

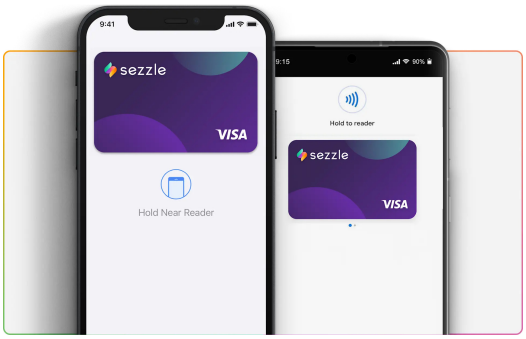


The "pay-in-five" beta product was piloted in 2025. "Pay-in-five" allows eligible consumers to pay a fifth of the purchase price up front, and then another four installments every two weeks thereafter over a total of eight weeks. The "pay-in-five" product is subject to the same payment parameters, consumer notifications, rescheduling rights, and applicable fees (including late, failed payment, and 'late saver' fees) described above for our "pay-in-four" product.

Other Alternative Installment Options

In addition to "pay-in-four", "pay-in-full", "pay-in-two" and "pay-in-five", we may offer customized installment terms that differ from our traditional installment plans with select enterprise merchants. An example of these alternative terms is a four payment, three month product. We offer these unique products to consumers through selected merchants at our discretion in situations where alternative terms would provide additional value to both the consumer and merchant, while also better aligning with the typical purchase frequency at these select merchants.

Sezzle Virtual Card



The Sezzle Virtual Card, issued by WebBank pursuant to a license from Visa U.S.A Inc., allows consumers to use the Sezzle Platform with merchants in-store and online, including merchants that are not directly-integrated with Sezzle. The Sezzle Virtual Card bolsters our omnichannel offering and provides a rapid-installation, point-of-sale option for brick-and-mortar retailers through its compatibility with Apple Pay and Google Pay. With the Sezzle Virtual Card solution, consumers can enjoy in-store shopping with the convenience of immediately tapping into the Sezzle Platform with the "tap" of their Sezzle Virtual Card at the point-of-sale.

Sezzle Premium

In 2022, we launched Sezzle Premium—a paid subscription service that allows our consumers to access large, non-integrated "premium merchants" for a recurring fee. In addition to being able to use Sezzle online or in-store at these premium merchants, consumers enrolled in Sezzle Premium also gain access to other benefits, including exclusive deals and discounts, the ability to earn Sezzle Spend back on purchases, and one additional free reschedule per order.

Sezzle Anywhere

We launched Sezzle Anywhere in 2023—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. Consumers enrolled in Sezzle Anywhere also gain access to all the benefits of Sezzle Premium, as well as earning cash back in Sezzle Spend on pay-in-full transactions.

Sezzle On-Demand

In 2024, we launched Sezzle On-Demand, a service that allows consumers who are not subscribed to Sezzle Anywhere to use the Sezzle Platform at any merchant online or in-store (subject to certain merchant, product, goods, and service restrictions), Consumers using Sezzle On-Demand pay a finance charge that is added to the consumer's initial down payment. Sezzle On-Demand is only available in select states.

Sezzle Balance

In 2025, we launched a stored-value product that allows consumers to maintain funds within their Sezzle account for use toward eligible purchases or make payments on the Sezzle Platform ("Sezzle Balance"). Consumers may fund Sezzle Balance by applying eligible refunds, converting certain Sezzle Spend rewards, loading funds from a linked debit card or bank account (credit cards are not permitted), or otherwise receiving promotional credits from Sezzle. Funds loaded into Sezzle Balance may be subject to applicable load fees and minimum or maximum funding limits. Except as otherwise required by applicable law, funds held in Sezzle Balance are nonrefundable and not redeemable for cash.

Sezzle Up

Sezzle Up is an opt-in feature of the Sezzle Platform. Consumers elect to participate in Sezzle Up, which allows us to report the consumer's transactions made on the Sezzle Platform to establish a record of payments. Building a record of timely payments on financial obligations generally has a positive impact on a consumer's credit record. As these consumers pay their financial obligations to us when due, their spending limits on the Sezzle Platform and overall credit score may increase over time.

To qualify for Sezzle Up, consumers must pay off at least one order on time and in full, link a checking account and set it as their default payment method (consumers' initial down payments are still completed over a card network), and verify their account with a social security number for consumers located in the United States. In Canada, a social insurance number or similar identifying information is used to verify the account.

Long-Term Lending — Access to Third-Party Lenders

Through collaboration with third-party lenders, we enable our consumers at participating merchants access to interest-bearing monthly fixed-rate installment-loan products for larger-ticket items (up to $15,000), which extend up to 60 months. We earn a fee from our lending collaborators for marketing and referring the potential consumers to them and processing applications using our proprietary underwriting analysis; however, we do not make final credit decisions or originate or hold the loans in our portfolio, which limits our capital needs and credit risk. We believe providing consumers access to long-term borrowing options has the potential to enhance our relationship with both merchants and consumers, while generating an attractive fee stream with no capital requirements or credit risk for us and complementing our existing short-term, generally interest-free offering.

Bank Sponsorship

Outside of our existing Sezzle Platform offerings, we continuously strategize on new products and additional features that would complement our platform and add additional value for our stakeholders. As part of our ongoing initiatives in product innovation, we partnered with a bank sponsor, WebBank, enabling us to expand the suite of products we are able to offer our consumers.

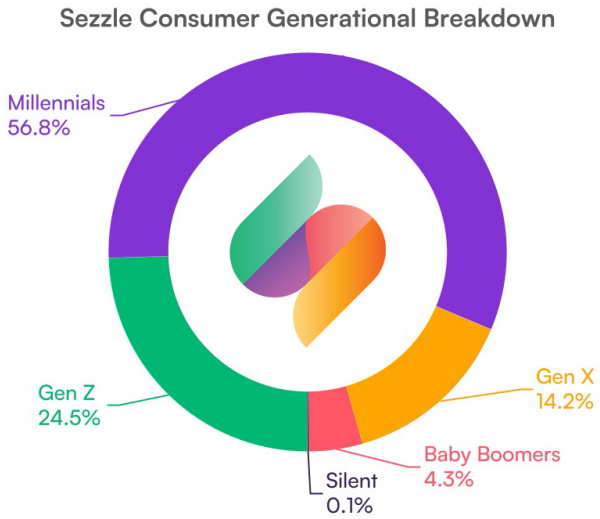
Evaluation of a Potential Bank Charter

We have initiated a process to evaluate whether to pursue an industrial loan company ("ILC") bank charter and have engaged external advisors in connection with this evaluation. No application has been submitted. If we pursue and obtain a bank charter, we would be subject to additional regulatory requirements and capital standards applicable to regulated banking institutions.

Our Consumers

We aim to help consumers improve their financial responsibility, manage their spending, grow their financial freedom, and develop a sense of financial empowerment through our suite of products. We offer our consumers a wide range of products and services to meet these goals, including a full suite of buy now, pay later products allowing consumers to choose a repayment plan based on their schedule and needs; personalized shopping features, such as daily deals and curated collections; and ways to save money through features like price comparison, our browser extension, and our Earn tab. We also offer the opportunity to build a credit record with our opt-in Sezzle Up feature.

We focus on a young consumer base that is tech-savvy; approximately 81% of our consumers who placed orders during the year ended December 31, 2025 were comprised of the Gen Z and Millennial generations (ages 18–48).



Source: Internal data based on orders placed during 2025 (Gen Z (18-29), Millennials (30-48), Gen X (49-60), Baby Boomers (61-79), and Silent (80 and greater)).

Gen Z and Millennial consumers use credit cards less frequently relative to other generations and, in many cases, lack access to traditional credit. As a result, they tend to have fewer viable options for budgeting, achieving financial flexibility, and building credit history. Consumers in these generations also tend to transact frequently across e-commerce and brick-and-mortar retail, but spend less on average per transaction than older generations. In doing so, these consumers are increasingly seeking financial products that offer transparency and affordability. Sezzle's buy now, pay later products provide these younger generations, who are newer to credit, with a unique solution to these challenges before they move up the FICO score spectrum and have more repayment history. In addition, as our platform grows and we establish more products, features, and ways to pay, our consumers enjoy a wider variety of financial tools and shopping features that provide alternatives to traditional credit cards. We generate revenue from consumers primarily through subscription revenue and fees.

Our Merchants

We offer an easy-to-use platform for merchants to reach untapped audiences, increase average order value, and reduce abandoned carts, all without any credit risk being assumed by the merchant. Our simple integration allows merchants of any size and any vertical to go live on our platform quickly and realize the benefits of the Sezzle Platform. As part of the Sezzle Platform, we provide merchants with a toolkit to enhance their checkout experiences and help them grow their businesses, such as "express checkout," which enables consumers to pay with just a tap, complementary placement in our marketplace presented across both the Sezzle website and mobile app. We also offer access to Sezzle Capital, a referral program through which eligible merchants can apply for small business loans issued and underwritten by a third-party lender. Additionally, we offer eligible merchants paid placements on the Sezzle Platform and co-branded marketing initiatives to assist with user acquisition efforts. Our directly-integrated merchant segments are small-to-medium–sized businesses ("SMB") and enterprise merchants, each spanning numerous verticals. We generate revenue from merchants primarily through merchant processing fees.

SMB, which we define as merchants with total annual gross sales of less than $250.0 million, have historically comprised the largest segment of our merchant base. Our fast, easy application process makes onboarding simple, and our user-friendly merchant interface streamlines the integration process. Through Sezzle, these merchants are able to offer their consumers an optimized, effortless checkout process that enables them to complete sales. Included in SMB are a diverse, growing array of "direct-to consumer" brands that are online-first and seek to connect with consumers without the use of secondary retailers, which naturally fits within our core offering. As we build out a larger consumer base, we believe we also enhance our value proposition to this segment by driving increased traffic toward brands that may not otherwise gain exposure through traditional retail channels by creating marketing campaigns designed to increase consumer exposure.

Enterprise merchants, which we define as merchants with over $250.0 million in total annual gross sales, also benefit from using the Sezzle Platform. Sezzle's buy now, pay later product helps these merchants to facilitate a sale by providing access to credit for a consumer who has limited-to-no credit history. Without the Sezzle Platform, the consumer without credit history may otherwise not have completed the purchase, or be rejected after applying for the store's private label or co-branded credit card. Importantly, we are not competing with a large retailer's card offering. Instead, we collaborate with these retailers to drive sales and over time serve as a lead generator to consumers who are ready to "graduate" to the retailer's card program.

For the years ended December 31, 2025 and 2024, no external party amounted to ten percent or more of our total revenue.

The concentration of a significant portion of our business and transaction volume with a limited number of scaled e-commerce platforms exposes us disproportionately to any of those partners choosing to no longer partner with us or choosing to partner with a competitor, and to any events, circumstances, or risks affecting such partners. In addition, a material modification in the financial operations of any significant scaled e-commerce partner could affect the results of our operations, financial condition, and future prospects.

Our Employees

Our success to date would not be possible without our dedicated people, who we believe are our greatest asset. Bringing together a team of highly-skilled engineering, product, marketing and business development professionals is imperative to execute our strategy. We do this by creating an inclusive, team-centric culture in which doing the right thing is celebrated. As of December 31, 2025, we had 201 employees across the United States and Canada. In other jurisdictions, we contract with professional employer organizations ("PEOs") and/or independent contractors. The highest concentration of these workers is in Colombia and Mexico. None of our workers are represented by a labor union or covered by a collective bargaining agreement. We consider our relations with our employees to be good.

Workplace Culture

We are committed to fostering a diverse work environment of driven employees who believe in our mission of financially empowering the next generation. A strong workplace culture is paramount to a sustainable and successful company. Our People Operations team works to create and execute sustainable hiring practices that span a diverse array of recruiting pipelines to find the best people for Sezzle. For existing employees, or "Sezzlers", we focus on developing an inclusive and fun culture with many opportunities for career and personal development to reward and retain our talented people. Our Sezzlers exhibit five key values throughout their work:

- **Exhibit Strong Character**: We do what we say we are going to do. We do the right thing. We are good team members. We are secure enough to praise others.
- **Demonstrate Excellent Communication**: We communicate openly and honestly. We maintain accountability. We are open-minded. We are good listeners.
- **Have Fun**: We like working with each other. We have a sense of humor. We keep work issues in perspective.
- **Act Like an Owner**: We are stakeholder obsessed. We surface solutions, not just problems. We seek responsibility. We work hard and smart.
- **Driven to Succeed**: We are passionate. We are tenacious. We are competitive.

Remuneration and Benefits

In addition to competitive base pay, we offer a profit-sharing incentive plan to our Sezzlers. We also offer comprehensive benefits, which includes medical, dental, vision, life insurance, disability insurance, unlimited paid time off, volunteer time off, gym membership discounts, commuter benefits, charitable donation matching, and company-matching retirement plans. In the United States and Canada, a majority of our Sezzlers hold equity awards under our equity incentive plans. We believe that having our employees own a part of the Company makes everyone more engaged and leads to better overall performance.

Our Business Model

Revenue

We have built a sustainable, transparent business model to align our success with the financial success of our merchants and consumers. The Sezzle Platform may be free or charge fees or interest. Our primary sources of revenue are from merchants and third-party affiliates, subscription revenue and fees from consumers.

Our historical source of revenue from merchants is from merchant processing fees, which are based on a percentage of GMV plus a fixed fee per transaction. For our direct integration solution, the purchase price, less merchant processing fees, is paid to merchants by us in advance of collecting installments payments from the consumer. For our virtual card solution, the full purchase price is paid to merchants at the time of sale, and we separately collect merchant processing fees due to us from the merchant to the extent applicable. We assume all costs associated with consumer payment processing and credit risk. We also earn revenue from partners, including interchange fees through our virtual card solution and third-party promotional incentives with affiliates. Merchant and partner income comprised 29% and 37% of our total revenue for the years ended December 31, 2025 and 2024, respectively.

A significant portion of our revenue is derived from subscription revenue. We offer our consumers the ability to subscribe to two paid services: Sezzle Premium and Sezzle Anywhere. Sezzle Premium allows consumers to shop at select large, non-integrated premium merchants, along with other benefits, for a recurring fee. 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, for a recurring fee. Subscription revenue comprised 22% and 30% of our total revenue for the years ended December 31, 2025 and 2024, respectively.

Another significant portion of our revenue is derived from consumer fees permitted under applicable law and disclosed to our consumers prior to purchase. These consumer fees generally include late payment fees assessed when a payment is not paid by its due date, failed payment fees associated with unsuccessful payment attempts, ‘late saver’ fees when consumers use a debit or credit card (excluding down payments), and fees charged when consumers elect to reschedule a payment. To promote responsible use and help manage outstanding obligations, consumers are required to bring past-due amounts current before initiating new purchases on the platform. We provide consumers with the ability to reschedule an order up to two times (or three times for subscribers to certain subscription products), subject to applicable fees and state law limitations. In addition, we maintain hardship and fee-forgiveness programs under which qualifying consumers may receive fee waivers.

Credit Risk

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 core product credit losses from our consumers. Credit losses are a significant component of our operating expenses, and excessive exposure to consumer repayment failure will adversely 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 lending and receipt of funds. Because 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 highly effective and allow for predominantly accurate, real-time decisions in connection with the consumer transaction approval process. As our consumer base grows, the availability of data on consumer repayment behavior will also better optimize our systems and ability to make real-time consumer repayment capability decisions over time.

Funding

We have designed a funding strategy that we believe allows us to scale our business and drive rapid growth. Our products are funded through our $225.0 million revolving credit facility and merchant account payables. Merchants have the ability to enroll, subject to our approval, into the Delayed Settlement Incentive Program, which allows merchants to delay payment from us in exchange for daily incentive payments. 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.

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.

Our Competition

We operate in a highly competitive and dynamic industry. Our product offerings face competition from a variety of players, including those who enable transactions and commerce via digital payments, traditional credit cards that have revolving balances, contactless virtual cards, digital wallets, and other BNPL products.

We consider our main competitors to be other BNPL service providers. In the U.S. market, this includes Affirm, Afterpay (a subsidiary of Block, Inc.), Klarna, PayPal's "Pay Later," and Zip. In the Canadian market, this includes Klarna, Affirm, and Afterpay. We aim to differentiate our business to consumers by providing a product that is more simple, accessible, and consumer-friendly than our competitors. This includes offering our product to consumers with little-to-no credit history, allowing consumers to shift their repayment schedule, and waiving late payment and failed payment fees when the consumer qualifies for our hardship program.

We face intense competitive pressure on the fees we charge our merchants, particularly our enterprise merchants. To stay competitive, we may need to adjust our pricing, offer incentives, enter new market segments, adapt to regulatory changes, or expand the use and functionality of our platform—all of which impact our growth and profitability. We may enter into merchant agreements that require us to make marketing, incentive or other payments to the merchant over the term of the agreement. If we are unable to fulfill our obligations under these merchant agreements, including any payments we have agreed to make with merchants, the merchant may terminate or not renew such agreement.

See "*Risks Related to Our Industry - We operate in a highly competitive industry, and our inability to compete successfully would materially and adversely affect our business, results of operations, financial condition, and prospects*" for further discussion of competition risks.

Our Intellectual Property

Our business depends on our technology and intellectual property rights, including our technological systems and data processing algorithms. We rely on laws in the United States and Canada relating to trade secrets, copyrights, and trademarks to assist in protecting our proprietary rights. Our capacity to leverage our in-house technological systems, data infrastructure, and statistical models is essential for the commercial viability of our enterprise. These critical assets, including our underwriting platform and the data amassed from consumer transactions, underpin our operations.

The development of our proprietary credit risk and fraud detection models represents our commitment to innovation. Led by our data sciences team, these models harness multiple data points to determine the probability of our consumers' ability to repay us or if a consumer is engaging in fraudulent activities. Through detailed analysis of consumer interactions and transactional data, our models provide valuable insights. Subsequently, our underwriting platform tailors the amount of appropriate lending for each individual consumer, informed by the aforementioned models and a comprehensive evaluation of internal and external data sources.

Once a consumer places an order with us, we closely monitor the credit quality of their order, and our portfolio in general, 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, which we call the "Prophet Score."

We do not currently have any issued patents but continue to consider the most effective methods of protecting our intellectual property. We currently hold trademarks in the United States, Canada, the United Kingdom, the European Union, Brazil, and India. However, continued operations within our existing markets and expansion into new markets could risk conflicts with unrelated companies who may own registered trademarks for and/or otherwise use a similar name. See "*Other Risks Related to Our Business – Our efforts to protect our intellectual property rights may not be sufficient*."

Regulatory Environment

Overview

Various aspects of our business and services are subject to U.S. federal, state, and local regulation, as well as regulation outside the United States including Canada. Certain of our services also are subject to rules promulgated by various card networks and other authorities, as more fully described below. These descriptions are not exhaustive, and these laws, regulations and rules frequently change and are increasing in number and scope. Failure to comply with these laws, regulations and rules may result in, among other things, revocation of required licenses or registrations, voiding or rescission of lending agreements, class action lawsuits, administrative enforcement actions and civil and/or criminal liability.

BNPL and Consumer Protection Regulation

The BNPL segment of the point-of-sale financing market in which we operate an emerging product within the financing services sector. Recently, there has recently been an increased focus and scrutiny by regulators in various jurisdictions, including the United States and Canada, with respect to BNPL product. In light of this increased focus, we may become subject to additional legal or regulatory requirements if the current interpretation and application of existing laws, regulations, or industry standards, or industry standards, evolve into more restrictive laws and policies.

United States

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") established the Consumer Financial Protection Bureau ("CFPB") in July 2010. The CFPB has significant authority to regulate consumer financial products and services provided by bank and non-bank entities as well as their respective third-party providers. As a result, we are directly subject regulatory, supervisory and enforcement authority of the CFPB. The CFPB has imposed, and may continue to impose, certain requirements and restrictions on lending practices, including collection practices, which may have a detrimental impact on our business. Under the Dodd-Frank Act, the CFPB has (i) the supervisory authority to conduct on-site examinations of our and our originating bank partner's businesses on a periodic basis and/or subject us or our originating bank partner to a formal or informal inquiries or investigations and (ii) the enforcement authority to pursue administrative proceedings or litigation for violations of federal consumer laws. See "*Risks Related to Our Industry*" and *Risks Related to Our Regulatory Environment"* for more information.

In the United States, the Truth-in-Lending Act ("TILA") and Regulation Z thereunder, administered by the CFPB, require us to provide relevant and informative disclosure of the terms and conditions of our loan products to all consumers with whom we conduct business and to comply with certain lending practice requirements and restrictions. We are required to comply with Section 5 of the Federal Trade Commission Act ("FTC Act"), which prohibits unfair and deceptive acts or practices ("UDAP") in or affecting commerce, and analogous provisions in each state; the Consumer Financial Protections Act, which prohibits unfair, deceptive or abusive acts or practices ("UDAAP") in connection with consumer financial products and services; the Equal Credit Opportunity Act ("ECOA") and Regulation B promulgated thereunder, which prohibit creditors from discriminating against credit applicants on the basis of race, color, sex, age, religion, national origin, marital status, the fact that all or part of the applicant's income derives from any public assistance program, or the fact that the applicant has in good faith exercised any right under the Federal Consumer Credit Protection Act or applicable state law; the Fair Credit Reporting Act ("FCRA"), which promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies; the Fair Debt Collection Practices Act (the "FDCPA"), which provides guidelines and limitations concerning the conduct of third-party debt collectors in connection with the collection of consumer debts; the Telephone Consumer Protection Act (the "TCPA"), which regulates the use of telephone and texting technology to contact customers; and the Controlling the Assault of Non-Solicited Pornography and Marketing Act ("CAN-SPAM Act"); which protects consumers from misleading or unwanted email messages.

We are subject to the Electronic Fund Transfer Act and Regulation E thereunder, which provide disclosure requirements, guidelines, and restrictions on the electronic transfer of funds from consumers' bank accounts, and the detailed timing, notification rules and guidelines administered by the National Automated Clearing House Association ("NACHA"). Transfers of funds for the repayment of loans offered by us or our originating bank partner may be performed by electronic fund transfers, such as ACH transfers. The EFTA requires us to make available loan payment methods other than automatic preauthorized electronic fund transfers and prohibits us or our originating bank partner from conditioning the approval of a loan transaction on the consumer's agreement to repay the loan through ACH transfers.

We are also subject to the Holder in Due Course Rule of the Federal Trade Commission ("FTC"), and equivalent state laws, which requires any holder of a consumer credit contract to include a required notice and become subject to all claims and defenses that a borrower could assert against the seller of goods or services; the Electronic Signatures in Global and National Commerce Act and similar state laws, which authorize the creation of legally binding and enforceable agreements utilizing electronic records and signatures; the Military Lending Act and similar state laws, which provide obligations and prohibitions relating to loans made to servicemembers and their dependents; and the Servicemembers Civil Relief Act, which allows active duty military members to suspend or postpone certain civil obligations.

U.S. State Laws and Regulations

We are subject to state licensing and other requirements in each individual U.S. state in which we operate. We possess certain state licenses, registrations and similar filings for lending, brokering, servicing and/or collections to conduct our business and we continuously evaluate whether others are required. The licensing statutes and regulations vary from state to state and have different (i) rules on the type, amount, and manner in which we impose fees, (ii) interest rate limits, (iii) disclosure requirements, (iv) loan term length restrictions, (v) consumer protections, and (vi) prohibitions on other activities. We are subject to supervisory oversight from these state license authorities and periodic examinations.

A substantial majority of the loans facilitated through the Sezzle Platform within the United States are originated by our originating bank partner, WebBank. WebBank originates loans through the Sezzle Platform based on federal law pursuant to Section 27 of the Federal Deposit Insurance Act ("Section 27"). Section 27 allows an FDIC-insured bank such as our originating bank partner to charge interest to consumers on a nationwide basis based on the rate allowed by the state where the bank is located. We rely on our originating banking partner's authority under federal law to establish interest rates and charge interest on the loans our originating bank partner originates through the Sezzle Platform. The interest rates that are charged to consumers and that form the basis of payments on the loans facilitated through the Sezzle Platform are based upon legal principles detailed in the FDIC's final rule relating to Federal Interest Rate Authority, published in the Federal Register on July 22, 2020 (the "Valid-When-Made Rule"). See "*Risks Related to Our Regulatory Environment – We rely on our originating bank partner for a substantial majority of the loans facilitated on the Sezzle Platform and if this relationship is successfully challenged or deemed impermissible, we could be found to be in violation of licensing, interest rate limits, lending, or brokering laws and face penalties, fines, litigation, or regulatory enforcement"* for more information.

Our business may become subject to licensing requirements in states in which we currently do not hold licenses. States may also impose a statutory interest rate on personal consumer loans or impose fee restrictions applicable to the loans originated or serviced through the Sezzle Platform. We continue to monitor how state licensing statues and regulations may apply to our business and how we may be required to apply for additional state licenses or modify the terms of loans offered and/or serviced in such states in the future.

Recent Regulatory Developments from the Presidential Transition

Changes in leadership, priorities, and enforcement approaches at the federal and state levels have led to increased uncertainty in the regulatory environment in which we operate. Since the presidential administration took office in January 2025, the administration has rescinded various executive orders issued by prior administrations and has issued new executive orders and has taken other related executive actions, which have impacted, and may continue to impact, financial services and consumer protection laws. For example, the new administration directed the CFPB to, among other things, reduce its workforce, limit supervisory and enforcement activities, and review, suspend or withdraw existing guidance and rulemakings. In response to such directives, the CFPB has reduced its workforce, scaled back supervisory and enforcement activities, and rescinded select interpretative rules. Any such changes in agency priorities could shift over time.

At the same time, other federal and state authorities have increased scrutiny of BNPL products. The U.S. Senate Committee on Banking, Housing, and Urban Affairs has issued information requests to several BNPL platforms, including Sezzle, seeking detailed information regarding the nature and terms of the BNPL products the platform makes available, user and transaction volumes, customer risk and demographic characteristics, underwriting and credit reporting practices, repayment performance and fee incidence, merchant and virtual card arrangements, consumer disclosures and complaint handling, analyses of consumer financial stress and overextension, and related regulatory and compliance risks. Similarly, the Attorneys General of California, Colorado, Connecticut, Illinois, Minnesota, North Carolina, and Wisconsin have issued coordinated information requests to many of the same BNPL platforms, including Sezzle, to, in part, to evaluate compliance with consumer protection laws and determine whether BNPL products made available by these platforms pose financial risk to consumers. We are responding to such inquiries in the ordinary course.

While these actions have already affected regulatory oversight and enforcement practices at certain agencies or in certain jurisdictions, there remains significant uncertainty regarding whether, how, or to what extent, applicable regulations or enforcement priorities may continue to change. In addition, certain objectives or directives may require further rule-making or other formal steps before they become effective. There may also be litigation over such regulatory changes, and if public enforcement decreases as a result of such changes, private litigation over consumer financial products matters may increase. See "*The BNPL industry has become subject to increased regulatory scrutiny, and our failure to manage our business to comply with new regulations would materially and adversely affect our business, results of operations and financial condition"* for more information.

Canada

In Canada, we are required to comply with the Canada Anti-Spam Law, which regulates the transmittal of commercial email messages, the Canadian Personal Information Protection and Electronic Documents Act and equivalent provincial privacy laws in the provinces of Alberta, British Columbia and Quebec, each of which includes requirements surrounding the use, disclosure, and other processing of certain personal information about Canadian residents. In addition, we are required to comply with the Canadian federal and provincial human rights legislation which prohibits discriminatory practices to deny, deny access to, or to differentiate adversely in relation to any individual in respect of the provision of services customarily available to the general public on the basis of a certain prohibited grounds of discrimination. The Canadian provincial consumer protection and cost of credit disclosure laws prohibit late fees, impose limits on default charges, prohibit unfair practices, and include consumer contract disclosure and related process requirements, among other compliance requirements. We are also subject to Canadian provincial and territorial e-commerce laws.

We believe that we are appropriately licensed as a lender and/or have designed our business activities to avoid a licensing requirement in each of the Canadian provinces that require such licenses. We are also generally subject to consumer protection legislation and other laws and our business is also generally subject to regulatory oversight and supervision from federal and/or provincial regulators in respect of those activities, regardless of whether we have a license. These regulators and enforcement agencies generally act on a complaints-basis and may receive consumer complaints about us. Investigations or enforcement actions may be costly and time consuming. Enforcement actions by such regulators and enforcement agencies could lead to fines, penalties, consumer restitution, the cessation of our business activities in whole or in part, or the assertion of private claims and lawsuits against us.

Payment and Card Network Rules and Regulations

We are subject to the rules, codes of conduct and standards of Visa, Mastercard and other payment networks and their participants. In order to provide our payment processing services, we must be registered either indirectly or directly as service providers with the payment networks that we use. As such, we are subject to applicable card association and payment network rules, standards and regulations, which impose various requirements and could subject us to a variety of fines or penalties that may be levied by such associations or networks for certain acts or omissions. Card associations and payment networks and their member financial institutions regularly update and generally expand expectations and requirements related to the security of consumer data and environments. Failure to comply with the networks' requirements, or to pay the fees or fines they may impose, could result in the suspension or termination of our registration with the relevant payment networks and therefore require us to limit, suspend or cease providing the relevant payment processing services. We are also subject to the Payment Card Industry Data Security Standard ("PCI DSS") with respect to the acceptance of payment cards, which provides for security standards relating to the processing of cardholder data and the systems that process such data. The failure of our products to comply with PCI DSS requirements may result in the loss of our status as a PCI DSS certified Service Provider and adversely impact our relationship with our merchant partners and their ability to comply with PCI DSS.

In Canada, we are required to comply with the Payments Canada Rule H1- Pre-Authorized Debit Rules in respect of the acceptance of payments from Canadian bank accounts and the Quebec Charter of French Language laws which regulates the language of communication in commerce and business and applies to entities carrying on business in Quebec.

Data Privacy and Data Security Laws

We are subject to a number of laws, rules, directives, and regulations relating to the collection, use, retention, security, processing, and transfer of personally identifiable information about our customers, our merchants, and employees in the geographies where we operate. Our business relies on the processing of personal data in several jurisdictions and, in some cases, the movement of data across national borders. As a result, much of the personal data that we process, which may include certain financial information associated with individuals, is subject to one or more privacy and data protection laws in one or more jurisdictions. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between or among us, our subsidiaries, and other parties with which we have commercial relationships.

Regulatory scrutiny of privacy, data protection, cybersecurity practices, and the processing of personal data is increasing around the world. Regulatory authorities are continuously considering numerous legislative and regulatory proposals and interpretive guidelines that may contain additional privacy and data protection obligations. Many jurisdictions in which we operate have adopted, or are in the process of adopting, or amending data privacy legislation or regulation aimed at creating and enhancing individual privacy rights. In addition, the interpretation and application of these privacy and data protection laws in the U.S., Canada, and elsewhere are subject to change and may subject us to increased regulatory scrutiny and business costs.

In the United States, we are subject to the Gramm-Leach-Bliley Act (the "GLBA") and implementing regulations and guidance thereunder, in addition to applicable privacy and data protection laws in the other jurisdictions in which we carry on business activities or process personal information. Among other requirements, the GLBA imposes certain limitations on our ability to share consumers' nonpublic personal information with nonaffiliated third parties and requires certain disclosures to consumers about information collection, sharing, and security practices and their right to "opt out" of the institution's disclosure of their nonpublic personal information to nonaffiliated third parties. Privacy requirements, including notice and opt out requirements, under the GLBA and the FCRA are enforced by the FTC and by the CFPB through UDAAP claims, and are a standard component of CFPB examinations. State entities also may initiate actions for alleged violations of privacy or security compliance under state UDAAP claims, financial privacy, security and other laws. Regulators and enforcement agencies may receive consumer complaints about us. In the United States, these regulators and agencies include the Financial Crimes Enforcement Network ("FinCEN"), which could subject us to burdensome rules and regulations that could increase costs and use of our resources in order to satisfy our compliance obligations.

An increasing number of states have in place data security laws requiring companies to maintain certain safeguards with respect to the processing of personal information. For example, the California Consumer Privacy Act ("CCPA"), as amended by the California Privacy Rights Act ("CPRA") effective January 1, 2023, expanded a consumer's right with respect to certain sensitive personal information. The CCPA also provides civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. All states require, in varying degrees, companies to notify individuals or government regulators in the event of a data breach impacting such information. We continue to monitor state data privacy legislation and how they may apply to our business. In addition, in Canada, we are subject to the Personal Information Protection and Electronic Documents Act ("PIPEDA"), which governs how companies may collect, use, and disclose personal information of consumers, and other privacy or data security laws of Canada's provinces with respect to our operations in Canada. PIPEDA is overseen by the Office of the Privacy of Commissioner of Canada. See "*Risk Related to Our Regulatory Environment - Stringent and changing laws and regulations relating to privacy and data protection could result in claims, harm our results of operations, financial condition, and prospects, or otherwise harm our business"* for more information.

We monitor evolving U.S. state privacy laws and assess applicability based on our business activities.

Artificial Intelligence and Machine Learning Technology (AI/ML) Regulations

We use AI/ML in various aspects of our operations, including fraud prevention, risk management, marketing and customer service. Regulators at federal and state levels are increasingly focused on the oversight of AI/ML and have proposed or enacted laws intended to promote transparency, fairness, and accountability. Compliance with existing and emerging AI/ML regulations may require adjustments to how we develop, deploy or use AI/ML in our operations and could increase compliance-related costs. The regulatory framework governing AI/ML continues to evolve, and interpretations and enforcement of these laws may vary across jurisdictions, which may add complexity to the regulatory environment in which we operate.

Other Applicable Regulations

We are subject to regulations relating to our corporate conduct and the conduct of our business, including securities laws, trade regulations, anti-money laundering ("AML") laws, Know-Your-Customer ("KYC") laws as well as anti-corruption legislation. The United States and certain foreign jurisdictions have taken aggressive stances with respect to such matters and have implemented new initiatives and reforms. AML laws and related KYC requirements generally require certain companies to conduct necessary due diligence to prevent and protect against money laundering. AML enforcement activity could result in criminal and civil proceedings brought against companies and individuals, which could have a material adverse effect on our business.

We are required to comply with the U.S. Foreign Corrupt Practices Act, the Foreign Public Officials Act (Canada), and similar anti-bribery laws in other jurisdictions, which prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-bribery law enforcement activity with more frequent and aggressive investigations and enforcement proceedings by both the Department of Justice and the SEC, increased enforcement activity by non-U.S. regulators and increases in criminal and civil proceedings brought against companies and individuals.

We are also subject to certain economic and trade sanctions programs including Canadian sanctions laws and the sanctions programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), which prohibit or restrict transactions or dealings with specified countries, individuals, and entities.

Biennial Public Benefit Corporation Statement

Under Delaware law, a public benefit corporation is required to no less than biennially provide its stockholders with a statement as to the corporation's promotion of the public benefit or public benefits identified in the certificate of incorporation and of the best interests of those materially affected by the corporation's conduct. The following is intended to serve as the required statement to stockholders.

As a Delaware public benefit corporation, we are committed to having a positive effect (or a reduction in the negative effects) on consumer empowerment, education, and transparency in our local, national, and global communities. We want to create an accessible, equitable, and sustainable product suite for consumers, many of which do not have access to traditional credit. Our management team and Board of Directors believe that our product suite advances our mission of financial empowerment, benefits the community, and serves a public good. The Sezzle Platform uses non-traditional data for underwriting and extending credit to consumers, allowing consumers with little-to-no credit history to use our product and access credit.

We have a free, opt-in feature called "Sezzle Up," where we report payment records of transactions made through the Sezzle Platform to credit bureaus. This allows consumers who use Sezzle Up to build a record of timely payments on financial obligations over time, which in turn may help them gain access to more traditional credit products.

During 2025, we continued to pursue initiatives related to achieving our mission and providing a public benefit by promoting financial education and consumer engagement. Through certain features available in our "Earn" tab, consumers may access education content designed to support financial literacy and financial health, and in certain cases, earn rewards for engaging in that content. In addition, the 'Earn' tab provides consumers with opportunities to receive rewards and savings opportunities on purchases, including more essential purchases such as gas and groceries to help consumers derive additional value from planned spending. These features are designed to support consumer empowerment by enabling users to maximize value and make purchasing decisions that align with their financial goals and individual circumstances.

Management and the Board of Directors evaluate if we are meeting our progress to advancing our mission and promoting our state public benefit. In doing so, they consider the interests of all our stakeholders materially affected by our conduct as part of our strategic planning and operational decision-making processes.

We believe that our recent initiatives and the continued success of creating a responsible and financially accessible product suite supports the conclusion that we are successful in promoting our stated public benefits.

B Corporation Update

We became a Certified B Corporation by B Lab on March 22, 2021. On August 7, 2025, we elected to forego recertification as part of our ongoing evaluation of corporate governance and sustainability initiatives. We no longer hold B Corporation certification.

Available Information

Our website address is www.sezzle.com. Information found on, or accessible through, our website is not a part of, and is not incorporated into, this Form 10-K. Copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are available, free of charge, on our website as soon as reasonably practicable after we file such material electronically with, or furnish it to, the Securities and Exchange Commission (the "SEC"). The SEC also maintains a website that contains our SEC filings. The address of the site is www.sec.gov.

ITEM 1A. RISK FACTORS

Risks Related to Our Industry

The BNPL industry has become subject to increased regulatory scrutiny, and our failure to manage our business to comply with new regulations would materially and adversely affect our business, results of operations and financial condition.

Regulators in various jurisdictions in which we operate are showing increasing attention and scrutiny of BNPL arrangements. We may become subject to additional legal or regulatory requirements if laws, regulations, or industry standards, or their interpretations and/or enforcement thereof, change in the future. This risk may relate to regulatory requirements concerning the lending and financing industry generally, BNPL arrangements, consumer protection or consumer finance matters, state lending licensing or other state licensing or registration requirements, data security and privacy, or similar limitations on the conduct of our business. There is a risk that additional or changed legal, regulatory and industry compliance standards may impose significant additional compliance costs, restrict our ability to expand in accordance with our current strategy, restrict some or all of our current business activities in certain jurisdictions, or even make it economically unfeasible for us to continue to operate our business as contemplated or at all. This would likely have a material adverse effect on our business, on our results of operations and financial condition, including by preventing our business from reaching sufficient scale.

We cannot currently assess the likelihood of any future unfavorable legislation or regulations being proposed or enacted that could affect our products and services in the various jurisdictions in which we operate. In January 2025, control of the executive branch of the U.S. government changed as well as some changes in the legislative branch, which may have a significant impact on existing and contemplated financial services laws. Additionally, executive orders and other executive actions, including the new administration's direction that the CFPB suspend rule-making implementations and cease supervisory activities, have been issued with direct and indirect impacts on financial services regulation. U.S. state regulators also have broad discretionary power and may impose new licensing requirements, interpret or enforce existing regulatory requirements in different ways or issue new administrative rules that could adversely impact our business or require us to terminate or modify our operations in a particular state. We closely monitor proposed legislation in the jurisdictions we offer products and services. For more information, see "*Risks Related to Our Regulatory Environment*."

We operate in a highly competitive industry, and our inability to compete successfully would materially and adversely affect our business, results of operations, financial condition, and prospects.

We operate in a highly competitive and dynamic industry with a low barrier to entry, which makes increased competition more likely. Our technology platform faces competition from a variety of existing businesses and new market entrants of consumer credit, including, but not limited to banks, non-bank lenders, retail-based lenders, other financial technology lending platforms, competitors with BNPL products and those who enable transactions and commerce via digital payments, such as mobile wallets, and legacy payment methods, such as debit and credit cards.

Despite any competitive advantage we may have, there is always a risk of new entrants in the market, which may disrupt our business and decrease our market share. We expect competition to intensify in the future, both as emerging technologies continue to enter the marketplace and as large financial institutions increasingly seek to innovate their offered services. In addition, deregulation of our industry, including as a result of policies adopted by the new administration, may encourage additional market entrants. Technological advances, including investment in artificial intelligence (AI), and the continued growth of e-commerce activities have increased consumers' accessibility to products and services and led to the expansion of competition in digital payment options such as pay-over-time solutions. We face competition in areas such as: flexibility on payment options; duration, simplicity, and transparency of payment terms; reliability and speed in processing applications; underwriting effectiveness; compliance and security; promotional offerings; fees; approval rates; ease-of-use; marketing expertise; service levels; products and services; technological capabilities and integration; customer service; brand and reputation; and consumer and merchant satisfaction. In addition, it may be become more difficult to distinguish our platform, and products and services, from those of our competitors.

Some of our competitors are substantially larger and have greater financial, technological, operational and marketing resources than we do. These competitors may benefit from more diverse product offerings, broader consumer and merchant bases, established distribution channels, stronger brand recognition and loyalty, longer operating histories and access to lower cost funding. They may also be able to cross-subsidize products and invest more heavily in technology, acquire competitors, or offer more favorable pricing or incentives to merchants and consumers.

The increasing adoption of BNPL and other alternative payment products may attract additional large financial institutions, card networks and technology companies into our markets. Such interests may be better positioned due to scale, brand strength and existing customer relationships.

Competition, particularly for large or high-volume merchants, may require us to reduce merchant fees, increase incentives or otherwise modify our pricing. In economic terms, if we are unable to compete effectively, demand for our platform and products may decline our growth and consumers and merchants may slow and. Our revenues, margins and market share could be adversely affected.

Macroeconomic conditions may adversely impact the ability and willingness of our shoppers to interact with the merchants on our platform, and for our shoppers to fulfill their obligations to us, each of which may adversely impact our business, results of operations and financial condition.

Our business depends primarily on individual consumers transacting with merchants utilizing the Sezzle Platform, and the ability of those individual consumers to fully repay to us the resulting loans. These events can be affected by uncertainty and changes in general economic and political conditions, particularly for those macroeconomic conditions that affect consumer spending and consumer credit. For example, consumer spending and consumer credit are affected by economic conditions such as unemployment, consumer confidence, actual or anticipated economic recessions, consumer debt, inflation and deflation, currency exchange rates, tariffs and international trade regulations, taxation, fuel and energy prices and interest rates, downturns or extended periods of uncertainty or volatility, all of which may influence consumer spending and the availability of consumer credit. In weaker economic environments, consumers may have less disposable income to spend and so may be less likely to purchase merchandise by utilizing our services. Alternatively, consumers may purchase merchandise but become unable or unwilling to repay loans, which would result in an increase of loans that will not be paid on time or at all. As a result, such conditions may result in reduced cash flow, failure to meet our forecasted financial expectations and failure to achieve revenue growth.

Negative publicity about us or our industry could adversely affect our business, results of operations, financial condition, prospects and share price.

Negative publicity about us or our industry could adversely affect our reputation and the confidence in, and the use of, our platform. Negative publicity may include the transparency, fairness, user experience, quality, and reliability of our platform or point-of-sale lending platforms in general, the effectiveness of our risk model, the setting and charging of merchant and consumer fees, our ability to effectively manage and resolve complaints, our privacy and security practices, litigation, regulatory activity, misconduct by our employees, funding sources, originating bank partner, service providers, or others in our industry, the experience of consumers and investors with our Sezzle Platform or services or point-of-sale lending platforms in general, or use of loan proceeds by consumers that have obtained loans facilitated through our platform or other point-of-sale lending platforms for illegal purposes, even if inaccurate. Any such reputational harm could further affect the behavior of consumers, including their willingness to obtain loans facilitated through our platform or to make payments on their loans.

Risks Related to Our Strategy and Growth

We have generated significant net losses in the past. We may not achieve or be able to maintain historic levels of profitability in the future.

Prior to 2023, we incurred substantial net losses. Although we achieved profitability in 2023 and subsequent periods, we may not be able to maintain profitability on a quarterly or annual basis, particularly as we continue to invest in growth initiatives.

We plan to continue investing in the growth of our business, including enhancing our technology infrastructure and platform capabilities, developing and launching new consumer products and services, expanding our merchant network, and increasing our sales and marketing efforts to acquire and retain both consumers and merchants, and pursuing initiatives designed to enhance our funding efficiency and financial services capabilities, which may include seeking additional licenses and/or a bank charter. These initiatives require significant ongoing investment and may increase our operating expenses and capital requirements in the near term.

New products and services, expansion into new markets, efforts to grow our merchant network, increased sales and marketing activities, and initiatives to enhance our funding and financial services capabilities may require meaningful upfront expenditures. These investments may increase our technology, regulatory, compliance, capital, and marketing costs, and may not generate the corresponding revenue, transaction volume, consumer adoption, or funding efficiencies at the levels or within the timeframes we anticipate, which could adversely affect our profitability.

Our ability to sustain profitability will depend on our ability to generate sufficient revenue growth and operating leverage to offset these expenditures. If revenue growth slows, if expenses increase more rapidly than anticipated, or if our growth initiatives do not perform as expected, we may not maintain profitability and could incur additional losses in future periods, which could adversely affect our business, financial condition, and results of operations.

If we fail to retain existing consumers or acquire new consumers in a cost-effective manner, our business, financial condition, and results of operations could be adversely affected.

We generate total revenue when consumers pay with Sezzle at checkout in e-commerce transactions. We believe that growth of our business is dependent on our ability to generate repeat usage and increased transaction volume from existing consumers and to attract new consumers to the Sezzle Platform. The revenue driven by consumer transaction activity includes fees related to processing orders and payments and interchange from our virtual card solution, both of which scale with overall gross merchandise volume ("GMV"). If we are unable to maintain or increase consume engagement, transaction frequency, or AOV, transaction volumes and GMV could decline, which would adversely affect our revenue and operating results.

The attractiveness of the Sezzle Platform as a payment method, depends upon, among other things: its ease of use and functionality; its features and benefits, including our subscription products; the overall consumer experience and level of satisfaction; the strength of our brand and reputation; and consumer trust. If we fail to meet consumer expectations in any of these areas, or if competing platforms and/or payment options offer more compelling features, pricing or convenience, consumers may reduce their usage of our platform or shift to alternative payment providers, resulting in lower transaction volumes and lower GMV.

The process of developing new services or enhancing our existing products and services to compete with technological advances and new digital payment options to retain existing consumers or attract new consumers is complex, costly and uncertain. Difficulties or failures in the development, production, testing and marketing of new products or services may cause consumers to shift away to competitors or other payment options. The acquisition of new consumers is costly and high turnover in our consumer base could result in higher than anticipated overhead costs. All of the foregoing could adversely affect our business, financial condition and our results of operations.

Our ability to attract and retain consumers enrolled in our subscription products or maintain the competitiveness and value of our paid subscription products, our business, financial condition, and results of operations could be adversely affected.

We generate subscription revenue when consumers enroll in our optional, paid subscriptions. For the year ended December 31, 2025, we derived 22% of our revenue from paid subscriptions and we expect subscription revenue to represent a key component of our total revenue in the future. Or ability to grow subscription revenue depends on our ability to retain existing subscribers and attract new subscribers.

Subscriber growth and retention depends on the attractiveness, functionality, and relative value of the benefits included in our subscription products. If we are unable to maintain, enhance, or expand the benefits offered through our subscription products, we may fail to attract new subscribers and/or existing subscribers may fail to renew their subscription, resulting in declines in our revenue and financial performance.

We have adjusted, and may continue to adjust, our subscription pricing from time to time. If subscribers do not view our pricing as providing sufficient value, they may choose not to enroll in or renew a subscription. Conversely, efforts to enhance or expand our subscription products may require additional investment, and we may not be able to offset such costs through pricing adjustments or subscriber growth.

In addition, we operate in a highly competitive environment in which competitors may introduce similar subscription products at lower prices, bundle comparable benefits with other services, or offer more extensive or differentiated benefits that consumers find more attractive. Increased competition could lead consumers to switch to competing subscription offerings or pressure us to modify our pricing or benefits structure.

The development, enhancement, and maintenance of our subscription products to deliver compelling benefits, remain competitive, and require responding to evolving consumer preferences. If we are unable to successfully design, implement, and market subscription products that consumers find valuable, subscribers may cancel or choose not to enroll. Any failure to effectively manage subscriber acquisition, retention, pricing, and development could adversely affect our business, financial condition, and results of operations.

If we fail to retain existing merchants or acquire new merchants in a cost-effective manner, our business, financial condition, and results of operations could be adversely affected.

We believe that growth of our business depends, in part, on our ability to continue to cost-effectively grow our GMV by retaining our existing merchants and attracting new merchants. A historical portion of our revenue is derived from merchant processing fees generated from transactions on our platform using our direct-integration method and our platform's appeal to consumers depends, in part, on offering access to a broad and diverse selection of merchants. In particular, our partnerships with larger merchants and merchants with a high degree of brand recognition are a key component of our strategy to provide a wide and attractive selection for consumers. If we fail to retain our existing merchants, especially our most popular and larger merchants, or acquire new enterprise merchants, the value of our platform would be negatively impacted.

The attractiveness of our platform to merchants depends upon, among other things: the size of our consumer base; our brand and reputation; the amount of merchant fees that we charge; the promotional marketing incentives we may offer; our ability to sustain our value proposition to merchants for consumer acquisition by demonstrating higher conversion at checkout and increased average order value ("AOV"); the attractiveness to merchants of our technology and data-driven platform; services and products offered by competitors; our availability and prominence as a payment method on e-commerce platforms; and our ability to perform under our merchant agreements.

We face intense competitive pressure on the fees we charge our merchants, particularly our larger merchants. In order to stay competitive, we may need to adjust our pricing or offer incentives to our merchants to increase payments volume, enter new market segments, adapt to regulatory changes, and expand their use and acceptance of the Sezzle Platform. These incentives include up-front cash payments, fee discounts, rebates, credits, performance-based incentives, marketing, and other support payments that impact our revenues and profitability. Market pressures on pricing, incentives, fee discounts, and rebates could impair our operations or growth. We may continue to incur substantial expenses to acquire additional merchants, particularly larger merchants that we believe will make our platform more attractive to consumers. These merchant partnership cost structures may not be cost-effective for us and we cannot assure you that the revenue we generate from the merchants we acquire will ultimately exceed the cost of adding them to our platform. We have entered into merchant agreements that require us to make marketing, incentive or other payments to these merchants over the terms of the agreement, which are typically one to three years. Certain agreements also contain provisions that may require payments by us and are contingent on us and/or the merchant meeting specified criteria, such as achieving volume targets and implementation benchmarks. If we are not able to implement cost savings and productivity initiatives in other areas of our business or increase our volumes in other ways to offset or absorb the financial impact of these incentives, fee discounts, and rebates, our business will be adversely impacted.

In addition, if we are unable to fulfill our obligations under these merchant agreements, including any payments owed to merchants, the merchant may terminate such agreement or determine not to renew and remain on our platform, which could have a negative impact on our business, results of operations and financial condition.

We may not be able to sustain our total revenue growth rate, or our growth rate of related key operating metrics, in the future, and failure to effectively manage growth may adversely affect our financial results.

Although we have historically experienced periods of strong growth in revenue, total income, GMV, employee numbers and consumers, there can be no assurances that such growth will continue at our current rate or at all. Many factors may contribute to a decline in our total revenue growth rate, including increased competition, slowing demand for our products from existing and new consumers, changes in transaction volumes and mix (particularly with our significant merchant partners), lower sales by our merchants (particularly those with whom we have significant relationships), general economic conditions, a failure by us to continue capitalizing on growth opportunities, changes in the regulatory environment and the maturation of our business, among others. You should not rely on our total revenue or key operating metrics for any prior quarterly or annual period as an indication of our future performance. If our total revenue growth rate declines, our results of operations and financial condition could be materially and adversely affected.

In addition, a continuation of this growth in the future could place additional pressures on current management, as well as corporate, operational and finance resources within our business, and on the infrastructure supporting the Sezzle Platform. Failure to appropriately manage growth could result in failure to retain and attract consumers and merchants, which could adversely affect our operating results and financial condition.

If we fail to promote, protect, and maintain our brand in a cost-effective manner, we may lose market share and our results of operations and financial condition may be negatively impacted.

We believe that developing, protecting, and maintaining awareness of our brand in a cost-effective manner is critical to attracting new and retaining existing merchants and consumers to our platform. As competition intensifies, we believe that positive consumer recognition is an important factor in our financial performance. We cannot guarantee that our brand development strategies will accelerate the recognition of our brand or increase total revenue. Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and incentives and the experience of merchants and consumers with the Sezzle Platform. Our brand promotion activities may not result in increased total revenue and, even if they do, any increases may not offset the expenses incurred in such promotional activities. Additionally, the successful protection and maintenance of our brand will depend on our ability to obtain, maintain, protect, and enforce trademark and other intellectual property protection for our brand. If we fail to successfully promote, protect, and maintain our brand or if we incur substantial expenses in an unsuccessful attempt to promote, protect, and maintain our brand, we may lose our existing merchants and consumers to our competitors or be unable to attract new merchants and consumers. Any such loss of existing merchants or consumers, or inability to attract new merchants or consumers, would have a material adverse effect on our business and results of operations.

The use of social media by us and our consumers accelerates and amplifies our reputational risks in ways we may not be able to directly control or effectively manage, including by giving users the ability to more effectively organize collective actions such as boycotts, coordinated complaint campaigns and other brand-damaging behaviors. Any failure to respond quickly and effectively to negative or potentially damaging social media content (especially if it goes "viral"), regardless of the content's accuracy, could damage our reputation, which in turn could harm our business, prospects, financial condition and results of operations and, in some cases, lead to litigation. The harm may be immediate without affording us an opportunity for redress or correction.

Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about our business, exposure of personally identifiable information, out-of-date information, fraud, hoaxes, or malicious dissemination of false information and negative comments relating to actions taken (or not taken) with respect to social, environmental and community outreach issues and initiatives.

Further, laws and regulations, including associated enforcement priorities, rapidly evolve to govern social media platforms and other internet-based communications. Any failure by us or third parties acting at our direction to abide by applicable laws and regulations in the use of social media or internet-based communications could adversely impact our reputation or financial performance or subject us to fines or other penalties.

Moreover, because our brand is directly associated with the brands of so many other companies by virtue of our business model and the integration of our platform with those of our partner merchants, there is a risk that we could be adversely affected by negative publicity that our partner merchants experience which is beyond our control. The negative publicity could involve any manner of conduct and relate to any number of subjects, and even the mere perception of our involvement could dilute or tarnish or otherwise adversely affect our reputation, and could contribute to diminished financial performance.

We may require additional capital, and the terms of such capital may not be available on terms satisfactory to us, or at all.

Our business model involves paying merchants for goods upon a consumer's purchase (less merchant processing fees) before we have received the full payment of the goods from a consumer utilizing the Sezzle Platform. As a result, we require significant cash to support the provision of installments plans to consumers and working capital. Historically, we have relied upon the availability of credit from our lenders to support our business model as we have experienced growth, and believe that we will have a continuing need to do so for the foreseeable future. Our current lending facility matures on April 19, 2027. There can be no assurance that such financing will be extended on favorable terms or at all, or will be sufficient to finance our future capital needs. In addition, on November 13, 2024, we filed a shelf registration on Form S-3 (Registration No. 333-283206), which, subject to applicable SEC rules, can be utilized to issue equity or debt securities.

If we require additional capital to grow our business, we may rely on a combination of funding options including equity and our credit facilities. An inability to raise sufficient capital through the issuance of equity securities or secure funding through credit facilities, or any increase in the cost of such funding, may adversely impact our ability to grow our business. Failure by us to meet financial covenants under our credit agreements, or the occurrence of other specified events, may lead to an event of default. If an event of default were to occur, we may be required to make repayments under our credit facility in advance of the relevant maturity dates and/or termination of the credit facility, which would limit our ability to utilize credit issuable under such facility and likely have an adverse impact on our business, results of operations and financial condition.

Our existing $225.0 million revolving credit facility is secured by our consumer notes receivable we choose to pledge and is subject to certain operating covenants. Thus, a significant portion of our funding capacity is in part dependent on our accounts receivable, which can be volatile and, at times, at levels low enough to result in our inability to draw down on a portion of our credit facility. Any material decrease in our accounts receivable could negatively impact our liquidity, which would have an adverse effect on our business, results of operations, and financial condition. In addition, it is possible that our transaction volume will outpace our ability to finance transactions if we do not have sufficient borrowing capacity under our credit facility, which in turn could result in a material adverse effect on our results of operations and financial condition.

To the extent we are required to raise additional financing, turmoil in the capital markets, including the tightening of credit and increased interest rates, may impact our ability to raise financing on terms and at a cost favorable to us. We may be required to raise capital during a weak economy, and have little flexibility to wait for more favorable terms or economic conditions. We are likely to face higher borrowing costs, less available capital, more stringent terms and tighter covenants. Such unfavorable market conditions could have an adverse impact on our ability to fund our operations and capital expenditures in the future. Any adverse change in the terms of our financing, including increased costs, could have a negative impact on our financial condition.

Risks Related to Our Financing Program

Loans facilitated through our platform involve a high degree of financial risk because they are not secured, guaranteed, or insured, and consumers may not view or treat them with the same significance as other loan obligations.

Consumers may not view the loans facilitated through our platform as having the same significance as a loan or other credit obligation arising under more traditional circumstances. If a consumer neglects his or her payment obligations on a loan facilitated through our platform or chooses not to repay his or her loan entirely, it will have an adverse effect on our business, results of operations, financial condition, prospects, and cash flows.

Personal loans facilitated through our platform are not secured by any collateral, not guaranteed or insured by any third party, and not backed by any governmental authority in any way. Therefore, we are limited in our ability to collect on these loans if a consumer is unwilling or unable to repay them. A consumer's ability to repay their loans can be negatively impacted by increases in their payment obligations to other lenders under mortgage, credit card, and other debt obligations resulting from increases in base lending rates or structured increases in payment obligations. These competing debt obligations may also be secured by the debtor's property, which may result in a consumer prioritizing payment of the secured debt obligations over those owed to us. If a consumer defaults on a loan, we may expend additional time and expense yet be unsuccessful in our efforts to collect the amount of the loan. We may also be required to pay credit card processing costs for loan transactions in which we fail to collect from our consumers. Our originating bank partner could decide to originate fewer loans through our platform. An increase in defaults precipitated by these risks and uncertainties could have a material adverse effect on our business, results of operations, financial condition, and prospects.

Our agreement with our originating bank partner, WebBank, which has originated a substantial majority of loans facilitated by the Sezzle Platform since September 26, 2024, subjects us to an exclusivity provision and subject to early termination or suspension by WebBank upon the occurrence of certain events. If this agreement is terminated and we are unable to replace the commitments of WebBank or WebBank enters into a more favorable relationship with one of our competitors, our business, results of operations and financial condition may be adversely impacted.

We rely on WebBank to originate a substantial majority of the loans facilitated by the Sezzle Platform and to comply with various federal and state laws. The agreement with WebBank (the "WebBank Agreement") is subject to early termination or suspension by WebBank upon certain events. Under the WebBank Agreement, WebBank is the exclusive issuer of our card products (including virtual card), on-demand products, and pay-in-four or pay-in-two consumer loans. The WebBank Agreement does not prohibit WebBank from working with our competitors or from offering competing services. WebBank currently participates in a variety of consumer and commercial financing programs, some of which include, or may in the future include, our competitors. WebBank could terminate the WebBank Agreement or suspend performance of its obligations under the WebBank Agreement immediately upon certain events or could decide to enter into a more favorable relationship with one or more of our competitors. WebBank may not perform as expected under the WebBank Agreement. We could have a disagreement or dispute with WebBank in the future which could negatively impact or threaten our relationship or with other originating banks with whom we may seek to partner.

WebBank is subject to oversight by the Federal Deposit Insurance Corporation ("FDIC") and the State of Utah Department of Financial Institutions ("UDFI") and must comply with rules and regulations and examination requirements, including requirements to maintain a certain amount of regulatory capital relative to its outstanding loans. We are a service provider to WebBank, and as such, we are subject to audit by WebBank and regulatory authorities having jurisdiction over WebBank in accordance with the WebBank Agreement and FDIC guidance related to the management of vendors.

If WebBank were to suspend, limit, or cease its operations, or if our relationship with WebBank were to otherwise terminate or be suspended for any reason, we would need to implement substantially similar arrangement with another bank, originate loans directly, or curtail our operations. If we enter into a relationship with a different originating bank partner, we may not be able to negotiate comparable terms in a timely manner or at all. If we are unable or unwilling to enter into a similar arrangement with another originating banking partner, we will become subject to additional state laws and state licensing requirements. In the event that our relationship with WebBank were terminated or suspended, our business, results of operations, and financial obligations would be adversely impacted.

We rely on the accuracy of third-party data, and inaccuracies in such data may lead to reduced total revenue.

We purchase data from third parties that is critical to our assessment of the creditworthiness of consumers before they are either approved or denied for credit for their purchase from a merchant. We rely on third parties to provide us accurate data. Inaccurate data could cause us to not approve transactions that otherwise would have been approved, reducing our transaction volume and potential to earn revenue. Alternatively, we may approve transactions that should have been denied, causing us to experience higher delinquency rates and either lose total revenue, or earn total revenue that may lead to a higher incidence of bad debts. Our inability to collect on certain amounts from consumers due to poor creditworthiness or otherwise would likely have a material adverse effect on our results of operations and financial condition.

Consumer bad debts and insolvency of merchants may adversely impact our financial success.

Our ability to generate profits depends on our ability to put in place and optimize our systems and processes to make predominantly accurate, real-time decisions in connection with the consumer transaction approval process. We do not perform hard credit checks on consumers in connection with the application process. Consumer non-payment is a major component of our expenses, and we are exposed to consumer bad debts as a normal part of our operations because we absorb the costs of all uncollectible notes receivable from our consumers. Our ability to collect on loans is dependent on the consumer's continuing financial stability, and consequently, collections can be adversely affected by a number of factors, including job loss, divorce, death, illness, or personal bankruptcy. Excessive exposure to bad debts as a result of consumers failing to repay outstanding amounts owed to us may materially and adversely impact our results of operations and financial position.

We also have exposure to the potential insolvency of merchants for which we have advanced funds. Exposure occurs in the period of time between the advance of funds to a merchant for a consumer's purchase of goods, and the retail merchant shipping the goods to the consumer (at which point we are entitled to payment from the consumer). While this period of risk is typically only a short period of time, it is still a period that we are exposed to the risk that merchants will be unable to repay the funds we have advanced to them. As the number and transaction volume of merchants on our platform continues to grow, so does the amount of funds that may be advanced by us. The failure by merchants to repay these funds may result in a material adverse effect to our results of operations and financial position.

If our merchants fail to fulfill their obligations to consumers or comply with applicable law, we may incur costs.

Although our merchants are obligated to fulfill their contractual commitments to consumers and to comply with applicable law, from time to time they might not do so, or a consumer might allege that they did not do so. This, in turn, can result in claims or defenses against us or any subsequent holder of our installment agreements. One such claim or defense could be made pursuant to a term included in our or our originating bank partner's installment loan agreement, which is pursuant to the Federal Trade Commission's Trade Regulation Rule Concerning Preservation of Consumers' Claims and Defenses (the "Holder in Due Course Rule"). The Holder in Due Course Rule provides that the holder of the consumer credit contract, in our or our originating bank partner's case the installment loan agreement, is subject to all claims and defenses which the debtor could assert against the seller of goods or services that were obtained with the proceeds of the consumer credit contract. If merchants fail to fulfill their contractual or legal obligations to consumers, it may also negatively affect our reputation with consumers, and negatively affect our business. Federal and state regulatory authorities may also bring claims against us, including unfair and deceptive acts or practices ("UDAP") or unfair, deceptive or abusive acts or practices ("UDAAP") claims, if we fail to provide consumer protections relating to potential merchants actions or disputes.

Risks Related to Our Technology and the Sezzle Platform

Our results depend on integration, support, and prominent presentation of our platform by our merchants.

We use and rely on integration of the Sezzle Platform with third-party systems and platforms, particularly websites and other systems of our merchants. The success of our services, and our ability to attract additional consumers and merchants, depends on the ability of our Sezzle Platform to integrate into, and operate with, these various third-party systems and platforms. In addition, as these systems and platforms are regularly updated, it is possible that when such updates occur it could cause our services to operate inefficiently. This will likely require us to change the way we operate our systems and platform, which may take time and expense to remedy.

We also depend on our merchants, which generally accept most major credit cards and other forms of payment, to present our platform as a payment option, such as by prominently featuring our platform on their websites or in their stores and not just as an option at website checkout. Unless we have negotiated a specific contractual requirement, we do not have any recourse against merchants when they do not prominently present our platform as a payment option. The failure by our merchants to effectively integrate, support, and present our platform may have a material adverse effect on our business, results of operations and financial condition.

Unanticipated surges or increases in transaction volumes may adversely impact our financial performance.

Continued increases in transaction volumes may require us to expand and adapt our network infrastructure to avoid interruptions to our systems and technology. Any unanticipated surges or increases in transaction volumes may cause interruptions to our systems and technology, reduce the number of completed transactions, increase expenses, and reduce the level of customer service, and these factors could adversely impact our reputation and, thus, diminish consumer confidence in our systems, which may result in a material adverse effect on our business, results of operations and financial condition.

Data security breaches, cyberattacks, employee or other internal misconduct, malware, phishing or ransomware, physical security breaches, or other disruptions to our technology system or a compromise of our data security could occur and would materially adversely impact our business and ability to protect the confidential information in our possession or control.

Through the ordinary course of business, we collect, store, process, manage, transfer, and use (collectively, "process") a wide range of confidential information, including personally identifiable information, for various purposes, including to follow government regulations and to provide services to our consumers and merchants. The information we collect may be sensitive in nature and subject to a variety of privacy, data protection, cybersecurity, and other laws and regulations. Due to the sensitivity and nature of the information we process, we and our third-party service providers may be the targets of, defend against and must regularly respond to cyberattacks, including from malware, phishing or ransomware, physical security breaches, or similar attacks or disruptions. Cyberattacks and similar disruptions may compromise or breach the Sezzle Platform and the protections we use to try to protect confidential information in our possession or control. Breaches of the Sezzle Platform or other Sezzle systems could result in the criminal or unauthorized use of confidential information and could disrupt our platform, result in the failure of our systems to operate as expected, negatively affect our users and merchants and, because the techniques for conducting cyberattacks are constantly evolving and may be supported by significant financial and technological resources (e.g., state-sponsored actors), we may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative or remedial measures. These risks also reside with third party service providers and partners with whom we conduct business. Our business could be materially and adversely impacted by security breaches of our systems and the data and information of merchants' and consumers' data and information.

These events may cause significant disruption to our business and operations, cause our systems to fail to operate as expected, or expose us to reputational damage, loss of consumer confidence, legal claims, civil and criminal liability, constraints on our ability to continue operation, reduced demand for our products and services, termination of our contracts with merchants or third party service providers, and regulatory scrutiny and fines, any of which could materially adversely impact our financial performance and prospects. Any security or data issues experienced by other software companies or third-party service providers with whom we conduct business could diminish our customers' trust in providing us access to their personal data generally. Merchants and consumers that lose confidence in our security measures may be less willing to make payments on their loans or participate in the Sezzle Platform.

In addition, our partners include credit bureaus, collection agencies and banking parties, each of whom operate in a highly regulated environment, and many laws and regulations that apply directly to them may apply directly or indirectly to us through our contractual arrangements with these partners. Federal, state and international laws or regulators, as well as our contractual partners, may require notice in event of a security breach that involves personally identifiable information, and these disclosures may result in negative publicity, loss of confidence in our security measures, regulatory or other investigations, the triggering of indemnification and other contractual obligations, and other adverse effects to our partner ecosystem and operations. We may also incur significant costs and loss of operational resources in connection with remediating, investigating, mitigating, or eliminating the causes of security breaches, cyberattacks, or similar disruptions after they have occurred, and particularly given the evolving nature of these risks, our incident response, disaster recovery, and business continuity planning may not sufficiently address all of these eventualities. The retention and coverage limits in our insurance policies may not be sufficient to reimburse the full cost of responding to and remediating the effects of a security breach, cyberattack, or similar disruption, and we may not be able to collect fully, if at all, under these insurance policies or to ensure that the insurer will not deny coverage as to any future claim.

Real or perceived software errors, failures, bugs, defects, or outages related to the Sezzle Platform could adversely affect our business, results of operations, financial condition, and prospects.

Our platform and our internal systems rely on software that is highly technical and complex. In addition, our platform and our internal systems depend on the ability of such software to process immense amounts of data. As a result, undetected vulnerabilities, errors, failures, bugs, or defects may be present in such software or occur in the future in such software, including open source software and other software we license in from third parties, especially when updates or new products or services are released.

Any real or perceived vulnerabilities, errors, failures, bugs, or defects in the software may not be found until our consumers use our platform and could result in outages or degraded quality of service on our platform that could adversely impact our business (including through causing us not to meet contractually required service levels), as well as negative publicity, loss of or delay in market acceptance of our products and services, and harm to our brand or weakening of our competitive position. In such an event, we may be required, or may choose, to expend significant additional resources in order to correct the problem. Any real or perceived errors, failures, bugs, or defects in the software we rely on could also subject us to liability claims, impair our ability to attract new consumers, retain existing consumers, or expand their use of our products and services, which would adversely affect our business, results of operations, financial condition, and prospects.

We also rely on online payment gateways, banking and financial institutions for the validation of bank cards, settlement and collection of payments. There is a risk that these systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside our control, including damage, equipment faults, power failure, fire, natural disasters, computer viruses and external malicious interventions such as hacking, cyber-attacks or denial-of-service attacks.

Any significant disruption in, or errors in, service on our platform or relating to vendors could prevent us from processing transactions on our platform or posting payments.

We use vendors, such as our cloud computing web services provider, virtual card processing companies, and third-party software providers, in the operation of our platform. The satisfactory performance, reliability, and availability of our technology and our underlying network and infrastructure are critical to our operations and reputation and the ability of our platform to attract new and retain existing merchants and consumers. We rely on these vendors to protect their systems and facilities against damage or service interruptions from natural disasters, power or telecommunications failures, environmental conditions, computer viruses or attempts to harm these systems, criminal acts, and similar events. If our arrangement with a vendor is terminated or if there is a lapse of service or damage to its systems or facilities, we could experience interruptions in the operation of our platform. We also may experience increased costs and difficulties in replacing that vendor and replacement services may not be available on commercially reasonable terms, on a timely basis, or at all. Any interruptions or delays in our platform availability, whether as a result of a failure to perform on the part of a vendor, any damage to one of our vendor's systems or facilities, the termination of any of our third-party vendor agreement, software failures, our or our vendor's error, natural disasters, terrorism, other man-made problems, security breaches, whether accidental or willful, or other factors, could harm our relationships with our merchants and consumers and also harm our reputation.

In addition, we source certain information from third parties. In the event that any third party from which we source information experiences a service disruption, whether as a result of maintenance, natural disasters, terrorism, security breaches, or for any other reason, whether accidental or willful, the ability to score and evaluate loan applications through our platform may be adversely impacted. Additionally, there may be errors contained in the information provided by third parties. This may result in the inability to approve otherwise qualified applicants or may result in the approval of unqualified applicants through our platform, which may adversely impact our business by negatively impacting our reputation and reducing our transaction volume.

To the extent we use or depend on any particular third-party data, technology, or software, we may also be harmed if such data, technology, or software becomes non-compliant with existing laws, regulations, or industry standards, becomes subject to third-party claims of intellectual property infringement misappropriation, or other violation, or malfunctions or functions in a way we did not anticipate. Any loss of the right to use any of this data, technology, or software could result in delays in the provisioning of our products and services until equivalent or replacement data, technology, or software is either developed by us, or, if available, is identified, obtained, and integrated, and there is no guarantee that we would be successful in developing, identifying, obtaining, or integrating equivalent or similar data, technology, or software, which could result in the loss or limiting of our products, services, or features available in our products or services.

These factors could prevent us from processing transactions or posting payments on our platform, damage our brand and reputation, divert the attention of our employees, reduce total revenue, subject us to liability, and cause consumers or merchants to abandon our platform, any of which could have a material and adverse effect on our business, results of operations, financial condition, and prospects.

Fraudulent activities may result in us suffering losses, causing a materially adverse impact to our reputation and results of operations.

We are exposed to risks imposed by fraudulent conduct, including the risks associated with consumers attempting to circumvent our system and repayment capability assessments. There is a risk that we may be unsuccessful in defeating fraud attempts, resulting in higher than budgeted costs of fraud and consumer non-payment.

We pay merchants for goods and services purchased by consumers up front, and accept the responsibility associated with minimizing fraudulent activity and bear all costs associated with such fraudulent activity. Fraudulent activity is likely to result in us suffering losses, which may have a material adverse impact on our reputation and cause us to bear increased costs to rectify and safeguard business operations and our systems against such fraudulent activity. Significant amounts of fraudulent cancellations or chargebacks could adversely affect our business, results of operations or financial condition. High profile or significant increases in fraudulent activity could also lead to regulatory intervention, negative publicity, and the erosion of trust from our consumers and merchants, which could result in a material adverse effect on our business, results of operations and financial condition.

Other Risks Related to Our Business

If we fail to comply with the applicable requirements of Visa or other payment processors, those payment processors could seek to fine us, suspend us or terminate our registrations, which could limit our ability to process transactions or earn related revenue, and could have a material adverse effect on our business, results of operations, financial condition, and prospects.

We partially rely on card issuers or payment processors to process transactions. We pay fees for access to and use of these services and, depending on the payment method used, we may incur interchange or other network-related fees or generate interchange revenue. From time to time, payment processors such as Visa may increase the interchange or other fees they charge for transactions processed on their networks. Payment processors also routinely update and modify their requirements. Changes in the requirements, including changes to risk management and collateral requirements, may increase our cost of doing business, affect the interchange revenue we earn, and we may not, in every circumstance, be able to pass through such costs to our merchants or associated participants.

A portion of our revenue is derived from interchange fees associated with our virtual card transactions processed on payment networks, including Visa. The amount of interchange we earn depends on the network rules, card product classifications, transaction mix, and applicable interchange schedules. Payment networks may modify their interchange fee structures, eligibility criteria, or program requirements, including with respect to our virtual card program, which could reduce the interchange revenue we earn and adversely affect our transaction economics.

Furthermore, if we do not comply with the payment processors requirements (e.g., their rules, bylaws, and charter documentation), payment processors could seek to fine us, suspend us or terminate our registrations that allow us to process transactions on their networks. Some payment processors may also choose not to support BNPL solutions; including our products, in which case, the credit cards these processors issue cannot be linked to pay for purchases made through BNPL entities, including Sezzle. The termination of our registration due to failure to comply with the applicable requirements of Visa or other payment processors, or any changes in the payment processors' rules that would impair our registration, could require us to stop providing payment services to Visa or other payment processors, which could have a material adverse effect on our business, results of operations, financial condition, and prospects. We are also subject to the Payment Card Industry Data Security Standard ("PCI DSS") with respect to the acceptance of payment cards. PCI DSS sets forth security standards relating to the processing of cardholder data and the systems that process such data, and a failure to adhere to these standards can result in fines, limitations on our ability to process payment cards, and impact to our relationship with our merchant partners and their own ability to comply with PCI DSS.

Our vendor relationships subject us to a variety of risks, and the failure of third parties to comply with legal or regulatory requirements or to provide various services that are important to our operations could have an adverse effect on our business, results of operations and financial condition.

We have significant vendors that, among other things, provide us with financial, technology, and other services to support our products and other activities, including, for example, cloud-based data storage and other IT solutions, and payment processing. We could be adversely impacted to the extent our vendors fail to comply with the legal requirements applicable to the particular products or services being offered. For example, the CFPB has issued guidance stating that institutions under its supervision may be held responsible for the actions of the companies with which they contract.

In some cases, we are reliant on one or a limited number of vendors for critical services. Most of our vendor agreements are terminable by the vendor on little or no notice, and if our current vendors were to terminate their agreements with us or otherwise stop providing services to us on acceptable terms, we may be unable to procure alternatives from other vendors in a timely and efficient manner and on acceptable terms or at all. If any vendor fails to provide the services we require, fails to meet contractual requirements (including compliance with applicable laws and regulations), fails to maintain adequate data privacy controls and electronic security systems, or suffers a cyber-attack or other security breach, we could be subject to regulatory enforcement actions, claims from third parties, including our consumers, suffer operational outages, and suffer economic and reputational harm that could have an adverse effect on our business. Further, we may incur significant costs to resolve any such disruptions in service, which could adversely affect our business.

The loss of key partners and merchant relationships would adversely affect our business.

We depend on continued relationships with our current significant merchants and partners that assist in obtaining and maintaining our relationships with merchants. There can be no guarantee that these relationships will continue or, if they do continue, that these relationships will continue to be successful. Our contracts with merchants can generally be terminated for convenience on relatively short notice by either party, therefore we do not have long-term contracted income. There is a risk that we may lose merchants for a variety of reasons, including a failure to meet key contractual or commercial requirements, merchants shifting to in-house solutions (including providing a service competitive to us), or competitor service providers. Similarly, there is a risk that e-commerce platforms with which we partner may limit or prevent Sezzle from being offered as a payment option at checkout. Such actions would magnify the risks to our business as compared to similar actions taken by individual merchants unaffiliated with such platforms. We also face the risk that our key partners could become competitors of our business after our key partners determine how we have implemented our model to provide our services.

Changes to our key operating metrics may negatively affect our business and reputation.

As our products and services change or expand over time, we may revise or cease reporting certain key operating metrics if we determine such metrics are no longer appropriate measures of our performance. We regularly review our processes for calculating these key operating metrics, and from time to time we may make adjustments to improve the accuracy or relevance of these key metrics. Our key operating metrics are calculated using internal company data based on activity we measure and compile from multiple systems, and we believe to be reasonable methodologies and estimates. If investors, analysts, or customers do not consider our reported measures to be sufficient or accurately reflect our business, we may receive negative publicity, our reputation may be damaged, and our business may be adversely affected.

Conditions in the capital and credit markets, including higher interest rates, may adversely affect our access to various sources of capital or financing and the cost of capital, which could affect our business activities and earnings.

In periods when the capital and credit markets experience significant volatility, the amounts, sources, and cost of capital available to us may be adversely affected. If sufficient sources of external financing are unavailable to us on cost effective terms, we could be forced to limit our growth activities or take other actions to fund our business activities and repay our debt, such as selling assets. If we are able and choose to access capital at a higher cost than we have experienced in recent years (reflected in higher interest rates for debt financing or a lower stock price for equity financing), our earnings and cash flow could be adversely affected.

We have incurred, and may in the future incur, additional indebtedness that bears interest at a variable rate. The interest paid on borrowings under our credit facility is tied to the U.S. Federal Reserve's Secured Overnight Financing Rate ("SOFR"). The facility carries an interest rate of SOFR plus 6.75%. An increase in interest rates would increase our interest expense and increase the cost of refinancing existing debt and issuing new debt, which would adversely affect our cash flow. In addition, if we need to repay existing debt during periods of rising interest rates, we could have to liquidate one or more of our assets at times that may not permit realization of the maximum return on such assets. The effect of prolonged interest rate increases could adversely impact our ability to continue to execute on our strategy. As a result, any increase in interest rates could adversely affect our results of operations.

We are exposed to exchange rate fluctuations in the international markets in which we operate.

There are instances in which our costs and revenues related to international operations are not able to be exactly matched with respect to currency denomination. Currency fluctuations cause the U.S. dollar value of our international results of operations and net assets to vary with exchange rate fluctuations. A decrease in the value of any of these currencies relative to the U.S. dollar could have a negative impact on our business, results of operations and financial condition. We may experience economic loss and a negative impact on earnings or net assets solely as a result of foreign currency exchange rate fluctuations. In the future, we may utilize derivative instruments to manage the risk of fluctuations in foreign currency exchange rates that could potentially impact our future earnings and forecasted cash flows. However, the markets in which we operate could restrict the removal or conversion of the local or foreign currency, resulting in our inability to hedge against some or all of these risks and/or increase our cost of conversion of local currency to U.S. dollar.

Our efforts to protect our intellectual property rights may not be sufficient.

Our business depends on our ability to commercially exploit our technology and intellectual property rights, including our technological systems and data processing algorithms. We rely on laws relating to trade secrets, copyright, and trademarks to assist in protecting our proprietary rights. However, there is a risk that unauthorized use or copying of our software, data, specialized technology, trademarks or platforms will occur. In addition, there is a risk that the validity, ownership, registration or authorized use of intellectual property rights relevant to our business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property rights in question. If an alternative cost-effective solution were not available, there may be a material adverse impact on our financial position and performance. Such disputes may also temporarily adversely impact our performance or ability to integrate new systems, which may adversely impact our income and financial position.

There is a risk that we will be unable to register or otherwise protect new intellectual property rights we develop in the future, or which are developed on our behalf by contractors. In addition, competitors may be able to work around any of our intellectual property rights, or independently develop technologies, or competing payment products or services that are not protected by our intellectual property rights. Our competitors may then be able to offer identical or very similar services or services that are otherwise competitive against those we provide, which could adversely affect our business. We will also face risks in connection with any further or resumed activities related to international expansion, including in countries that may have less protection for our intellectual property rights than the United States. We have registered trademarks in the United States, the United Kingdom ("UK"), the European Union, India and Brazil, and we have pending trademark applications in Canada. There is a risk that our trademarks and other intellectual property rights may not be adequate to protect our brand or proprietary technology or may conflict with the registered trademarks or other intellectual property rights of other companies, both domestically and abroad, which may require us to rebrand our product and service offerings, obtain costly licenses, defend against third-party claims, or substantially change our product or service offerings. Should such risks manifest, we may be required to expend considerable resources and divert the attention of our management, which could have an adverse effect on our business and results of operations.

We may be sued by third parties for alleged infringement, misappropriation, or other violation of their intellectual property or other proprietary rights.

Our success depends, in part, on our ability to develop and commercialize our products and services without infringing, misappropriating, or otherwise violating the intellectual property or other proprietary rights of third parties. Third parties have alleged in the past, and there is a risk that third parties may in the future allege or claim, that our solutions or intellectual property infringe, misappropriate, or otherwise violate third-party intellectual property or other proprietary rights, and we may become involved in disputes, including actual or threatened litigation, from time to time concerning these rights. Similarly, competitors or other third parties may raise claims alleging that service providers or other third parties retained or indemnified by us, infringe on, misappropriate, or otherwise violate such competitors' or other third parties' intellectual property or other proprietary rights. These claims of infringement, misappropriation, or other violation may be extremely broad, and it may not be possible for us to conduct our operations in such a way as to avoid all such alleged violations of such intellectual property or other proprietary rights. We also may be unaware of third-party intellectual property or other proprietary rights that cover or otherwise relate to some or all of our products and services.

Given the complex, rapidly changing, and competitive technological and business environment in which we operate, and the potential risks and uncertainties of intellectual property-related litigation, a claim of infringement, misappropriation, or other violation against us may require us to spend significant amounts of time and other resources to defend against the claim (even if we ultimately prevail), pay significant money damages, lose significant revenues, be prohibited from using the relevant systems, processes, technologies, or other intellectual property (temporarily or permanently), cease offering certain products or services, obtain a license, which may not be available on commercially reasonable terms or at all, or redesign our products or services or functionality therein, which could be costly, time-consuming, or impossible. Moreover, the volume of intellectual-property-related claims, and the mere specter of threatened litigation, could distract our management from the day-to-day operations of our business. The direct and indirect costs of addressing these actual and threatened disputes may have an adverse impact on our operations, reputation, and financial performance. Some of the aforementioned risks of infringement, misappropriation, or other violation, in particular with respect to patents, are potentially increased due to the nature of our business, industry, and intellectual property portfolio. In addition, our insurance may not cover potential claims of this type adequately or at all, and we may be required to pay monetary damages, which may be significant and result in a material adverse effect on our results of operations and financial condition.

Some aspects of our products and services incorporate open source software, and our use of open source software could negatively affect our business, results of operations, financial condition, and prospects.

Some of our systems incorporate and are dependent on the use and development of open source software. Open source software is software licensed under an open source license, which may include a requirement that we make available, or grant licenses to, any modifications or derivative works created using the open source software, make our proprietary source code publicly available, or make our products or services available for free or for nominal amounts. If an author or other third party that uses or distributes such open source software were to allege that we had not complied with the legal terms and conditions of one or more of these open source licenses, we could incur significant legal expenses defending against such allegations, could be subject to significant damages, and could be required to comply with these open source licenses in ways that cause substantial competitive harm to our business.

The terms of various open source licenses have not been interpreted by U.S. and international courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our products or services. In such an event, we could be required to re-engineer all or a portion of our technologies, seek licenses from third parties in order to continue offering our products and services, discontinue the use of our platform in the event re-engineering cannot be accomplished, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and loan products and services. If portions of our proprietary software are determined to be subject to an open source license, we could also be required to, under certain circumstances, publicly release or license, at no cost, our products or services that incorporate the open source software or the affected portions of our source code, which could allow our competitors or other third parties to create similar products and services with lower development effort, time, and costs, and could ultimately result in a loss of transaction volume for us. We cannot ensure that we have not incorporated open source software in our software in a manner that is inconsistent with the terms of the applicable license or our current policies, and we or our third party contractors or suppliers may inadvertently use open source in a manner that we do not intend or that could expose us to claims for breach of contract or intellectual property infringement, misappropriation, or other violation. If we fail to comply, or are alleged to have failed to comply, with the terms and conditions of our open source licenses, we could be required to incur significant legal expenses defending such allegations, be subject to significant damages, be enjoined from the sale of our products and services, and be required to comply with onerous conditions or restrictions on our products and services, any of which could be materially disruptive to our business.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software because open source licensors generally do not provide warranties or other contractual protections regarding infringement, misappropriation, or other violations, the quality of code, or the origin of the software. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business, results of operations, financial condition, and prospects. For instance, open source software is often developed by different groups of programmers outside of our control that collaborate with each other on projects. As a result, open source software may have security vulnerabilities, defects, or errors of which we are not aware. Even if we become aware of any security vulnerabilities, defects, or errors, it may take a significant amount of time for either us or the programmers who developed the open source software to address such vulnerabilities, defects, or errors, which could negatively impact our products and services, including by adversely affecting the market's perception of our products and services, impairing the functionality of our products and services, delaying the launch of new products and services, or resulting in the failure of our products and services, any of which could result in liability to us, our vendors, and our service providers. Further, our adoption of certain policies with respect to the use of open source software may affect our ability to hire and retain employees, including engineers.

Any loss of licenses or any quality issues with third-party technologies that support our business operations or are integrated with our products or services could have an adverse impact on our reputation and business.

In addition to open source software, we rely on certain technologies that we license from third parties, which we may use to support our business operations and incorporate into our products or services. This third-party technology may currently, or could in the future, infringe, misappropriate, or violate the intellectual property rights of third parties, or the licensors of such technology may not have sufficient rights to the technology they license us in all jurisdictions in which we may offer our products or services. We engage third parties to provide a variety of technology to support our business infrastructure. Any failure on the part of our third-party providers or of our business infrastructure to operate effectively, stemming from maintenance problems, upgrading or transitioning to new platforms, a breach in security, or other unanticipated problems could result in interruptions to or delays in our operations or our products or services. The licensors of third-party technology we use may discontinue their offerings or change the terms under which their technology is licensed. If we are unable to continue to license any of this technology on terms we find acceptable, or if there are quality, security, or other substantive issues with any of this technology, we may face delays in releases of our solutions or we may be required to find alternative vendors or remove functionality from our solutions or internal business infrastructure. In addition, our inability to obtain certain licenses or other rights might require us to engage in litigation regarding these matters. Any of the foregoing could have a material adverse effect on our business, financial condition, and results of operations.

Misconduct and errors by our employees, vendors, and service providers could harm our business and reputation.

We are exposed to many types of operational risk, including the risk of misconduct and errors by our employees, vendors, and other service providers. Our business depends on our employees, vendors, and service providers to process a large number of increasingly complex transactions, including transactions that involve significant dollar amounts and loan transactions that involve the use and disclosure of personal and business information. We could be materially and adversely affected if transactions were redirected, misappropriated, or otherwise improperly executed, personal and business information was disclosed to unintended recipients, or an operational breakdown or failure in the processing of other transactions occurred, whether as a result of human error, a purposeful sabotage or a fraudulent manipulation of our operations or systems. If any of our employees, vendors, or service providers take, convert, or misuse funds, documents, or data, or fail to follow protocol when interacting with consumers and merchants, we could be liable for damages and subject to regulatory actions and penalties. We could also be perceived to have facilitated or participated in the illegal misappropriation of funds, documents, or data, or the failure to follow protocol, and therefore be subject to civil or criminal liability. It is not always possible to identify and deter misconduct or errors by employees, vendors, or service providers, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. Any of these occurrences could result in our diminished ability to operate our business, potential liability to consumers and merchants, inability to attract future consumers and merchants, reputational damage, regulatory intervention, and financial harm, which could negatively impact our business, results of operations, financial condition, and prospects.

Our business is subject to risks beyond our control, including fires, floods, pandemics, and other natural catastrophic events and to interruption by man-made issues such as strikes.

Our systems and operations are vulnerable to damage or interruption from fires, floods, power losses, telecommunications failures, strikes, health pandemics, and similar events. A significant natural disaster in locations in which we have employees, offices or other facilities could have a material adverse effect on our business, results of operations, financial condition, and prospects, and our insurance coverage may be insufficient to compensate us for losses that may occur. In addition, strikes, wars, terrorism, and other geopolitical unrest could cause disruptions in our business and lead to interruptions, delays, or loss of critical data. We may not have sufficient protection or an effective recovery plan in certain circumstances, and our business interruption insurance may be insufficient or inadequate to recoup losses that we incur from these occurrences.

We may not have adequate insurance to cover losses and liabilities.

We maintain insurance we consider appropriate for our business needs. However, we may not be insured against all risks, either because appropriate coverage is not available or because we consider the applicable premium and deductibles to be excessive in relation to the perceived benefits that would accrue. Accordingly, we may not be fully insured or insured at all against losses and liabilities that could unintentionally arise from our operations. The incurrence of uninsured or partially insured losses or liabilities could have a material adverse effect on our business, results of operations and financial condition.

Any inability to retain our workforce or recruit additional workforce could adversely impact our financial position.

Our ability to effectively execute our growth strategy depends upon the performance and expertise of our workforce. We rely on experienced managerial and highly qualified technical individuals to develop and operate our technology and to direct operational staff to manage the operational, sales, compliance and other functions of our business.

We may not be able to attract and retain key individuals or be able to find effective replacements in a timely manner. The loss of key individuals, or any delay or inability to replace such individuals, could impact our ability to operate our business and achieve our growth strategies, including through the development of new systems and technology. There is a risk that we may not be able to recruit suitably qualified and talented employees in a timeframe that meets our growth objectives. This may result in delays in the integration of new systems, development of technology and general business expansion. There is also a risk that we will be unable to retain existing staff, or recruit new staff, on terms of retention that are as attractive to us. Our inability to retain or recruit key individuals would likely have a material adverse effect on our business, results of operation and financial condition.

In addition, since March 2020 we have transitioned to a primarily remote-first working environment, with only a modest in-office presence of hybrid workers. There is a risk that continuing such an arrangement in the future may decrease the cohesiveness of our teams and our ability to maintain our culture, both of which are critical to our success. Additionally, a remote-first working environment may impede our ability to undertake new business projects, to foster a creative environment, to hire new team members, and to retain existing team members. Such effects may adversely affect the productivity of our team members and overall operations, which could have a material adverse effect on our business, results of operations, financial condition, and prospects.

Risks Related to Our Regulatory Environment

The BNPL industry is subject to various and complex state and federal laws in the United States and federal, provincial and territorial laws in Canada, and the costs to maintain compliance with such laws and regulations may be significant.

We are subject to a range of state and federal laws and regulations concerning consumer finance that can be highly technical, subject to varying interpretations, and potentially conflict or overlap as they change over time. These laws and regulations include but are not limited to state lending licensing or other state licensing or registration laws, consumer credit disclosure laws such as Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), the Truth in Lending Act ("TILA"), the Fair Credit Reporting Act ("FCRA") and other laws concerning credit reports and credit reporting, the Equal Credit Opportunity Act ("ECOA") which addresses anti-discrimination, the Electronic Fund Transfer Act ("EFTA") and the rules and guidelines of National Automated Clearing House Association ("NACHA") which governs the ACH network and electronic money movement, a variety of anti-money laundering and anti-terrorism financing rules, the Telephone Consumer Protection Act ("TCPA"), the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-SPAM Act") and other laws concerning initiating phone calls or text messages and electronic mail, the Electronic Signatures in Global and National Commerce Act, debt collection laws, laws governing short-term consumer loans and general consumer protection laws, such as laws that prohibit unfair, deceptive, misleading or abusive acts or practices. There is also the potential that we may become subject to additional legal or regulatory requirements if our business operations, strategy or geographic reach expand in the future. These laws and regulations may also change in the future, and they may be applied to us and the Sezzle Platform in a manner that we do not currently anticipate. While we have developed policies and procedures designed to assist in compliance with laws and regulations applicable to our business, no assurance is given that our compliance policies and procedures will be effective. We may not always have been, and may not always be, in compliance with these laws and regulations and such non-compliance could have a material adverse effect on our business, results of operations and financial condition.

In Canada, we are subject to a range of federal and provincial laws and regulations including, but not limited to, provincial and territorial consumer finance legislation (including prohibition on late fees, limits on default charges, debt collection laws and requirements), consumer lender licensing or registration laws, consumer contract and credit disclosure laws, credit advertising requirements, e-commerce laws and unfair practices regulation, Canadian sanctions laws, federal and provincial-level private sector privacy laws, federal Canadian anti-spam legislation, federal and provincial human rights legislation, Quebec Charter of French language laws and requirements, and regulation under Payments Canada Rule H1- Pre-Authorized Debit Rules in respect of the acceptance of payments from Canadian bank accounts. We are also subject to FINTRAC guidance and rules in part, and have registered our business under the Retail Payments Activities Act. There is also the potential that we may become subject to additional legal or regulatory requirements if our business operations, strategy or geographic reach expand in the future.

New laws or regulations in the U.S. or Canada, or laws and regulations in new markets, that apply to us or our business could also require us to incur significant expenses and devote significant management attention to ensure compliance. In addition, our failure to comply with these laws or regulations may result in litigation or enforcement actions, the penalties for which could include: revocation of our licenses, fines and other monetary penalties, civil and criminal liability, substantially reduced payments by borrowers, modification of the original terms of loans, permanent forgiveness of debt, or inability to, directly or indirectly, collect all or a part of the principal of or interest on loans. Further, we may not be able to respond quickly or effectively to regulatory, legislative, and other developments, and these changes may in turn impair our ability to offer our existing or planned features, products, and services and/or increase our cost of doing business.

In the United States, we have certain state lending licenses and other licenses, which subject us to supervisory oversight from these license authorities and periodic examinations. Our business is also generally subject to investigation by regulators and enforcement agencies, regardless of whether we have a license from such authorities. These regulators and enforcement agencies may receive complaints about us. Investigations or enforcement actions may be costly and time consuming. Enforcement actions by such regulators and enforcement agencies could lead to fines, penalties, consumer restitution, the cessation of our business activities in whole or in part, or the assertion of private claims and lawsuits against us. In the United States, these regulators and agencies at the state level include state licensing agencies, financial regulatory agencies, and attorney general offices. At the federal level in the United States, these regulators and agencies include the Federal Trade Commission ("FTC"), the CFPB, FinCEN, and OFAC, any or all of which could subject us to burdensome rules and regulations that could increase costs and use of our resources in order to satisfy our compliance obligations.

In Canada, we are currently licensed as a lender where we believe required. In connection with our business activities, we are also generally subject to consumer protection legislation and other laws and, on that basis, our business is also generally subject to regulatory oversight and supervision from federal and/or provincial regulators in respect of those activities, regardless of whether we have a license. These regulators and enforcement agencies generally act on a complaints-basis and may receive consumer complaints about us. Investigations or enforcement actions may be costly and time consuming. Enforcement actions by such regulators and enforcement agencies could lead to fines, penalties, consumer restitution, the cessation of our business activities in whole or in part, or the assertion of private claims and lawsuits against us.

Compliance with these laws and regulations is costly, time-consuming, and limits our operational flexibility. Any failure or perceived failure to comply with any statute, ordinance, regulation, rules and/or guidance may subject us to significant fines, penalties, criminal and civil lawsuits, and enforcement actions in one or more jurisdictions; result in significant compliance costs and licensing requirements, cause us to lose existing licenses or prevent or delay us from obtaining pending licenses; restrict our operations or force us to make changes to our business practices; and incur significant reputational damage. Legal proceedings brought under state consumer protection statutes or under federal consumer financial services statutes subject to the jurisdiction of the CFPB and FTC, in particular, may result in a separate fine for each violation of the statute, which, particularly in the case of class action lawsuits, could result in damages in excess of the amounts we earned from the underlying activities.

We are subject to the regulatory, supervisory, and enforcement authority of the CFPB. Regulations issued by the CFPB or examinations by the CFPB, or changes in such regulations and examinations, could impact our business and financial condition due to, among other things, increased compliance costs or costs due to noncompliance.

Under Title X of the Dodd-Frank Act, the CFPB continues to have broad authority to regulate and supervise providers of consumer financial products and services such as Sezzle. The CFPB is specifically authorized, among other things, to take actions to prevent companies providing consumer financial products or services and their service providers from engaging in unfair, deceptive or abusive acts or practices in connection with consumer financial products and services, and to issue rules requiring enhanced disclosures for loan products and services. The CFPB also has authority to interpret, enforce, and issue regulations implementing enumerated consumer laws that apply to our business.

In 2017, the CFPB issued a final rule under its unfair, deceptive and abusive acts and practices rule-making authority relating to certain installment loans entitled “Payday, Vehicle Title, and Certain High-Cost Installment Loans” (the "Rule"). The Rule introduces new limitations on repayment for lenders of certain installment loans. If a consumer has two consecutive failed payment attempts, the lender must obtain a consumer’s new and specific authorization to make further withdrawals from the consumer’s bank account. The lender may also be required to provide certain notices to consumers before attempting a first payment withdrawal, an unusual withdrawal and/or after two consecutive failed payment attempts. The Rule became effective on March 30, 2025, however, on March 28, 2025, the CFPB announced it would not prioritize supervisory or enforcement actions related to compliance with the Rule. Despite this enforcement posture, the Rule remains effective and compliance obligations may still apply, including through potential state enforcement actions or future changes to the CFPB’s supervisory or enforcement priorities. Compliance with the Rule may require changes to our practices and procedures for loans to which the Rule applies and the profitability of such loans. Additionally, any further regulatory changes to the Rule could have effects that could further materially and adversely impact our business and operations.

In addition to the above, we may become subject to future CFPB rule-making and the enactment of one or more of such regulatory changes, or the exercise of broad regulatory authority by the CFPB over the Company’s business or discretionary consumer financial transactions, generally, could materially and adversely affect our business, results of operations and prospects. See “*Risks Related to Our Industry-The BNPL industry has become subject to increased regulatory scrutiny, and our failure to manage our business to comply with new regulations would materially and adversely affect our business, results of operations and financial condition”* for more information.

We rely on our originating bank partner for a substantial majority of the loans facilitated on the Sezzle Platform and if this relationship is successfully challenged or deemed impermissible, we could be found to be in violation of licensing, interest rate limit, lending, or brokering laws and face penalties, fines, litigation, or regulatory enforcement.

A substantial majority of the loans facilitated through the Sezzle Platform are originated by WebBank, our originating bank partner, and we rely on our originating bank partner model to comply with various federal and state laws in accordance with the Depository Institutions Deregulation and Monetary Control Act of 1980 ("DIDMCA") and the Valid-When-Made Rule. Pursuant to the DIDMCA, a state-chartered, FDIC-insured bank is permitted to "export" interest rates from the state where the bank is located for loans originated by such bank, regardless of the usury limitations imposed by the state law of the borrower's residence, unless the borrower's state has chosen to opt out of the exportation regime. The Valid-When-Made Rule provides, generally, that the determination of whether interest on a loan is permissible under Section 27 is made at the time the loan is made and that interest on a loan permissible under Section 27 shall not be affected by the sale, assignment, or other transfer of the loan, in whole or in part.

While a number of state attorneys general have unsuccessfully challenged the Valid-When-Made Rule, if the legal structure underlying our relationship with WebBank was successfully challenged, we may be in violation of state licensing requirements and state laws regulating interest rates and other aspects of consumer lending. Many states have passed laws, or have proposed laws, capping interest rates on consumer loans at rates that are lower than the annual percentage rate of some the loans originated on the Sezzle Platform. In the event of such a challenge or if our arrangement with our originating bank partner were to change or terminate for any reason, we would need to rely on an alternative bank relationship or originate these loans ourselves and be subject to these interest rate limitations.

In addition, some state legislatures have passed laws or have proposed or are threatening to propose laws, that opt out of the DIDMCA to prevent out of state, state-chartered, FDIC-insured banks from exporting the interest rate in which they are located to such state. For example, the State of Iowa opted out in the 1980s and, in 2023, the State of Colorado enacted legislation to opt-out of DIDMCA's interest-rate exportation provisions. In March 2024, industry trade associations challenged Colorado's DIDMCA opt-out law, and a federal district court issued a preliminary injunction blocking its enforcement. In November 2025, the U.S. Court of Appeals for the Tenth Circuit issued a decision in the case; however, the preliminary injunction remains in effect unless and until further court action lifts it. If the injunction is lifted and Colorado's opt-out law becomes enforceable, Colorado regulators could seek to apply the state's interest rate limits and other consumer lending laws to out-of-state, state-chartered, FDIC-insured banks making loans to Colorado residents. Enforcement of Colorado's opt-out law, or the adoption or enforcement of similar laws in other states, could limit our and our bank partner's ability to rely on federal interest rate exportation, increase compliance and operational complexity and costs, require changes to our product pricing or structure, or result in the discontinuation of certain products in affected jurisdictions, which could adversely affect our business, results of operations, and financial condition.

In addition, some state legislatures have passed laws, or have proposed or are threatening to propose laws, to determine the "true lender" with respect to certain loans, including laws that implement a "totality of the circumstances" test or "predominant economic interest" test. There also have been private litigation and government enforcement actions seeking to re-characterize a lending transaction, claiming that another entity was the de facto lender, or true lender, instead of the named lender. These claims are generally based on state lending laws or state common law through which a private litigant or government agency could seek to license, regulate or prohibit the activities of the entity they consider the de facto lender. Any such litigation or enforcement action with respect to a loan facilitated through the Sezzle Platform against us or our originating bank partner could subject us or them to claims for damages, disgorgement, or other penalties.

Any of the foregoing changes in law or interpretation or enforcement of existing laws could impair our relationship with our originating bank partner and could adversely impact our business, results of operations and financial condition.

If loans made by us under our state lending licenses are found to violate applicable state lending or other laws, or if we were found to be operating without having obtained necessary licenses or approvals, it could adversely affect our business, results of operations, financial condition, and prospects.

Certain states have adopted laws regulating and requiring licensing, registration, notice filing, or other approval by parties that engage in certain activity regarding consumer finance transactions. Furthermore, certain states and localities have also adopted laws requiring licensing, registration, notice filing, or other approval for consumer debt collection or servicing, and/or purchasing or selling consumer loans. We have obtained lending licenses or made applicable notice filings in certain states, and we may in the future pursue obtaining additional licenses or making additional notice filings. The loans we may originate or service on the Sezzle Platform pursuant to these state licenses are subject to state licensing and interest rate restrictions, as well as numerous state requirements regarding consumer protection, interest rate, disclosure, prohibitions on certain activities, and loan term lengths. We cannot assure you that we will be successful in obtaining state licenses in other states or that we have not yet been required to apply for.

The application of certain consumer financial licensing laws to our platform and business is unclear. In addition, licensing requirements may evolve over time. If we were found to be in violation of applicable licensing requirements by a court or a state, federal, or local enforcement agency, or agree to resolve such concerns by voluntary agreement, we could be subject to revocation or suspension of such license or agree to pay fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas), criminal penalties, and other penalties or consequences, and the loans facilitated through our platform could be rendered void or unenforceable in whole or in part, any of which could have an adverse effect on the enforceability or collectability of the loans facilitated through our platform.

Litigation, regulatory actions, and compliance issues could subject us to fines, penalties, judgments, remediation costs, and requirements resulting in increased expenses.

In the ordinary course of business, we have been, are, or may be named as a defendant in various legal actions, including arbitrations and other litigation. From time to time, we may also be involved in, or the subject of, reviews, requests for information, investigations, and proceedings (both formal and informal) by state and federal governmental agencies, including banking regulators, the FTC, and the CFPB, regarding our business activities and our qualifications to conduct our business in certain jurisdictions, which could subject us to fines, penalties, obligations to change our business practices, and other requirements resulting in increased expenses and diminished earnings. Our involvement in any such matter also could cause harm to our reputation and divert management attention from the operation of our business, even if the matters are ultimately determined in our favor. Moreover, any settlement, or any consent order or adverse judgment, in connection with any formal or informal proceeding or investigation by a government agency, may prompt litigation or additional investigations or proceedings as other litigants or other government agencies begin independent reviews of the same or similar activities.

In addition, a number of participants in the consumer finance industry have been and are the subject of putative class action lawsuits; state attorney general actions and other state regulatory actions; federal regulatory enforcement actions, including actions relating to alleged UDAAP; violations of state licensing and lending laws, including state interest rate limits; actions alleging discrimination on the basis of race, ethnicity, gender, or other prohibited bases; and allegations of noncompliance with various state and federal laws and regulations relating to originating and servicing consumer finance loans. BNPL competitors in the BNPL space are subject to ongoing class action litigation, including allegations of unfair business and deceptive practices, and we may become subject to similar types of litigation in the future. The current regulatory environment, increased regulatory compliance efforts, and enhanced regulatory enforcement have resulted in significant operational and compliance costs and may prevent us from providing certain products and services. There is no assurance that these regulatory matters or other factors will not, in the future, affect how we conduct our business and, in turn, have a material adverse effect on our business. In particular, legal proceedings brought under state consumer protection statutes or under federal consumer financial services statutes subject to the jurisdiction of the CFPB and FTC may result in a separate fine for each violation of the statute, which, particularly in the case of class action lawsuits, could result in damages in excess of the amounts we earned from the underlying activities.

Stringent and evolving laws and regulations relating to privacy and data protection could result in claims, harm our results of operations, financial condition, and prospects, or otherwise harm our business.

We process significant volumes of personal, financial and transaction data in connection with our platform and services. As a result, we are subject to a complex and evolving array of laws, rules, directives, and regulations, as well as contractual obligations, relating to privacy and data protection, including with respect to cloud computing and artificial intelligence and machine learning ("AI/ML"). The legal and regulatory environment relating to privacy and data protection laws continues to develop and evolve in ways we cannot predict. Any failure or alleged failure by us to comply with our privacy policies as communicated to customers or with privacy and data protection laws could result in proceedings or actions against us by data protection authorities, other government agencies, or others, which could subject us to significant fines, penalties, judgments, and negative publicity, require us to change our business practices, increase the costs and complexity of compliance, result in reputational harm, and materially harm our business. Compliance with inconsistent privacy and data protection laws may also restrict or limit our ability to provide products and services to our customers, or alternatively increase our costs in ways that could materially and adversely affect our financial position.

We use AI/ML in certain aspects of our operations, including for fraud detection and risk management. If the AI/ML models are incorrectly designed, the data we use to train them is incomplete, inadequate, or biased in some way, or we do not have sufficient rights to use the data on which our AI/ML models rely, the performance of our products, services, and business, as well as our reputation, could suffer or we could incur liability through the violation of laws, third-party privacy, or other rights, or contracts to which we are a party. In addition, future privacy and data protection laws, rules, directives, and regulations may complicate or limit efforts to use data in connection with AI/ML.

We publicly post policies and documentation regarding our practices concerning the processing of personal information. This publication of our privacy policy and other documentation that provide information about our privacy and security practices is required by applicable law and can subject us to proceedings and actions brought by data protection authorities, government entities, or others (including, potentially, in class action proceedings brought by individuals) if our policies are alleged to be deceptive, unfair, or misrepresentative of our actual practices. Although we endeavor to comply with our published policies and documentation consistent with applicable law, we may at times fail to do so or be alleged to have failed to do so.

Many jurisdictions in which we operate have enacted, or are in the process of enacting, data privacy legislation or regulations aimed at creating and enhancing individual privacy rights. A growing number of U.S. states have enacted or are in the process of enacting state level data privacy laws and regulations governing the collection, use, and retention of their residents' personal information, including the California Consumer Privacy Act, California Privacy Rights Act, Minnesota Consumer Data Privacy Act, Virginia Consumer Data Protection Act, Colorado Privacy Act, Utah Consumer Privacy Act, Texas Data Privacy and Security Act, Delaware Personal Data Privacy Act, Montana Consumer Data Privacy Act, Iowa Consumer Data Protection Act, Nebraska Data Privacy Act, New Jersey Privacy Act, New Hampshire Expectation of Privacy Act, Tennessee Information Protection Act, Rhode Island Data Transparency and Privacy Protection Act, Oregon Consumer Privacy Act, Maryland Online Data Privacy Act, Kentucky Consumer Data Protection Act, Indiana Consumer Protection Act, and Connecticut Data Privacy Act. Internationally, we are currently or have in the past been subject to the Canadian Personal Information Protection and Electronic Documents Act ("PIPEDA") in Canada. The continued proliferation of privacy laws in the jurisdictions in which we operate is likely to result in a disparate array of privacy rules with unaligned or conflicting provisions, accountability requirements, individual rights, and national or local enforcement powers, which could lead to increased regulatory scrutiny and business costs, or unintended consumer confusion. It may also increase our potential liability and may inhibit our operations to the extent that such requirements do not allow international transfers of personal information or otherwise restrict our processing of personal information or the availability of personal information to us.

Our failure, or the failure of any third party with whom we conduct business, to comply with privacy, data protection and AI/ML laws could result in potentially significant regulatory investigations and government actions, litigation, fines, or sanctions, consumer, funding source, bank partner, or merchant actions, and damage to our reputation and brand, all of which could have a material adverse effect on our business. Complying with privacy and data protection laws and regulations may cause us to incur substantial operational costs or require us to change our business or privacy and security practices. We may not be successful in our efforts to achieve compliance either due to internal or external factors, such as resource allocation limitations or a lack of cooperation from third parties. We have in the past, and may in the future, receive complaints or notifications from third parties, including individuals, alleging that we have violated applicable privacy and data protection laws and regulations.

Non-compliance could result in proceedings against us by governmental entities, consumers, data subjects, or others. We may also experience difficulty retaining or obtaining new consumers in these jurisdictions due to the legal requirements, compliance cost, potential risk exposure, and uncertainty for these entities, and we may experience significantly increased liability with respect to these consumers pursuant to the terms set forth in our agreements with them.

Any claims regarding our inability to adequately address privacy and data protection concerns, even if unfounded, or to comply with applicable privacy and data protection laws, regulations, contractual requirements, and policies, could result in additional cost and liability to us, damage our reputation, and adversely affect our business. Privacy and data protection concerns, whether valid or not, may inhibit market adoption of our products and services, particularly in certain industries and jurisdictions. If we are not able to quickly adjust to changing laws, regulations, and standards related to the internet, our business may be harmed.

Risks Related to Our Corporate Structure

We do not currently intend to pay dividends on our common stock; holders will benefit from an investment in our common stock only if it appreciates in value.

We have never declared nor paid dividends on our common stock and currently have no intention to pay cash dividends on our common stock in the near term. The payment of dividends on our common stock will be at the discretion of our board directors and will depend on our financial condition, operating results, current and anticipated cash needs, the requirements of our current or then-existing debt instruments, and other factors our board of directors deems relevant. As a result, the success of an investment in our common stock will depend entirely upon future appreciation in its value. There is no guarantee that our common stock will maintain its value or appreciate in value.

The trading price of our common stock has been, and may continue to be, volatile.

The trading price of our common stock has experienced substantial volatility and may continue to be volatile. The closing price of our common stock between February 27, 2025 and February 25, 2026 has ranged from a low of $28.70 and a high of $182.16. Various factors have impacted, and may continue to impact, the trading price of our common stock, including but not limited to, the following:

- trading volume or the size of our public float of our common stock;
- previous and future strategic actions and manipulations of the market for our securities by short sellers;
- failure by industry or securities analysts to maintain coverage of us, downgrade of our common stock by analysts or provision of a more favorable recommendation of our competitors;
- failure by analysts to regularly publish research reports or the publication of an unfavorable or inaccurate report about our business;
- changes by external analysts to their financial and operating estimates for our company or our performance relative to third parties' estimates or the expectations;
- forward-looking financial or operating information or financial projections we may provide to the public and any changes in that information or projections or our failure to meet projections;
- the public’s perception of the quality and accuracy of our key operating metrics;
- the public’s reaction to our press releases, other public announcements and filings with the SEC;
- sales, or anticipated sales, of shares of our common stock by us or our stockholders, including our directors and officers;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- adverse resolution of new or pending litigation, claims, or investigations against us;
- announcements by us or our competitors of new products, features, services, technical innovations;
- rumors and market speculation involving us or other companies in our industry; and
- existing, new and evolving regulations in the United States.

We may initiate stock buyback programs in the foreseeable future and, if initiated, we cannot guarantee that such programs will enhance the long-term value of our share price.

During the year ended December 31, 2025, we repurchased approximately $50.0 million of our common stock in the open market, and, on December 15, 2025, we received approval from our Board of Directors to repurchase an additional $100.0 million of our common stock. Stock repurchases could affect the price of our stock and increase volatility in the market. We cannot guarantee that these repurchases will continue or, if we do repurchase additional common stock, if such program will enhance the long-term value of our share price.

Our major stockholder owns a large percentage of our stock and can exert significant influence over us.

Our Chief Executive Officer and Chairman, Charles Youakim, is our largest stockholder. As reported in Amendment No. 1 to Mr. Youakim's Schedule 13D filed with the SEC on February 11, 2025, Mr. Youakim holds approximately 44.2% of all shares of our common stock outstanding and can exert significant influence over us, including in relation to the election of directors, the appointment of new management and the potential outcome of matters submitted to the vote of stockholders. As a result, other stockholders have minimal control and influence over any matters submitted to our stockholders. There is a risk that the interests of our largest stockholder may be different from those of other stockholders. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support, or conversely this concentrated control could also discourage certain potential investors from acquiring our common stock and might harm the trading price of our stock. In addition, our officers and directors the ability to control the management and major strategic investments of our Company as a result of their positions within the Company as our and their ability to control the election or replacement of directors.

Future sales of common stock by our directors and officers could adversely affect the price of our common stock and could, in the future, result in a loss of control of our Company.

Consistent with our securities trading policy, certain of our directors and officers have in the past, and may continue in the future, to sell certain shares of our common stock in compliance with the terms of our securities trading policy. These sales may occur in accordance with the terms of the plan of distribution included in our Registration Statement on Form S-3 (File No. 333-270755) filed with the SEC on July 10, 2024, or in lieu thereof, within the restrictions imposed by Rule 144 under the Securities Act. Sales by insiders could cause our share price to decrease as a result of such sales, and if a large number of shares are sold, could result in a loss of control of our company.

Future sales of common stock by our directors and officers, or their pledgees, as a result of foreclosure could adversely affect the price of common stock and could, in the future, result in a loss of control of our company.

Upon the approval of our Audit & Risk Committee, our directors and officers may pledge shares of common stock as collateral for personal loans or investments in favor of third parties. Depending on the status of the various loan obligations for which the stock would ultimately serve as collateral and the trading price of our common stock, our directors and/or officers, and their affiliates, may experience foreclosure that could result in the sale of the pledged stock, in the open market or otherwise. Sales by these pledgees may not be subject to the volume limitations of Rule 144 of the Securities Act. Even in the absence of shares being sold, the act of pledging shares and the risk of sales of shares may create a misalignment of interests between insider pledgors and the Company's shareholders, as the insider may be incentivized to take actions that limit his or her exposure to such sales. Either scenario could potentially subject the Company and its insiders to shareholder lawsuits, particularly in an environment of declining share prices. As of the date of this Form 10-K, the only officer or director that has pledged shares of common stock is our Chief Executive Officer and Chairman, Charles Youakim.

Our Chairman and Chief Executive Officer is a party to a loan arrangement pursuant to which he has pledged as collateral a portion of his common stock in our company to an institutional lender, the sale or perceived sale of which may adversely impact the price of our common stock and result in negative publicity.

As reported in Amendment No. 1 to Mr. Youakim's Schedule 13D filed with the SEC on February 11, 2025, Mr. Youakim reported beneficial ownership of over 14,899,386 shares of our common stock, representing approximately 44.2% beneficial ownership. These shares are eligible for resale into the public market in accordance with the terms of the plan of distribution including in our Registration Statement on Form S-3 (File No. 333-270755) filed with the SEC on July 10, 2024, or in lieu thereof, with the restrictions imposed by Rule 144 under the Securities Act. A large percentage of Mr. Youakim's common stock in our company is subject to a pledge agreement between himself and Oppenheimer & Co., Inc. ("Oppenheimer"), an institutional lender. Upon the occurrence of certain events that are customary for these types of loans, including satisfaction of minimum margin maintenance requirements in accordance with Oppenheimer's internal policy or the rules of any organization or agency to which Oppenheimer is subject, Oppenheimer may exercise its rights to require Mr. Youakim to repay the loan proceeds or post additional collateral, and Oppenheimer may exercise its rights to foreclose on, and dispose of, the pledged shares, in each case, in accordance with the agreements by and between Oppenheimer and Mr. Youakim. A foreclosure on, or disposal of, the pledged shares may result in negative publicity, and have an adverse impact to our stock price.

We are no longer an "emerging growth company" or a "smaller reporting company" and the reduced U.S. public company reporting requirements applicable to emerging growth companies and smaller reporting companies will no longer apply to us.

As of December 31, 2025, we no longer qualify as an "emerging growth company," as defined in the JOBS Act or as a "smaller reporting company" as defined in the Exchange Act. Although we are permitted to continue to provide certain scaled disclosures through this Form 10-K, as incorporated by reference into our definitive proxy statement, we are no longer entitled to rely on various exemptions from disclosure and compliance requirements previously available to us. These include, among other things, compliance with the auditor attestation requirements under Section 404(b) of the Sarbanes-Oxley Act, expanded executive compensation disclosures, advisory votes on executive compensation matters, and other corporate governance and reporting obligations.

The loss of emerging growth company and smaller reporting company status has increased our accounting, legal, and compliance costs and placed additional demands on our management and financial resources. As a result, we are subject to expanded disclosure, internal control, and corporate governance requirements under SEC rules, the Sarbanes-Oxley Act, the Dodd-Frank Act, the Securities Act, the Exchange Act, and Nasdaq rules. If we are unable to comply with these requirements in a timely and effective manner, or if our disclosures are perceived as inadequate by investors or regulators, the market price of our common stock could decline and we could become subject to regulatory actions or stockholder litigation.

We incur significant costs and are subject to extensive regulations and requirements as a U.S. public company.

As a U.S. public company, we incur significant legal, accounting, compliance and other expenses that we did not incur as a private company. We are subject to the requirements of the Exchange Act, the Sarbanes-Oxley Act, the SEC rules, and the listing standards of Nasdaq. These requirements impose significant obligations.

Compliance with these requirements require considerable time and attention from our management and places demands on our systems and resources. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures, and internal controls over financial reporting. In addition, Nasdaq listing standards require corporate governance standards with which we must comply. The costs associated with public company reporting, internal controls, and corporate governance have increased in recent years and may continue to rise. These rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. As a public company, we face a more limited and expensive market for director and officer liability insurance and may incur higher premiums or accept reduced coverage. In addition, heightened governance and disclosure expectations. In addition, heightened governance and disclosure expectations increase the demands on our directors and executive officers and may affect our ability to attract and retain qualified persons to serve on our board of directors, on our board committees or as our executive officers. Advocacy efforts by stockholders and third parties may also prompt even more changes in governance and reporting requirements.

If we fail to comply with the applicable reporting, internal control, or listing requirements, we could be subject to delisting of our common stock on Nasdaq, as well as fines, sanctions and other regulatory action and civil litigation.

We can provide no assurance that our securities will continue to meet Nasdaq listing requirements. If we fail to comply with the continuing listing standards of the Nasdaq, our securities could be delisted.

Our common stock is listed for trading on the Nasdaq Capital Market tier of The Nasdaq Stock Market LLC ("Nasdaq"). Nasdaq requires its listed companies to abide by certain rules to maintain its listing, including corporate governance rules. Although we currently satisfy such rules and intend to continue to do so, there is no assurance that we will remain in compliance.

If we fail to meet Nasdaq's continued listing standards and are unable to regain compliance within any applicable cure period, our common stock could be delisted. A delisting would likely reduce the liquidity and market price of our common stock, limit the ability of investors to buy or sell shares, reduce analyst coverage, and impair our ability to raise additional capital.

Any delisting of our common stock could materially adversely affect our business, financial condition, and results of operations.

We discovered a material weakness in our internal control over financial reporting. If we fail to remedy the material weakness or otherwise fail to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to report our financial results on a timely and accurate basis may be adversely affected.

We are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal controls over financial reporting.

As described within our Management's Report on Internal Control over Financial Reporting within this Annual Report on Form 10-K, management identified a material weakness in its internal control over financial reporting with respect to the design and effectiveness of controls to evaluate the appropriate classification of the cash flows related to our notes receivable. While we have designed a remediation plan, we will not be able to conclude whether the remediation of the material weakness was successful until sufficient time has passed to allow management to test the design and operational effectiveness of the enhanced controls. Not remediating the material weakness or not identifying additional control weaknesses could result in additional accounting errors or reporting delays that could negatively impact our reputation or stock price.

To comply with Section 404 on an ongoing basis, we expect to incur additional costs, expend significant management time on compliance-related issues and hire and retain accounting, financial, and internal audit staff with appropriate public company experience and technical accounting knowledge. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, if we identify deficiencies in our disclosure controls and procedures, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. We could also become subject to investigations by the SEC and other regulatory authorities, which could require additional financial and management resources. In addition, if we fail to remedy any material weakness, our financial statements could be inaccurate and we could face restricted access to capital markets.

Some provisions of our charter documents may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our Fifth Amended and Restated Certificate of Incorporation (the "Charter") and our Third Amended and Restated Bylaws ("Bylaws") could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions include:

- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders;
- only our chairman of the board of directors, our chief executive officer, our president, or a majority of the board of directors are authorized to call a special meeting of stockholders;
- no provision in our Charter or Bylaws provides for cumulative voting, which limits the ability of minority stockholders to elect director candidates;
- our Charter authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued, without the approval of the holders of our capital stock; and
- certain litigation against us can only be brought in Delaware.

These anti-takeover defenses could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take corporate actions other than those you desire.

Our Charter designates the Court of Chancery of the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders and the federal district courts as the exclusive forum for Securities Act claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our Charter provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed to us or our stockholders by any of our directors, officers, employees or stockholders, (iii) any action asserting a claim against us arising under the Delaware General Corporation Law ("DGCL"), our Charter or our Bylaws, (iv) any action to interpret, apply, enforce, or determine the validity of our Charter or our Bylaws, (v) any action governed by the internal affairs doctrine; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, or to any claim for which the federal courts have exclusive jurisdiction. Our Charter also provides that, unless we consent in writing to the selection of an alternative forum, the U.S. federal district courts shall be the exclusive forum for the resolution of any claims arising under the Securities Act. Under the Securities Act, federal and state courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act. By becoming a stockholder in our company, you will be deemed to have notice of and have consented to the provisions of our Charter related to choice of forum. The choice of forum provisions in our Charter may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or may make such lawsuits more costly for stockholders. Additionally, the enforceability of choice of forum provisions in other companies' governing documents has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our Charter to be inapplicable or unenforceable in such action. If so, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

Risks Related to Our Existence as a Public Benefit Corporation

We operate as a Delaware public benefit corporation. As a public benefit corporation, we cannot provide any assurance that we will achieve our public benefit purpose.

As a public benefit corporation, we are required to produce a public benefit and to operate in a responsible and sustainable manner, balancing our stockholders' pecuniary interests, the best interests of those materially affected by our conduct, and the public benefits identified by our Charter. There is no assurance that we will achieve our public benefit purpose or that the expected positive impact from being a public benefit corporation will be realized, which could have a material adverse effect on our reputation, our business, results of operations, and financial condition.

As a public benefit corporation, we are required to publicly disclose a report at least biennially on our overall public benefit performance and on our assessment of our success in achieving our specific public benefit purpose. If we are not timely or are unable to provide such reports, or if these reports are not viewed favorably by our investors, parties doing business with us or regulators or others reviewing our credentials, our reputation and status as a public benefit corporation may be harmed.

As a public benefit corporation, our focus on providing a specific public benefit purpose and producing a positive effect for society may negatively impact our financial condition.

Unlike traditional corporations, in which directors have a fiduciary duty to focus exclusively on maximizing stockholder value, our directors have a fiduciary duty to consider not only the stockholders' interests, but also our specific public benefit and the interests of other stakeholders affected by our actions. Therefore, we may take actions that we believe will be in the best interests of those stakeholders materially affected by our specific benefit purpose, even if those actions do not maximize our financial results, and we may be restricted from pursuing certain growth opportunities to the extent not consistent with our public benefit corporation status. While we intend for this public benefit designation and obligation to provide an overall net benefit to us and our customers, it could instead cause us to make decisions and take actions without seeking to maximize the income generated from our business, and hence available for distribution to our stockholders. Our pursuit of longer-term or non-pecuniary benefits may not materialize within the timeframe we expect, or at all, yet may have an immediate negative effect on any amounts available for distribution to our stockholders. Accordingly, being a public benefit corporation and complying with our related obligations could have a material adverse effect on our business, results of operations and financial condition. To the extent the market ties our stock price to the results of our business, operations and financial results, such material adverse effects would likely cause our stock price to decline.

As a public benefit corporation, we may be less attractive as a takeover target than a traditional company because our directors have a fiduciary duty to consider not only the stockholders' financial interests, but also our specific public benefit and the interests of other stakeholders affected by our actions and, therefore, our stockholders' ability to realize a return on their investments through an acquisition may be limited. Additionally, public benefit corporations may also not be attractive targets for activists or hedge fund investors because new directors would still have to consider and give appropriate weight to the public benefit along with stockholder value, and stockholders committed to the public benefit can enforce this through derivative suits. Further, by requiring that board of directors of public benefit corporations consider additional constituencies other than maximizing shareholder value, Delaware public benefit corporation law could potentially make it easier for a board to reject a hostile bid, even where the takeover would provide the greatest short-term financial return to investors.

Our directors have a fiduciary duty to consider not only our stockholders' interests, but also our specific public benefit and the interests of other stakeholders affected by our actions. If a conflict between such interests arises, there is no guarantee such a conflict would be resolved in favor of our stockholders.

While directors of traditional corporations are required to make decisions they believe to be in the best interests of their stockholders, directors of a public benefit corporation have a fiduciary duty to consider not only the stockholders' interests, but also the company's specific public benefit and the interests of other stakeholders affected by the company's actions. Under Delaware law, directors are shielded from liability for breach of these obligations if they make informed and disinterested decisions that serve a rational purpose. Thus, unlike traditional corporations which must focus exclusively on stockholder value, our directors are not merely permitted, but obligated, to consider our specific public benefit and the interests of other stakeholders. In the event of a conflict between the interests of our stockholders and the interests of our specific public benefit or our other stakeholders, our directors must only make informed and disinterested decisions that serve a rational purpose; thus, there is no guarantee such a conflict would be resolved in favor of our stockholders, which could have a material adverse effect on our business, results of operations and financial condition, which in turn could cause our stock price to decline.

As a Delaware public benefit corporation, we may be subject to increased derivative litigation concerning our duty to balance stockholder and public benefit interest, the occurrence of which may have an adverse impact on our financial condition and results of operations.

Stockholders of a Delaware public benefit corporation (if they, individually or collectively, own at least two percent of a company's outstanding shares or, in the case of a corporation with shares listed on a national securities exchange, the lesser of such percentage or shares with a market value of at least $2 million as of the date the action is filed) are entitled to file a derivative lawsuit claiming the directors failed to balance stockholder and public benefit interests. Although traditional Delaware corporations are also subject to derivative litigation, the public benefit corporation framework creates an additional statutory basis for claims relating to the balancing of stockholder and public benefit interests. Therefore, we may be subject to the possibility of increased derivative litigation, which would require the attention our management, and, as a result, may adversely impact our management's ability to effectively execute our strategy. Additionally, any such derivative litigation may be costly, which may have an adverse impact on our financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have integrated cybersecurity risk management into our overall risk management framework and include cybersecurity in our risk management processes and procedures and in our decision-making about and evaluation of such processes and procedures.

As part of our cybersecurity risk management, we regularly assess risks from cybersecurity and technology vulnerabilities and monitor our information systems for potential threats. We use a widely-adopted risk quantification model to identify, measure and prioritize cybersecurity and technology risks and develop related security controls and safeguards. In light of the industry in which we operate and our processing of sensitive information, we engage external auditors to annually assess our internal controls governing our services and data, to conduct a payment card industry data security standard review of our security controls protecting payment information, and to perform third-party penetration testing of our payment information and related systems. In addition, we engage third-party service providers to monitor our information storage and systems and to conduct evaluations of our security controls, including independent audits. The results of these independent audits are reported to our management who then report to the Audit and Risk Committee.

Broad oversight of our overall risk assessment, where we assess key risks including security and technology risks and cybersecurity threats, is maintained by our full Board. Our Board delegates to the Audit and Risk Committee oversight of our programs, policies, and procedures related to cybersecurity, information asset security, network security, and data privacy and protection. The Audit and Risk Committee reports on such matters to the full Board as needed. The Audit and Risk Committee also receives regular reports about our cybersecurity program from the Response Team described below.

We have implemented incident response and breach management processes which have overarching and interconnected stages, including (i) preparation for a cybersecurity incident, (ii) detection and analysis of an incident, (iii) containment, eradication, and recovery, and (iv) post-incident analysis. An internal committee of senior management (the “Response Team”) is responsible for overseeing our incident response and breach management processes. The Response Team is tasked with reporting to the Audit and Risk Committee incidents and other cybersecurity matters deemed important or to have a business impact, even if immaterial to the Company as a whole. The Response Team, as necessary and appropriate, is briefed by our information security and engineering teams with respect to risk assessments, mitigation strategies, areas of emerging risks, incidents and industry trends, and other areas of importance.

Cybersecurity Governance

Our cybersecurity risk management and strategy processes are overseen by the Response Team, including our Chief Operating Officer (“COO”). The individuals on the Response Team and our COO have prior work experience in various roles involving information technology, including security, auditing, compliance, systems and programming. These individuals are informed by our information security and engineering teams about, and monitor, the prevention, mitigation, detection and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response and breach management processes. The Response Team and COO report to the Audit and Risk Committee on any appropriate items. The Board retains broad oversight of all risk management of the Company.

Third Party Risk Management

Because we are aware of the risks associated with third-party service providers, we have implemented controls designed to identify and mitigate cybersecurity threats associated with our use of third-party service providers. Such third-party service providers are subject to security risk assessments at the time of onboarding, contract renewal, and upon detection of any heightened risk profile. We use a variety of inputs in such risk assessments, including information supplied by providers and certifications by third parties. In addition, we require our providers to meet appropriate security requirements, controls and responsibilities and we investigate security incidents that impact our third-party providers, as appropriate.

Risks from Cybersecurity Threats

As of the date of this report, we are not aware of any material risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations, or financial condition. However, we cannot provide assurance that we will not experience any such event in the future. For more information about the cybersecurity risks we face in connection with our business, see the risk factor entitled "*Data security breaches, cyberattacks, employee or other internal misconduct, malware, phishing or ransomware, physical security breaches, or other disruptions to our technology system or a compromise of our data security could occur and would materially adversely impact our business and ability to protect the confidential information in our possession or control*" in Item 1A of this Form 10-K, "*Risk Factors.*"

ITEM 2. PROPERTIES

Our corporate headquarters is currently located in Minneapolis, Minnesota where we lease 11,498 square feet of office space pursuant to a lease agreement that expires in June 2029. We also lease a small amount of additional space for our remote workforce to support our operations in North America and the winding down of our operations outside of North America. We believe that these premises are suitable and adequate for our needs now and for the foreseeable future. If required, we believe that suitable additional or alternative space would be available in the future on commercially reasonable terms.

ITEM 3. 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 a 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 has denied the allegations and filed a motion to dismiss the complaint. A hearing on such motion was held on December 8, 2025. As of the date of this report, the court has not issued a ruling on such motion and its outcome, including the timing of that outcome, 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 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Shares of Common Stock

Our common stock is listed on the Nasdaq Capital Market under the symbol "SEZL."

Holders of Record

As of February 24, 2026, there were 5,561 stockholders of record of our common stock.

Dividend Policy

We have never declared or paid any cash dividends. The payment of dividends on our common stock will be at the discretion of our Board of Directors and will depend on our financial condition, operating results, current and anticipated cash needs, the requirements of our current or then-existing debt instruments and other factors our Board of Directors deem relevant.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Throughout the three months ended December 31, 2025, 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 Reports on Form 8-K filed on March 10, 2025 and December 15, 2025. The table below presents information with respect to such common stock purchases made by us during the three months ended December 31, 2025, 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]
October 1, 2025 through October 31, 2025	—	$ —	—	$ 26,439,441
November 1, 2025 through November 30, 2025	401,247	54.12	341,650	8,177,473
December 1, 2025 through December 31, 2025	125,106	66.49	122,933	100,000,000
Total	**526,353**	**$ 57.06**	**464,583**	**$ 100,000,000**

(1) 61,770 shares were surrendered to satisfy minimum statutory tax obligations under our equity incentive plans.
(2) On March 10, 2025, the Board of Directors authorized a stock repurchase program to repurchase up to $50 million of our outstanding shares. This program commenced April 7, 2025 and expired December 4, 2025. 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 December 12, 2025, and does not have a fixed expiration date.

Recent Sales of Unregistered Securities

None.

ITEM 6. [RESERVED]

ITEM 7. 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 Form 10-K. This discussion and analysis may contain 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-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 a third-party partner 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.

We primarily operate in the United States and Canada, and are currently winding down and exiting operations in India and certain countries in Europe.

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 partner.

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, exclusive promotions for consumers using Sezzle, and Sezzle Capital, which facilitates access to small business loans issued by third-party lender.

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 2024, we launched Payment Streaks and Sezzle On-Demand. Our free Payment Streaks program enables consumers to ascend through loyalty tiers by consistently making on-time payments, with each tier providing additional benefits to consumers. 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 certain merchant, product, goods, and service restrictions) in exchange for a finance charge, which is added to the consumer's initial down payment.

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.

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 years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Gross Merchandise Volume ("GMV")	$ 3,940,422	$ 2,540,237	$ 1,400,185	55.1 %

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 subscription products and On-Demand; our focus on consumer acquisition, engagement, and retention through increased marketing and advertising initiatives; as well as changes to consumer underwriting.

Active Consumers and Monthly On-Demand Users and Subscribers

	As of December 31,		Change	
	2025	2024	#	%
	(in thousands, except percentages)			
Active Consumers	3,049	2,725	324	11.9 %
Monthly On-Demand Users and Subscribers	918	707	211	29.8 %

“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 December 31, 2025, plus consumers with an active subscription for either Sezzle Premium or Sezzle Anywhere as of the end of the period.

As of December 31, 2025, we had 0.7 million unique consumers who had an active subscription for either Sezzle Premium or Sezzle Anywhere (“Active Subscribers”), and 0.2 million unique consumers who placed an On-Demand order during the month ended December 31, 2025. The increase in both Active Consumers and MODS is attributed to increased marketing and advertising initiatives during the current year.

Components of Results of Operations

Total Revenue

Our total revenue is classified into three categories: transaction income, subscription revenue, and income from other sources.

Transaction Income

Transaction income is comprised of all income earned from merchants, consumers, and other third parties that relate to placing and processing orders on the Sezzle Platform. This includes merchant processing fees, partner income, and consumer fees.

We earn income from fees paid by merchants in exchange for our payment processing services. These merchant processing fees are applied to the underlying sales of consumers passing through our platform and are predominantly based on a percentage of the GMV plus a fixed fee per transaction. For orders that result in a financing receivable, merchant processing fees are recognized over the loan's duration using the effective interest method. For orders that do not result in a financing receivable, merchant processing fees are recognized at the time the sale is completed and not deferred over the life of the loan.
We also earn income from partners on consumer transactions. This income includes interchange fees through our virtual card solution and promotional incentives with third parties. Virtual card interchange income related to loans we purchase is recognized at the time the underlying order is placed. Promotional incentives are recognized in the period we fulfil our contractual obligations with third-party platforms for directing traffic or volume to specific merchants or brands.

Transaction income also includes income from consumer fees that are related to processing orders and payments. Such fees are assessed when consumers makes a scheduled payment using a card, when a payment method fails when attempting to make an installment payment, or when consumers pay a finance charge to use Sezzle On-Demand. These fees are recognized at the time the fee is assessed to the extent the fee is reasonably collectible.

Subscription Revenue

We offer our consumers the ability to subscribe to two paid services: Sezzle Premium and Sezzle Anywhere. Sezzle Premium allows consumers to shop at select large, non-integrated premium merchants, along with other benefits, for a recurring fee. 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, for a recurring fee. Subscription fees are recognized straight-line over the subscription period.

Income from Other Sources

Income from other sources includes all other incomes earned from merchants, consumers, and other third parties not included in transaction income or subscription revenue. This includes late payment fees, gateway fees, and marketing revenue earned from affiliates. Late payment fees are applied to principal installments that are delinquent, subject to regulations within specific state jurisdictions. Late payment fees are recognized at the time the fee is charged to the consumer to the extent the fee is reasonably collectible.

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, and consumer communication costs. 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 that resulted in failed loan applications, and consumer engagement. Underwriting costs incurred that result in successfully originated loans are an element of transaction income and recognized as a reduction of the overall income and, therefore, are not included in third-party technology and data.

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 (Benefit)

Income tax expense (benefit) 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.

Significant judgment is required in determining whether or not our net deferred tax assets are more likely than not to be realized. We assess the realizability of our deferred tax assets by taking into account all relevant positive and negative evidence at each reporting date, including our history of taxable income adjusted for permanent book-tax differences, volatility in our earnings, impacts of the timing and reversal of temporary book-tax differences, and our projected future earnings. Our valuation allowance assessment is based on our best estimate of future results considering all available, relevant evidence.

Results of Operations

Total Revenue

	For the years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Transaction income	$ 234,117	$ 146,776	$ 87,341	59.5 %
Subscription revenue	99,400	82,222	17,178	20.9 %
Income from other sources	116,762	42,130	74,632	177.1 %
Total revenue	**$ 450,279**	**$ 271,128**	**$ 179,151**	**66.1 %**

For the years ended December 31, 2025 and 2024, transaction income included merchant and partner income of $102.2 million and $86.5 million, respectively. The increase in merchant and partner income was a result of higher GMV in the current period, offset against costs related to purchasing loans from our loan originator.

Transaction income also increased as a result of consumer fees, which totaled $131.9 million and $60.3 million for the years ended December 31, 2025 and 2024, respectively. The increase in consumer fees was driven by a higher number of fees charged in the current period as a result of higher GMV, contributing to approximately $41.1 million of the increase, the standardization of consumer fees stemming from our strategic bank partnership, which contributed to approximately $13.7 million of the increase, and the introduction of new products, contributing to approximately $16.8 million of the increase.

The increase in subscription revenue was primarily driven by the overall growth in our Active Subscribers.

The increase in income from other sources was largely derived from consumer fee income. The increase in consumer fees was driven by a higher absolute number of fees charged in the current period as a result of GMV growth, contributing to approximately $32.7 million of the increase; fee standardization, contributing to approximately $26.3 million; and the introduction of new products, which contributed to approximately $3.9 million of the increase. Consumer late payment fees totaled $74.0 million and $25.2 million for the years ended December 31, 2025 and 2024, respectively. The increase in late payment fees was primarily driven by the standardizing of late payment fees along with a higher number of orders becoming past due as a result of GMV growth. Increases in affiliate and advertising revenue also contributed to the increase in income from other sources.

Personnel

	For the years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Personnel	$ 54,825	$ 51,765	$ 3,060	5.9 %

The increase in personnel was driven by higher contract labor and additional equity awards granted during the current year. Recorded within personnel, equity based compensation totaled $6.5 million and $5.2 million for the years ended December 31, 2025 and 2024, respectively.

Transaction Expense

	For the years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Payment processing costs	$ 61,724	$ 44,872	$ 16,852	37.6 %
Affiliate and partner fees	2,858	5,124	(2,266)	(44.2) %
Other transaction expense	1,379	1,368	11	0.8 %
Transaction expense	**$ 65,961**	**$ 51,364**	**$ 14,597**	**28.4 %**

The increase in payment processing costs was primarily driven by higher GMV. GMV growth outpaced the increase in payment processing expenses as a result of more efficient processing strategies in place in the current year.

Affiliate and partner fees are incurred by us when consumers make purchases with merchants who either were referred by another merchant or are associated with partner platforms with which we have contractual agreements. The decrease was from lower GMV on such partner platforms.

Other transaction expense is comprised of consumer communication costs and consumer and merchant support–related costs.

Third-Party Technology and Data

	For the years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Third-party technology and data	$ 14,441	$ 9,595	$ 4,846	50.5 %

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 years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Marketing, advertising, and tradeshows	$ 32,191	$ 9,740	$ 22,451	230.5 %

The increase in marketing, advertising, and tradeshow costs was from expanding initiatives to promote consumer acquisition and co-market the Sezzle brand.

General and Administrative

	For the years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
General and administrative	$ 16,774	$ 11,403	$ 5,371	47.1 %

The increase was primarily from higher professional service fees related to corporate strategic projects, consisting of costs related to the ongoing support for the antitrust litigation, our evaluation of a potential bank charter, and general capital markets exploration. Corporate strategic project costs totaled $3.1 million and $0.3 million for the years ended December 31, 2025 and 2024, respectively. The remainder of the increase was driven by overall growth of the business.

Provision for Credit Losses

	For the years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Provision for credit losses	$ 89,298	$ 55,015	$ 34,283	62.3 %

The increase in credit losses was a result of higher GMV during the year ended December 31, 2025, when compared to the year ended December 31, 2024, as well as changes to consumer underwriting to promote consumer acquisition and retention. Of the $34.3 million increase when comparing the years ended December 31, 2025 and 2024, approximately $30.3 million was attributable to the increase in GMV. The rest of the increase was a result of changes in consumer underwriting.

As a percentage of total revenue, the provision for credit losses was 19.8% and 20.3% for the years ended December 31, 2025 and 2024, 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 years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Net interest expense	$ 14,021	$ 13,762	$ 259	1.9 %

Net interest expense remained flat when comparing the years ended December 31, 2025 and 2024, as higher outstanding borrowings on our line of credit during the year ended December 31, 2025 were offset by entering into a new line of credit on April 19, 2024, which carries a lower interest rate than our previous line of credit.

Income Tax Expense (Benefit)

	For the years ended December 31,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Income tax expense (benefit)	$ 29,761	$ (11,205)	$ 40,966	Not meaningful

Our effective income tax rate for the years ended December 31, 2025 and 2024 was 18.3% and (16.6%), respectively. The change in the effective tax rate was primarily driven by a release of the majority of our valuation allowance during the year ended December 31, 2024.

The primary driver of the effective tax rate for the year ended December 31, 2025 related to $5.7 million of excess tax benefits on equity based compensation.

We assess all relevant positive and negative evidence to determine if our existing deferred tax assets can be realized at each reporting date. As a result of the positive trends in our net income, during the years ended December 31, 2025 and 2024 we concluded that it was more likely than not that our U.S. federal and state deferred tax assets are realizable. During the year ended December 31, 2024, we recorded a tax benefit of $28.2 million to reflect the release of our valuation allowance.

Liquidity and Capital Resources

For the years ended December 31, 2025 and 2024, our net income was $133.1 million and $78.5 million, respectively. As of December 31, 2025, 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 December 31, 2025, we had cash and cash equivalents of $64.1 million, compared to $73.2 million as of December 31, 2024. Our cash and cash equivalents were held primarily for working capital requirements and the continued investment in our business. As of December 31, 2025 and 2024, we had restricted cash of $38.5 million and $25.1 million, respectively.

As of December 31, 2025 and 2024, we had working capital of $262.1 million and $151.9 million, respectively. The increase in working capital was primarily a result of the growth in notes receivable, net, driven by higher GMV. Additionally, as of December 31, 2025 and 2024 we had an unused borrowing capacity on our line of credit of $73.5 million and $39.0 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:

	For the years ended December 31,	
(in thousands)	**2025**	**2024**
Net Cash Provided from Operating Activities	$ 209,907	$ 130,648
Net Cash Used for Investing Activities	(181,569)	(91,213)
Net Cash Used for Financing Activities	(25,412)	(10,368)
Net increase in cash, cash equivalents, and restricted cash	$ 2,926	$ 29,067

Operating Activities

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

During the year ended December 31, 2025, net cash provided from operating activities totaled $209.9 million as a result of cash inflows of $133.1 million in net income adjusted for $133.8 million of non-cash charges including credit losses, deferred income taxes, equity based compensation, depreciation, and amortization offset against cash outflows of $57.0 million due to changes in our operating assets and liabilities.

Our cash outflow from changes in operating assets and liabilities for the year ended December 31, 2025 was driven by a $36.0 million increase in our other receivables, which was related to a higher volume of consumer fees charged in the current year and the timing of consumer repayment on such fees, which resulted in decreased cash receipts from consumers, as well as the timing of settlement with our originating partner to pay our merchants. We also had a $13.0 million decrease in merchant accounts payable as a result of the timing of payments to merchants, which resulted in increased cash payments to merchants during the year ended December 31, 2025, and a $6.8 million increase in prepaid assets and other current assets as a result of higher partner and affiliate fees earned during the year ended December 31, 2025 that have not been collected as of the end of the year.

During the year ended December 31, 2025, cash payments for personnel-related expenses totaled $52.3 million, cash payments for processing costs totaled $65.0 million, and cash interest payments totaled $15.3 million.

During the year ended December 31, 2024, net cash provided from operating activities totaled $130.6 million as a result of cash inflows of $78.5 million in net income adjusted for $57.4 million of non-cash charges including credit losses, deferred income taxes, equity based compensation, depreciation, and amortization offset against cash outflows of $5.2 million due to changes in our operating assets and liabilities.

Our cash outflow from changes in operating assets and liabilities for the year ended December 31, 2024 was driven by a $12.7 million increase in our other receivables, which was related to the timing and settlement with our originating partner to pay our merchants. Offset against this, we had a $13.1 million increase in our accrued and other liabilities, driven by receiving down payments from consumers prior to purchasing the related receivable from our originating partner, resulting in increased cash receipts from consumers classified as liabilities during the current year.

During the year ended December 31, 2024, cash payments for personnel-related expenses totaled $44.6 million, cash payments for processing costs totaled $44.4 million, and cash interest payments totaled $14.0 million.

The change in net cash from operating activities year-over-year was from higher cash receipts from consumers related to our increased profitability during the year ended December 31, 2025.

Investing Activities

Net cash used for investing activities during the year ended December 31, 2025 was $181.6 million, compared to $91.2 million during the year ended December 31, 2024. 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 years ended December 31, 2025 and 2024 was $25.4 million and $10.4 million, respectively.

Financing cash outflows for the year ended December 31, 2025 were primarily from repurchases and the retirement of shares of common stock made under our stock repurchase plans totaling $50.0 million, repurchases of shares of common stock from employees to cover minimum statutory tax obligations totaling $14.7 million, and payments of debt issuance costs totaling $0.8 million, offset against net proceeds from our line of credit totaling $36.3 million and proceeds from stock option exercises totaling $3.8 million.

Financing cash outflows during the year ended December 31, 2024 were primarily from repurchases and the retirement of shares of common stock made under our stock repurchase plans totaling $20.0 million, repurchases of shares of common stock from employees to cover minimum statutory tax obligations totaling $3.6 million, and payments of debt issuance costs totaling $1.1 million, offset against net proceeds from our line of credit totaling $10.0 million and proceeds from stock option and warrant exercises totaling $4.4 million.

Line of Credit

Refer to Note 8. Line of Credit on the accompanying Notes to the Consolidated Financial Statements for discussion about our line of credit.

Loan Commitments

Refer to Note 11. 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 the following estimate has the greatest risk of affecting our consolidated financial statements; therefore, we consider this to be our critical accounting policy and estimate.

Allowance for Credit Losses on Notes Receivable

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.

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. See Note 3. Notes Receivable and Allowance for Credit Losses on the accompanying Notes to the Consolidated Financial Statements for more information about our notes receivable.

Recent Accounting Pronouncements

Refer to Note 1. Principal Business Activity and Significant Accounting Policies on the accompanying Notes to the 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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item; however, 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 December 31, 2025 and 2024, we had a revolving line of credit facility of $225 million and $150 million available to us, respectively. 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 December 31, 2025 and 2024, we had $141.3 million and $105.0 million, respectively, outstanding under our line of credit. For the year ended December 31, 2025, a 100 basis point hypothetical adverse change in SOFR during the year would have resulted in an additional $1.2 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 year.

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 years ended December 31, 2025 and 2024 would have resulted in an additional foreign currency translation adjustment of approximately $1.6 million and $1.5 million, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Sezzle Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Sezzle Inc. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, because of the effect of the material weakness identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment:

Management did not design and maintain effective controls to evaluate the appropriate classification of the cash flows related to notes receivable.

We considered the material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the Company's consolidated financial statements as of and for the year ended December 31, 2025, and our opinion on such consolidated financial statements was not affected.

Restatement of Previously Issued Financial Statements

As discussed in Note 1 to the consolidated financial statements, the Company has restated its 2024 financial statements to correct an error.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses for Notes Receivable

As described in Notes 1 and 3, the Company maintains 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 the Company's current estimate of expected credit losses over the remaining contractual term and incorporates evaluations of known and inherent risks in the Company's portfolio, historical credit losses and current economic conditions. The allowance for credit losses is determined using a roll rate analysis of delinquent and current notes receivable. The roll rate analysis is a technique used to estimate the likelihood that a loan progresses through various stages of delinquency and eventually charges-off. The Company segments its notes receivable into delinquency statuses and semi-monthly vintages for the purpose of evaluating historical performance and determining the future likelihood of default.

We identified the allowance for credit losses for notes receivable as a critical audit matter given the subjective nature associated with the estimation of the historical loss rate assumption.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included evaluating the design and testing the operating effectiveness of internal controls related to the Company's roll rate analysis and historical loss rate assumption. Our audit procedures related to the allowance for credit losses also included the following, among others:

- Evaluating the appropriateness of the roll rate analysis.
- Developing an independent expectation of the historical loss rate assumption, including testing the completeness and accuracy of the data used to develop an independent estimate.

/s/ Baker Tilly US, LLP

Minneapolis, Minnesota
February 26, 2026

We have served as the Company's auditor since 2019.

Consolidated Balance Sheets

(in thousands, except per share amounts)	As of December 31, 2025	2024
Assets		
Current Assets		
Cash and cash equivalents, including amounts held by variable interest entity ("VIE") of $25,921 and $30,899, respectively	$ 64,054	$ 73,185
Restricted cash, current, including amounts held by VIE of $8,245 and $4,096, respectively	8,413	4,850
Notes receivable	283,400	190,665
Allowance for credit losses	(28,505)	(26,103)
Notes receivable, net, including amounts held by VIE of $237,062 and $152,174, respectively	254,895	164,562
Other receivables, net	6,186	3,629
Prepaid expenses and other current assets	18,316	11,393
Total current assets	351,864	257,619
Non-Current Assets		
Internally developed intangible assets, net	3,331	2,442
Operating right-of-use assets	665	800
Restricted cash, non-current	30,134	20,275
Deferred tax asset, net of $0 and $3,742 valuation allowance, respectively	13,615	16,905
Other assets	620	331
Total Assets	**$ 400,229**	**$ 298,372**
Liabilities and Stockholders' Equity		
Current Liabilities		
Merchant accounts payable	$ 56,374	$ 68,967
Other payables, including amounts held by VIE of $1,476 and $1,103, respectively	6,908	7,455
Deferred revenue	5,431	4,234
Other current liabilities	21,053	25,021
Total current liabilities	89,766	105,677
Non-Current Liabilities		
Operating lease liabilities	661	823
Line of credit, net of unamortized debt issuance costs of $1,268 and $1,008, respectively, held by VIE	139,991	103,992
Other non-current liabilities	—	45
Total Liabilities	**230,418**	**210,537**
Commitments and Contingencies (see Note 11)		
Stockholders' Equity*		
Common stock and additional paid-in capital, $0.00001 par value; 750,000 shares authorized; 35,130 and 34,786 shares issued, respectively; 33,798 and 33,735 shares outstanding, respectively	194,890	188,589
Treasury stock, at cost: 1,332 and 1,051 shares, respectively	(24,072)	(9,391)
Accumulated other comprehensive loss	(683)	(1,588)
Accumulated deficit	(324)	(89,775)
Total Stockholders' Equity	**169,811**	**87,835**
Total Liabilities and Stockholders' Equity	**$ 400,229**	**$ 298,372**

* 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 Operations and Comprehensive Income

(in thousands, except per share amounts)	For the years ended December 31, 2025	2024
Total revenue	$ 450,279	$ 271,128
Operating Expenses		
Personnel	54,825	51,765
Transaction expense	65,961	51,364
Third-party technology and data	14,441	9,595
Marketing, advertising, and tradeshows	32,191	9,740
General and administrative	16,774	11,403
Provision for credit losses	89,298	55,015
Total operating expenses	273,490	188,882
Operating Income	**176,789**	**82,246**
Other Income (Expense)		
Net interest expense	(14,021)	(13,762)
Other income, net	123	354
Fair value adjustment on warrants	—	(1,261)
Loss on extinguishment of line of credit	—	(260)
Income before taxes	162,891	67,317
Income tax expense (benefit)	29,761	(11,205)
Net Income	**133,130**	**78,522**
Other Comprehensive Income (Loss)		
Foreign currency translation adjustment	905	(941)
Total Comprehensive Income	**$ 134,035**	**$ 77,581**
Net income per share*:		
Basic	$ 3.93	$ 2.33
Diluted	$ 3.72	$ 2.19
Weighted-average shares outstanding*:		
Basic	33,910	33,711
Diluted	35,744	35,890

* 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

(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, 2024	**34,185**	**$ 186,017**	**$ —**	**$ (5,756)**	**$ (647)**	**$ (157,520)**	**$ 22,094**
Equity based compensation	—	3,318	—	—	—	—	3,318
Stock option exercises	449	3,918	—	—	—	—	3,918
Warrant exercises	301	401	—	—	—	—	401
Restricted stock issuances and vesting of awards	845	1,875	—	—	—	—	1,875
Stock subscriptions receivable related to stock option exercises	4	39	(39)	—	—	—	—
Stock subscriptions collected related to stock option exercises	—	—	39	—	—	—	39
Conversion of warrant liabilities to stockholders' equity	—	2,229	—	—	—	—	2,229
Repurchase and retirement of common stock	(1,770)	(9,208)	—	—	—	(10,777)	(19,985)
Repurchase of common stock	(279)	—	—	(3,635)	—	—	(3,635)
Foreign currency translation adjustment	—	—	—	—	(941)	—	(941)
Net income	—	—	—	—	—	78,522	78,522
Balance at December 31, 2024	**33,735**	**188,589**	**—**	**(9,391)**	**(1,588)**	**(89,775)**	**87,835**

(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	—	2,350	—	—	—	—	2,350
Stock option exercises	643	3,731	—	—	—	—	3,731
Restricted stock issuances and vesting of awards	838	6,471	—	—	—	—	6,471
Stock subscriptions receivable related to stock option exercises	7	44	(44)	—	—	—	—
Stock subscriptions collected related to stock option exercises	—	—	44	—	—	—	44
Repurchase and retirement of common stock	(1,144)	(6,295)	—	—	—	(43,679)	(49,974)
Repurchase of common stock	(281)	—	—	(14,681)	—	—	(14,681)
Foreign currency translation adjustment	—	—	—	—	905	—	905
Net income	—	—	—	—	—	133,130	133,130
Balance at December 31, 2025	**33,798**	**194,890**	**—**	**(24,072)**	**(683)**	**(324)**	**$ 169,811**

* 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

(in thousands)	For the years ended December 31, 2025	(As restated) 2024
Operating Activities:		
Net income	$ 133,130	$ 78,522
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	1,356	965
Provision for credit losses	89,298	55,015
Provision for other credit losses	33,475	10,605
Discount on notes receivable	(735)	460
Equity based compensation and restricted stock vested	6,520	5,193
Amortization of debt issuance costs	532	526
Fair value adjustment on warrants	—	1,261
Impairment losses on long-lived assets	68	48
Gain on sale of fixed assets	(21)	(55)
Loss on extinguishment of line of credit	—	260
Deferred income taxes	3,290	(16,905)
Changes in operating assets and liabilities:		
Other receivables	(36,021)	(12,670)
Prepaid expenses and other assets	(6,794)	(4,997)
Merchant accounts payable	(13,036)	(4,345)
Other payables	(572)	1,951
Accrued and other liabilities	(1,816)	13,145
Deferred revenue	1,193	1,595
Operating leases	40	74
Net Cash Provided from Operating Activities	**209,907**	**130,648**
Investing Activities:		
Purchases and originations of notes receivable, net of proceeds from repayments	(178,874)	(89,749)
Purchase of property and equipment	(655)	(70)
Internally developed intangible asset additions	(2,040)	(1,394)
Net Cash Used for Investing Activities	**(181,569)**	**(91,213)**
Financing Activities:		
Proceeds from line of credit	180,860	107,427
Payments to line of credit	(144,600)	(97,427)
Payments of debt issuance costs	(792)	(1,106)
Proceeds from stock option exercises	3,731	3,918
Stock subscriptions collected related to stock option exercises	44	39
Proceeds from warrant exercises	—	401
Repurchase of common stock	(64,655)	(23,620)
Net Cash Used for Financing Activities	**(25,412)**	**(10,368)**
Effect of exchange rate changes on cash	1,365	(1,456)
Net increase in cash, cash equivalents, and restricted cash	2,926	29,067
Cash, cash equivalents, and restricted cash, beginning of period	98,310	70,699
Cash, cash equivalents, and restricted cash, end of period	**$ 102,601**	**$ 98,310**

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Cash Flows (continued)

(in thousands)	For the years ended December 31, 2025	2024
Noncash investing and financing activities:		
Conversion of accrued profit-sharing incentive plan liabilities to stockholders' equity	$ 2,301	$ —
Conversion of warrant liabilities to stockholders' equity	—	2,229
Supplementary disclosures:		
Interest paid	$ 15,322	$ 14,047
Income taxes paid:		
Federal income taxes paid	21,040	
State income taxes paid	6,640	
Foreign income taxes paid	385	
Total income taxes paid	$ 28,065	$ 4,766

See the accompanying Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Note 1. Principal Business Activity and Significant Accounting Policies

Principal Business Activity

Sezzle Inc. (“Sezzle”, the “Company”, “we”, “us”, or “our”) is a technology-enabled payments company based in the United States with operations in the United States and Canada. We are a Delaware Public Benefit Corporation formed on January 4, 2016. We offer a digital shopping and payments platform in-store and online that provides consumers a flexible alternative to traditional credit.

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, fees from Sezzle On-Demand, 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 a third-party partner 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.

We are headquartered in Minneapolis, Minnesota.

Concentrations of Credit Risk

Our cash, cash equivalents, restricted cash, and notes receivable are potentially subject to concentrations of credit risk. Cash, cash equivalents, and restricted cash are placed in depository accounts with financial institutions that management believes are reputable and high-quality. We have balances with financial institutions that exceed the Federal Deposit Insurance Corporation (“FDIC”) and foreign equivalents’ insurance limits. As of the date of this report, we have not experienced losses on such accounts.

Our notes receivable are derived from extending credit to consumers, which exposes us to the risk of credit losses. Changes in economic conditions may result in higher credit losses. To help mitigate our credit risk, we establish individually tailored credit lines for our consumers. The allowance for credit losses is adequate for covering any potential losses on outstanding notes receivable. Refer to Note 3. Notes Receivable and Allowance for Credit Losses for more information. No consumer accounted for more than 10% of net notes receivable as of December 31, 2025 and 2024.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements are prepared and presented under accounting principles generally accepted in the United States of America (U.S. GAAP). All amounts are reported in U.S. dollars, unless otherwise noted. 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 have been eliminated in consolidation.

Cash and Cash Equivalents

We consider all money market funds and other highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. We accept Automated Clearing House ("ACH"), Electronic Funds Transfer ("EFT"), debit card, and credit card payment methods from consumers to settle receivables, and these transactions are generally processed through third parties. The payments due from the third parties are generally settled within three days of initiation. Funds in transit at the end of the period are classified as cash and cash equivalents.

Restricted Cash

We are required to maintain restricted cash balances in accordance with certain agreements.

We maintain restricted cash in a bank account related to our line of credit agreement, where access to funds are controlled by our line of credit provider. On a regular basis, cash is deposited into the restricted bank account and subsequently made available to us through periodic settlement. Cash deposits to the restricted bank account include cash received from pledged receivables, including consumer payments and affiliate partner payments. The minimum balance consists of accrued interest on the drawn credit facility, accrued interest on the unused portion of the credit facility, and accrued management fees charged by our line of credit providers. We are permitted to withdraw cash from the bank account provided we meet certain requirements of the line of credit. We are also required to maintain minimum balances in deposit accounts to fund merchants using our virtual card solution and to cover consumer card chargebacks. We expect these cash balances to remain restricted for less than one year from the reporting date; therefore, these accounts are classified as current restricted cash on the consolidated balance sheets.

Additionally, we are required to maintain minimum cash balances in reserve accounts pursuant to agreements with various third parties. We have an agreement with an independent chartered financial institution ("originating partner") in which we are required to maintain a collateral account. We expect these cash balances to remain restricted for more than one year from the reporting date; therefore, these accounts are classified as non-current restricted cash on the consolidated balance sheets.

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 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 within 42 days of 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.

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.

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. See Note 3. Notes Receivable and Allowance for Credit Losses for more information about our notes receivable.

Debt Issuance Costs

Costs incurred in connection with originating debt are capitalized and are classified in the consolidated balance sheets as a reduction of the financial statement line item for which those costs relate. Debt issuance costs are amortized over the life of the underlying debt obligation utilizing the straight-line method, which approximates the effective interest method. In the event of an extinguishment of debt, the remaining unamortized debt issuance costs related to the extinguished debt are immediately expensed. Amortization of debt issuance costs is included within net interest expense on the consolidated statements of operations and comprehensive income.

Internally Developed Intangible Assets

We capitalize costs incurred for web development, software developed for internal use, and software products that are marketed to others. The costs capitalized primarily relate to direct labor costs for employees and contractors working directly on software development and implementation. Software developed for internal use is eligible for capitalization once it is determined that the project is being designed or modified to meet internal business needs; the project is ready for its intended use; the total estimated costs to be capitalized exceed $1,000; and there are no plans to market, sell, or lease the project. Software products that are marketed to others are eligible for capitalization once technological feasibility of the computer software product is established.

Amortization is provided using the straight-line method, based on the useful lives of the intangible assets as follows:

	Years	Method
Internal use software	3	Straight-line
Marketed software	3	Straight-line
Website development costs	3	Straight-line

Amortization expense is recorded within general and administrative on the consolidated statements of operations and comprehensive income. See Note 5. Internally Developed Intangible Assets for further information.

We review the carrying value of internally developed intangible assets for impairment whenever events and circumstances indicate that the assets' carrying value may not be recoverable from the future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects; the manner in which the asset is used; and the effects of obsolescence, demand, competition, and other economic factors. Impairments for the years ended December 31, 2025 and 2024 were not material. Impairment costs are recorded in general and administrative within operating expenses in the consolidated statements of operations and comprehensive income.

As of December 31, 2025 and 2024, we have not renewed or extended the initial determined life for any of our recognized internally developed intangible assets.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, nondeductible interest, 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.

We evaluate our tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2025 and 2024, we have not recorded any liabilities for uncertain tax positions.

Advertising Costs

Advertising costs are expensed as incurred and consist of traditional marketing, digital marketing, sponsorships, promotional product expenses, and contractual obligations to co-market the Sezzle brand. Such costs were $31.5 million and $9.0 million for the years ended December 31, 2025 and 2024, respectively, and were recorded within marketing, advertising, and tradeshows on the consolidated statements of operations and comprehensive income.

Equity Based Compensation

We maintain stock compensation plans that offer incentives in the form of stock options, restricted stock, and unrestricted stock to employees, directors, and advisors of the Company. Equity based compensation expense reflects the fair value of awards measured at the grant date and recognized over the relevant vesting period. We estimate the fair value of stock options without a market condition on the measurement date using the Black-Scholes valuation model. The Black-Scholes valuation model incorporates assumptions about stock price volatility, the expected life of the options, risk-free interest rate, and dividend yield. For valuing our stock option grants, significant judgment is required for determining the expected volatility of our shares of common stock and is based on the historical volatility of our share price. The fair value of restricted stock awards and restricted stock units that vest based on a service condition is based on the fair market value of our shares of common stock on the date of grant. The expense associated with equity based compensation is recognized over the requisite service period using the straight-line method. We issue new shares of common stock upon the exercise of stock options and vesting of restricted stock units and recognize forfeitures of awards as they occur. Refer to Note 13. Equity Based Compensation for further information about our equity based compensation plans.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Our estimates and judgments are based on historical experience and various other assumptions that we believe are reasonable under the circumstances. The amount of assets and liabilities reported on our consolidated balance sheets and the amounts of income and expenses reported for each of the periods presented are affected by estimates and assumptions, which are used for, but not limited to, determining the allowance for credit losses recorded against notes receivable.

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 December 31, 2025 and 2024, our assets and liabilities measured at fair value were not material. The fair value and its classification within the fair value hierarchy for financial assets and liabilities not reported at fair value within the consolidated balance sheets as of December 31, 2025 and 2024 are as follows:

(in thousands)	December 31, 2025 Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets:					
Cash and cash equivalents	$ 64,054	$ 64,054	$ —	$ —	$ 64,054
Restricted cash[1]	38,547	38,547	—	—	38,547
Notes receivable, net	254,895	—	—	254,895	254,895
Total assets	**$ 357,496**	**$ 102,601**	**$ —**	**$ 254,895**	**$ 357,496**
Liabilities:					
Line of credit, net	139,991	—	139,991	—	139,991
Total liabilities	**$ 139,991**	**$ —**	**$ 139,991**	**$ —**	**$ 139,991**

(in thousands)	December 31, 2024 Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets:					
Cash and cash equivalents[2]	$ 73,170	$ 73,170	$ —	$ —	$ 73,170
Restricted cash[1]	25,125	25,125	—	—	25,125
Notes receivable, net	164,562	—	—	164,562	164,562
Total assets	**$ 262,857**	**$ 98,295**	**$ —**	**$ 164,562**	**$ 262,857**
Liabilities:					
Line of credit, net	103,992	—	103,992	—	103,992
Total liabilities	**$ 103,992**	**$ —**	**$ 103,992**	**$ —**	**$ 103,992**

(1) Includes both restricted cash, current and restricted cash, non-current as disclosed on the consolidated balance sheets.
(2) Excludes $15 as of December 31, 2024 relating to money market securities that are reported at 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.

Foreign Currency

We work with international merchants, creating exposure to gains and losses from foreign currency exchanges. Losses from foreign exchange rate fluctuations that affected our net income totaled $0.1 million for both the years ended December 31, 2025 and 2024. Foreign currency exchange gains and losses are recorded within other income, net, on the consolidated statements of operations and comprehensive income.

The financial statements of our non-U.S. subsidiaries are translated into U.S. dollars in accordance with ASC 830, "Foreign Currency Matters". Under ASC 830, if our assets and liabilities are recorded in certain non-U.S. functional currencies other than the U.S. dollar, they are translated at current rates of exchange. Revenue and expense items are translated at average monthly exchange rates. The resulting translation adjustments are recorded directly into accumulated other comprehensive loss. Foreign currency translation adjustment gains (losses) totaled $0.9 million and ($0.9) million for the years ended December 31, 2025 and 2024, respectively.

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.

Variable Interest Entity

Our primary source of funding consumer receivables is through a secured line of credit. We sell 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 8. 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.

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 liabilities, net income, or total comprehensive income.

Restatement of Previously Issued Consolidated Financial Statements

We have restated herein our impacted consolidated statements of cash flows for the year ended December 31, 2024, and 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.

In connection with the preparation of our consolidated financial statements for the year ended December 31, 2025, we concluded that we had not appropriately classified purchases and originations of notes receivable, and proceeds from repayments thereof, as investing activities within our consolidated statements of cash flows for the year ended December 31, 2024. The impacts of the restatement for the year ended December 31, 2024, as described above, are reflected in the consolidated statements of cash flows and had no impact on the consolidated balance sheets, consolidated statements of operations and comprehensive income, consolidated statements of stockholders' equity, or the notes to the consolidated financial statements. The impacts of the restatement for each of the quarterly periods are presented in Note 15. Restated Quarterly Consolidated Statements of Cash Flows (Unaudited).

The following table presents the amounts previously reported and a reconciliation of the restatement amounts reported on the restated consolidated statements of cash flows for the year ended December 31, 2024. The amounts previously reported were derived from our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 27, 2025.

	For the year ended December 31, 2024		
(in thousands)	**As previously reported**	**Restatement impact**	**As restated**
Operating Activities:			
Discount on notes receivable	$ —	$ 460	$ 460
Notes receivables	(89,289)	89,289	—
Net Cash Provided from Operating Activities	**$ 40,899**	**$ 89,749**	**$ 130,648**
Purchases and originations of notes receivable, net of proceeds from repayments	$ —	$ (89,749)	$ (89,749)
Net Cash Used for Investing Activities	**$ (1,464)**	**$ (89,749)**	**$ (91,213)**

Recent Accounting Pronouncements

Recently Adopted Accounting Guidance

Standard	Description	Date of Adoption	Effect on Consolidated Financial Statements
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures	This ASU requires enhanced disclosures on the income tax rate reconciliation, income taxes paid, and other income tax-related disclosures. Such disclosures include specific categories in the rate reconciliation, qualitative information about significant components of income tax, and disaggregation of income taxes paid by federal, state, and local jurisdiction.	Year ended December 31, 2025	We updated the supplementary disclosures in the Consolidated Statements of Cash Flows and the disclosures in Note 10 of the accompanying Notes to the Consolidated Financial Statements to provide the required, enhanced disclosures using the prospective transition approach.

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 related to disclosures only, there will be no impact to our consolidated financial statements. 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 $450.3 million and $271.1 million for the years ended December 31, 2025 and 2024, respectively. Total revenue in the fourth quarter has historically been strongest for us, in line with consumer spending habits during the holiday shopping season. Our total revenue is classified into three categories: transaction income, subscription revenue, and income from other sources.

Transaction Income

Transaction income is comprised of all income earned from merchants, consumers, and other third parties that relate to processing orders and payments on the Sezzle Platform. This primarily includes merchant processing fees, partner income, and consumer fees.

We earn income from fees paid by merchants in exchange for our payment processing services. These merchant processing fees are applied to the underlying sales of consumers passing through our platform and are predominantly based on a percentage of the GMV plus a fixed fee per transaction. For orders that result in a financing receivable, merchant processing fees are recognized over the duration of the loan using the effective interest method. For orders that do not result in a financing receivable, merchant processing fees are recognized at the time the sale is completed. We also earn income from partners on consumer transactions. This income includes interchange fees earned through our virtual card solution and promotional incentives with third parties. Virtual card interchange income related to loans we purchase is recognized at the time the sale is completed. Promotional incentives are recognized in the period we fulfill our contractual obligations with third-party platforms for directing traffic or volume to specific merchants or brands. Merchant and partner income totaled $102.2 million and $86.5 million for the years ended December 31, 2025 and 2024, respectively.

Transaction income also includes income from consumer fees that are related to processing orders and payments. Such fees are assessed when consumers make a scheduled payment using a card, when a payment method fails when attempting to make an installment payment, or when consumers are assessed a fee for using Sezzle On-Demand. These fees are recognized at the time the fee is assessed to the extent the fee is reasonably collectible and totaled $131.9 million and $60.3 million for the years ended December 31, 2025 and 2024, respectively.

Subscription Revenue

We offer our consumers the ability to subscribe to two paid services: Sezzle Premium and Sezzle Anywhere. Sezzle Premium allows consumers to shop at select large, non-integrated premium merchants, along with other benefits, for a recurring fee. 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, for a recurring fee. Subscription fees are recognized straight-line over the subscription period.

Income from Other Sources

Income from other sources includes all other incomes earned from merchants, consumers, and other third parties not included in transaction income or subscription revenue. This includes late payment fees, gateway fees, and marketing revenue earned from affiliates. Late payment fees are assessed to consumers who fail to make a timely principal payment. Late payment fees are recognized at the time the fee is charged to the consumer to the extent the fee is reasonably collectible. Late payment fees totaled $74.0 million and $25.2 million for the years ended December 31, 2025 and 2024, respectively.

Disaggregation of Total Revenue

Our total revenue by category and Accounting Standards Codification ("ASC") recognition criteria for the years ended December 31, 2025 and 2024 was as follows:

	2025			2024		
(in thousands)	**Topic 310**	**Topic 606**	**Total**	**Topic 310**	**Topic 606**	**Total**
Transaction income	$ 127,225	$ 106,892	$ 234,117	$ 103,505	$ 43,271	$ 146,776
Subscription revenue	—	99,400	99,400	—	82,222	82,222
Income from other sources	87,176	29,586	116,762	28,227	13,903	42,130
Total revenue	**$ 214,401**	**$ 235,878**	**$ 450,279**	**$ 131,732**	**$ 139,396**	**$ 271,128**

Transaction income that falls under the scope of ASC Topic 310, Receivables, relates to transactions that result in a financing receivable being recognized. For any transaction income that is recognized over the duration of the loan, the income is initially recorded as a reduction to notes receivable, net, within the consolidated balance sheets and recognized over the average duration of the note using the effective interest rate method. Transaction income to be recognized over the duration of existing notes receivable outstanding was $3.1 million and $3.8 million as of December 31, 2025 and 2024, respectively.

Transaction income that falls under the scope of ASC Topic 606, Revenue from Contracts with Customers, relates to transactions that do not result in a note receivable being recognized. Such revenue comprises a single performance obligation which is satisfied at the time the transaction occurs, at which point we recognize revenue.

Subscription revenue entirely falls under the scope of ASC Topic 606. Such revenue comprises a single performance obligation which is satisfied evenly over the underlying subscription period. Revenue is recognized ratably over the duration of the performance obligation. All performance obligations are fully satisfied within one year or less of receiving payment. Payment received for performance obligations not yet satisfied are recorded as deferred revenue on the consolidated balance sheets until such performance obligations are satisfied. Subscription revenue to be recognized over the remaining duration of outstanding performance obligations was $5.3 million and $4.2 million as of December 31, 2025 and 2024, respectively. All deferred revenue as of December 31, 2024 was recognized during the year ended December 31, 2025.

Income from other sources that falls under the scope of ASC Topic 310 primarily relates to late payment fees. Such fees are recognized at the time the fee is charged to the consumer to the extent they are reasonably collectible. Income from other sources that fall under the scope of ASC 606 comprises a single performance obligation which is satisfied immediately and not deferred.

For the years ended December 31, 2025 and 2024, no external party amounted to ten percent or more of our total revenue.

Note 3. Notes Receivable and Allowance for Credit Losses

As of December 31, 2025 and 2024, our notes receivable at amortized cost was comprised of the following:

(in thousands)	2025	2024
Notes receivable, gross	$ 286,459	$ 194,434
Deferred loan fees and costs	(3,059)	(3,769)
Notes receivable, amortized cost	**$ 283,400**	**$ 190,665**

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. Our notes receivable had a weighted average days outstanding of 33 days and 34 days as of December 31, 2025 and 2024, respectively.

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. The risk and fraud team also evaluates the integrity of the Prophet Score machine learning model at least annually and updates it as necessary. We last updated the Prophet Score model in October 2023.

The amortized cost basis of our notes receivable by Prophet Score and year of origination as of December 31, 2025 and 2024 was as follows:

	2025			2024		
	Amortized cost basis by year of origination					
(in thousands)	2025	2024	Total	2024	2023	Total
A	$ 105,974	$ 4	$ 105,978	$ 57,945	$ —	$ 57,945
B	109,843	13	109,856	74,999	1	75,000
C	67,422	71	67,493	57,646	—	57,646
No score	73	—	73	74	—	74
Total amortized cost	**$ 283,312**	**$ 88**	**$ 283,400**	**$ 190,664**	**$ 1**	**$ 190,665**

The amortized cost basis of our notes receivable by delinquency status as of December 31, 2025 and 2024 was as follows:

(in thousands)	2025	2024
Current	$ 246,720	$ 161,870
1–28 days past due	18,565	15,303
29–56 days past due	8,274	6,267
57–90 days past due	9,841	7,225
Total amortized cost	**$ 283,400**	**$ 190,665**

The activity in the allowance for credit losses, including the provision for credit losses, charge-offs, and recoveries for the years ended December 31, 2025 and 2024 was as follows:

	For the years ended December 31,	
(in thousands)	**2025**	**2024**
Balance at beginning of period	$ 26,103	$ 12,253
Provision for credit losses	89,298	55,015
Charge-offs	(94,442)	(43,916)
Recoveries of charged-off receivables	7,546	2,751
Balance at end of period	**$ 28,505**	**$ 26,103**

Net charge-offs by year of origination for the years ended December 31, 2025 and 2024 was as follows:

	For the year ended December 31, 2025					
(in thousands)	**2025**	**2024**	**2023**	**2022**	**2021**	**Total**
Current period gross charge-offs	$ (67,044)	$ (27,267)	$ (5)	$ (125)	$ (1)	$ (94,442)
Current period recoveries	1,939	4,293	454	322	538	7,546
Current period net charge-offs	**$ (65,105)**	**$ (22,974)**	**$ 449**	**$ 197**	**$ 537**	**$ (86,896)**

	For the year ended December 31, 2024					
(in thousands)	**2024**	**2023**	**2022**	**2021**	**2020**	**Total**
Current period gross charge-offs	$ (31,071)	$ (12,830)	$ (11)	$ (4)	$ —	$ (43,916)
Current period recoveries	563	1,321	404	355	108	2,751
Current period net charge-offs	**$ (30,508)**	**$ (11,509)**	**$ 393**	**$ 351**	**$ 108**	**$ (41,165)**

Note 4. Other Receivables

As of December 31, 2025 and 2024, the balance of other receivables, net, on the consolidated balance sheets was comprised of the following:

(in thousands)	**2025**	**2024**
Delinquency fees receivable, net	$ 2,871	$ 993
Receivables from merchants	684	698
Receivables from originating partner	2,631	1,938
Other receivables, net	**$ 6,186**	**$ 3,629**

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 December 31, 2025 and 2024, gross delinquency fees receivable totaled $14.8 million and $6.3 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 years ended December 31, 2025 and 2024 was as follows:

	For the years ended December 31,	
	2025	**2024**
Balance at beginning of period	$ 5,276	$ 1,272
Provision for other credit losses	33,475	10,605
Charge-offs	(28,537)	(7,092)
Recoveries of charged-off receivables	1,701	491
Balance at end of period	**$ 11,915**	**$ 5,276**

Due to the nature of delinquency fees, we monitor the credit quality of the receivables based on delinquency status. Delinquency fees receivable were $14.8 million delinquent as of December 31, 2025, and $6.0 million delinquent and $0.3 million current as of December 31, 2024. Net delinquency fee charge-offs by year of origination for the year ended December 31, 2025 was as follows:

(in thousands)	**2025**	**2024**	**2023**	**2022**	**2021**	**Total**
Current period gross charge-offs	$ (22,022)	$ (6,492)	$ (1)	$ (22)	$ —	$ (28,537)
Current period recoveries	809	682	75	54	81	1,701
Current period net charge-offs	**$ (21,213)**	**$ (5,810)**	**$ 74**	**$ 32**	**$ 81**	**$ (26,836)**

Both charge-offs and recoveries during the year ended December 31, 2024 relating to prior year loan originations were not material.

Receivables from merchants primarily represents amounts due to us from our long-term lending partner that will be used to settle outstanding merchant accounts payable. 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 or our originating partner therefore, there is no allowance for credit losses recorded.

Note 5. Internally Developed Intangible Assets

As of December 31, 2025 and 2024, internally developed intangible assets, net, consisted of the following:

(in thousands)	**2025**	**2024**
Internally developed intangible assets, gross	$ 6,988	$ 5,064
Less accumulated amortization	(3,657)	(2,622)
Internally developed intangible assets, net	**$ 3,331**	**$ 2,442**

Amortization expense relating to internally developed intangible assets was $1.1 million and $0.9 million for the years ended December 31, 2025 and 2024, respectively, and is recorded within general and administrative on the consolidated statements of operations and comprehensive income.

Note 6. 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, $42.3 million and $49.3 million were recorded within the DSIP balance as of December 31, 2025 and 2024, respectively. The average annual percentage yield and related interest expense was 4.12% and $1.9 million, and 4.89% and $2.5 million for the years ended December 31, 2025 and 2024, respectively. Effective December 20, 2024, all delayed payments retained in the program bore daily incentive payments at a fixed rate of 4.50% on an annual basis, compounding daily. Prior to that, all delayed payments retained in the program bore daily incentive payments at a fixed rate of 5.20% during the year ended December 31, 2024.

Deferred payments are due on demand, up to two hundred fifty thousand dollars during any seven day period, at the request of the merchant. Any request larger than two hundred fifty thousand dollars 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 7. Other Current Liabilities

As of December 31, 2025 and 2024, the balance of other current liabilities on the consolidated balance sheets was comprised of the following:

(in thousands)	2025	2024
Consumer down payments on unpurchased originating partner receivables[1]	$ 9,542	$ 9,221
Accrued operational expenses	4,330	6,725
Accrued personnel expenses	7,018	8,979
Operating lease liabilities	163	96
Other current liabilities	**$ 21,053**	**$ 25,021**

(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 8. 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 $141.3 million and $105.0 million as of December 31, 2025 and 2024, respectively. Our revolving credit facilities are secured by a pool of pledged, eligible notes receivable. As of December 31, 2025 and 2024, we had pledged $251.1 million and $168.4 million of eligible gross notes receivable, respectively. We had an unused borrowing capacity of $73.5 million and $39.0 million as of December 31, 2025 and 2024, respectively.

Expenses related to our lines of credit for the years ended December 31, 2025 and 2024 were as follows:

(in thousands)	2025	2024
Interest expense on utilization	$ 13,201	$ 11,247
Interest expense on unused daily amounts	221	264
Amortization of debt issuance costs	532	526

For the years ended December 31, 2025 and 2024, our lines of credit carried an effective annual interest rate of 10.72% and 11.25%, respectively.

2022 Credit Agreement

On October 14, 2022, we entered into a secured revolving credit facility (the "2022 Credit Agreement") with Bastion Funding IV, LLC and other certain lenders. The 2022 Credit Agreement had a borrowing capacity of up to $100.0 million and a maturity date of October 14, 2024. The borrowing base was 75% of pledged, eligible notes receivable. Our 2022 Credit Agreement referenced "Adjusted SOFR," which was defined as the 3-month Term U.S. Federal Reserve Secured Overnight Financing Rate ("SOFR") plus a spread adjustment of 0.262%. The 2022 Credit Agreement carried an interest rate of Adjusted SOFR plus 11.5%, with an Adjusted SOFR floor rate of 1.0%. Interest on borrowings was due on collection dates as specified in the loan agreement, typically every two weeks. We incurred an unused facility fee of 0.50% per annum on the difference between the maximum borrowing capacity and the amount outstanding. We were also required to maintain a minimum outstanding balance of $50.0 million prior to January 31, 2023, and $75.0 million between January 31, 2023 and March 30, 2023. Beginning on March 31, 2023, we were required to maintain a minimum outstanding balance of $80.0 million.

The 2022 Credit Agreement contained customary representations, warranties, affirmative and negative covenants, financial covenants, events of default (including upon change of control or upon collateral loss rates exceeding pre-determined levels), and indemnification provisions in favor of the lenders. The negative covenants included restrictions regarding incurrence or guarantee of additional indebtedness, incurrence of liens, making investments or other restricted payments, acquiring assets or subsidiaries, selling assets, paying dividends or distributions, repurchasing or redeeming capital stock, transacting with affiliates, engaging in liquidations or mergers, and making changes to our credit guidelines or servicing guide, in each case subject to certain exceptions and qualifications. The financial covenants required us to meet financial tests related to tangible net worth, liquidity, and leverage.

2024 Credit Agreement

On April 19, 2024, we entered into a secured revolving credit facility (the "2024 Credit Agreement") with Bastion Funding VI LP. The 2024 Credit Agreement, as amended, has a borrowing capacity of up to $225.0 million and a maturity date of April 19, 2027. On October 30, 2025, we increased the amount of our borrowing capacity from $150.0 million to $225.0 million by exercising an available $75.0 million of additional funding. The borrowing base is 85% of pledged, eligible notes receivable, increased to 90% 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.

Our 2024 Credit Agreement carries an interest rate of SOFR plus 6.75%, with a SOFR floor rate of 2.0%. 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 $60.0 million.

The 2024 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 our 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 2024 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 require us to meet financial tests related to collection rates, default rates, leverage, tangible net worth, and liquidity. We were in compliance with all of our covenants as of December 31, 2025 and 2024.

In connection with entering into the 2024 Credit Agreement, we recognized a $0.3 million loss on extinguishment of our previous line of credit primarily related to unamortized debt issuance costs during the year ended December 31, 2024.

Note 9. Warrants

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

On October 14, 2022, in connection with entering into the 2022 Credit Agreement, we issued our lenders warrants to purchase up to 0.3 million shares of our common stock as consideration for the revolving credit facility. These warrants were exercisable until October 14, 2029 at an exercise price of A$3.10 per share. The warrants were denominated in Australian dollars and therefore were not considered indexed to our stock given our functional currency is the U.S. dollar; therefore, we recognized the warrants as a liability on the consolidated balance sheets and revalued the warrants to their fair value as of each reporting date.

On February 23, 2024, in connection with our delisting from the Australian Securities Exchange, we amended the strike price of all outstanding warrants originally denominated in Australian dollars to U.S. dollars. As a result of the amendment, the warrants were no longer subject to foreign currency fluctuations and became considered indexed directly to our stock price and, on the date of amendment, we converted the warrants from a liability to stockholders' equity within the consolidated balance sheets. The amount converted totaled $2.2 million.

Prior to converting our warrant liabilities, we revalued them to their fair value as of each reporting date using a Black-Scholes valuation model, which is calculated using Level 3 inputs. The primary unobservable input used in determining the fair value of the warrant liabilities is the expected volatility of our common stock. On the conversion date, we revalued the warrants using the Black-Scholes valuation model using a risk-free interest rate of 4.2%, expected volatility of 139.1%, and an expected life of 5.6 years, resulting in an estimated fair value of $6.80 per warrant.

The activity related to our warrant liabilities during the year ended December 31, 2024 was as follows:

(in thousands)		**2024**
Balance at beginning of period	$	968
Fair value remeasurement loss		1,261
Conversion of warrant liabilities to stockholders' equity		(2,229)
Balance at end of period	**$**	—

The fair value remeasurement loss was recognized within other income (expense) on the consolidated statements of operations and comprehensive income.

During the year ended December 31, 2024, all 0.3 million warrants were exercised into 0.3 million shares of common stock, with an immaterial number of shares withheld to cover the exercise price on certain exercises during the period. As of December 31, 2025 and 2024, we had no warrants outstanding. No warrants were cancelled during the year ended December 31, 2024.

Note 10. Income Taxes

The components of income before taxes for the years ended December 31, 2025 and 2024 were as follows:

(in thousands)	2025	2024
United States	$ 162,263	$ 64,783
International	628	2,534
Total	**$ 162,891**	**$ 67,317**

The components of income tax expense (benefit) for the years ended December 31, 2025 and 2024 were as follows:

(in thousands)	2025	2024
Current tax expense		
Federal	$ 19,877	$ 2,869
Foreign	295	832
State	6,299	1,999
Total current tax expense	26,471	5,700
Deferred tax expense		
Federal	3,830	(13,418)
Foreign	(19)	(20)
State	(521)	(3,467)
Total deferred tax expense	3,290	(16,905)
Income tax expense (benefit)	**$ 29,761**	**$ (11,205)**

The components of the net deferred tax assets and liabilities as of December 31, 2025 and 2024 were as follows:

(in thousands)	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 816	$ 7,928
Allowance for credit losses	10,130	7,691
Equity based compensation	767	865
Research and experimental expenditures	479	735
Lease liability	217	246
Credit carryforwards	433	61
Accruals	1,697	1,668
Nondeductible interest	—	2,070
Other	6	7
Total deferred tax assets	14,545	21,271
Valuation allowance	—	(3,742)
Deferred tax liabilities:		
Depreciation and amortization	(599)	(395)
Right-of-use asset	(181)	(229)
Prepaids	(150)	—
Total deferred tax liabilities	(930)	(624)
Net deferred tax asset	**$ 13,615**	**$ 16,905**

The Company has elected to prospectively adopt the guidance in ASU No, 2023-09, Income Taxes (Topic 740): Improvements to Income Taxes Disclosures. The reconciliation of the federal statutory income tax rate to the Company's provision for income taxes for the year ended December 31, 2025 in accordance with the guidance in ASU No. 2023-09 is as follows:

	2025	
(in thousands, except percentages)	**Amount**	**Rate**
U.S. federal statutory income tax rate	$ 34,207	21.0 %
State and local income taxes (net of federal effect)[1]	4,459	2.7 %
Tax credits		
Research credits	(2,314)	(1.4) %
Tax effects of equity based compensation	(5,653)	(3.5) %
Nontaxable and nondeductible items	(1,020)	(0.6) %
Other reconciling items	82	0.1 %
Effective income tax rate	**$ 29,761**	**18.3 %**

1. State taxes from California, Illinois, New Jersey, New York, Pennsylvania and Georgia made up the majority (greater than 50%) of the tax effect in this category.

The reconciliation of the federal statutory income tax rate to the Company’s provision for income taxes for the year ended December 31, 2024 in accordance with the guidance prior to the adoption of ASU 2023-09 is as follows:

	2024
Computed "expected" tax benefit	21.0 %
State income tax benefit, net of federal tax effect	3.5
Nondeductible equity based compensation	(1.8)
Other permanent differences	1.2
Change in valuation allowance	(41.9)
Foreign rate differentials and other	1.4
Income tax benefit	**(16.6)%**

As of December 31, 2025, we had state tax effected net operating loss and credit carryforwards of approximately $0.8 million and $0.4 million, respectively. The state net operating losses will begin to expire in 2033. The state credit carryforwards will begin to expire in 2036.

Management assesses the available positive and negative evidence to estimate where sufficient future taxable income will be generated to permit use of existing deferred tax assets. During the year ended December 31, 2024, we identified significant pieces of positive evidence, including our three-year cumulative taxable income, which is objective and verifiable, and consideration of our expected future taxable income. Based on our assessment, we concluded as of December 31, 2024 that it was more likely than not that our U.S. federal, state, and foreign deferred tax assets are realizable, and as a result do not hold a valuation allowance against U.S. federal, state, and foreign deferred tax assets. We maintain this position as of December 31, 2025.

As of December 31, 2025, we maintained a valuation allowance of $0 recorded against foreign deferred tax assets. The change in valuation allowance was ($3.7) million and ($28.7) million for the years ended December 31, 2025 and 2024, respectively.

We file income tax returns in U.S. federal and state jurisdictions, Canada, and certain countries in Europe. We do not believe a material uncertain tax position exists as of December 31, 2025. We recognize interest and penalties accrued related to unrecognized tax benefits in income tax expense (benefit). As of December 31, 2025, we had no accrued interest and penalties. We are subject to exam for tax periods after 2021 with limited exceptions.

We have determined that our foreign earnings are expected to be indefinitely reinvested in the foreseeable future, and therefore, no deferred tax liability has been recognized on these earnings. The amount of the unrecognized tax liability is not significant.

Note 11. Commitments and Contingencies

Loan Commitments

On September 27, 2024, we entered into a five-year strategic partnership program with our originating partner by executing a Loan and Receivables Sale Agreement and Marketing and Servicing Agreement. We have a direct obligation to purchase receivables extended to consumers by our originating partner. During the year ended December 31, 2025, the total order value of loans purchased from our originating partner was $3,535.1 million, and the carrying value of the receivables on those purchases totaled $2,597.5 million. During the year ended December 31, 2024, the total order value of loans purchased from our originating partner was $709.2 million, and the carrying value of the receivables on those purchases totaled $519.8 million. As of December 31, 2025 and 2024, the total order value of loans we had an obligation to purchase from our originating partner was $27.3 million and $34.6 million, respectively, and the carrying value of the receivables on those obligations totaled $20.1 million and $25.4 million, respectively.

Note 12. Stockholders' Equity

Repurchase of Common Stock

We retain a portion of shares issuable in satisfaction of vested restricted stock units to cover minimum statutory withholding tax obligations for employees. As of December 31, 2025, we had withheld 1.3 million shares at a value totaling $24.1 million. As of December 31, 2024, we had withheld 1.1 million shares at a value totaling $9.4 million. We recognize these amounts as treasury stock, at cost, within the consolidated balance sheets as a reduction to stockholders' equity.

Repurchase and Retirement of Common Stock

During the years ended December 31, 2025 and 2024, we repurchased 1.1 million and 1.8 million shares, respectively, in the open market under our stock repurchase plans, as described in our Current Reports on Form 8-K filed on December 22, 2023, June 24, 2024, and March 10, 2025, at a value totaling $50.0 million and $20.0 million, respectively. All shares repurchased under our stock repurchase plans were subsequently retired. We recognized the repurchase amounts in excess of par as a reduction to additional paid-in capital and accumulated deficit, based on the pro rata portion of additional paid-in capital on the same issue.

Note 13. Equity Based Compensation

We issue incentive and non-qualified stock options, restricted stock units, restricted stock awards, and unrestricted stock to employees and non-employees. With the exception of unrestricted stock, equity based compensation issuances include service based vesting requirements, generally covering four years. We utilize the Black-Scholes valuation model to determine the fair market value of stock option issuances, and the closing price of our stock on the grant date to determine the fair market value of restricted stock issuances.

Equity based compensation expense, including vesting of restricted stock units, totaled $6.5 million and $5.2 million for the years ended December 31, 2025 and 2024, respectively. Equity based compensation expense is recorded within personnel on the consolidated statements of operations and comprehensive income.

2016 Employee Stock Option Plan

We adopted the 2016 Employee Stock Option Plan on January 16, 2016. The number of awards authorized for issuance under the plan was 1.6 million. We had an immaterial amount of options issued and outstanding under the plan as of December 31, 2025. We had 0.3 million options issued and outstanding under the plan as of December 31, 2024. We had no restricted stock awards issued and outstanding as of December 31, 2025 and 2024. During the years ended December 31, 2025 and 2024, 0.3 million and 0.1 million options were exercised into shares of common stock, respectively.

2019 Equity Incentive Plan

We adopted the 2019 Equity Incentive Plan on June 25, 2019. The number of awards authorized for issuance under the plan was 4.1 million. We had 0.4 million and 0.7 million options issued and outstanding as of December 31, 2025 and 2024, respectively. We had no restricted stock units issued and outstanding as of December 31, 2025 and 2024. During both the years ended December 31, 2025 and 2024, 0.4 million options were exercised into shares of common stock.

2021 Equity Incentive Plan

We adopted the 2021 Equity Incentive Plan on June 15, 2021. The number of awards authorized for issuance under the plan as of December 31, 2025 was 7.7 million. As of both December 31, 2025 and 2024, we had 0.1 million options issued and outstanding. We had 1.1 million and 1.9 million restricted stock units issued and outstanding as of December 31, 2025 and 2024, respectively. During both the years ended December 31, 2025 and 2024, an immaterial amount of options were exercised into shares of common stock.

The following tables summarize the options issued, exercised, canceled, outstanding, and exercisable under our equity based compensation plans as of December 31, 2025 and 2024:

	For the year ended December 31, 2025			
(in thousands, except per share amounts)	**Number of Options***	**Weighted Average Exercise Price***	**Intrinsic Value**	**Weighted Average Remaining Life**
Outstanding, beginning of year	1,094	$ 10.43	$ 35,743	5.07
Granted	—	—	—	—
Exercised	(650)	6.01	49,814	—
Canceled	(5)	39.52	—	—
Outstanding, end of year	439	16.42	20,672	4.76
Exercisable, end of year	396	17.04	18,382	4.38
Expected to vest, end of year	43	$ 10.80	$ 2,290	8.15

	For the year ended December 31, 2024			
(in thousands, except per share amounts)	**Number of Options***	**Weighted Average Exercise Price***	**Intrinsic Value**	**Weighted Average Remaining Life**
Outstanding, beginning of year	1,522	$ 10.34	$ 1,147	5.85
Granted	72	11.38	—	—
Exercised	(453)	8.98	8,845	—
Canceled	(47)	22.82	—	—
Outstanding, end of year	1,094	10.43	35,743	5.07
Exercisable, end of year	1,017	10.25	33,425	4.78
Expected to vest, end of year	77	$ 12.84	$ 2,318	8.91

* 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.

The following table represents the assumptions used for estimating the fair values of stock options granted to our employees, contractors, and non-employees under the Black-Scholes valuation model. The risk-free interest rate is based on the U.S. Treasury yield curve in effect on the grant date:

	2024
Risk-free interest rate	4.37%
Expected volatility	140.69%
Expected life (in years)	6.00
Weighted average estimated fair value of options granted	$ 10.53

Restricted stock award and restricted stock unit transactions during the years ended December 31, 2025 and 2024 are summarized as follows:

	For the year ended December 31, 2025		For the year ended December 31, 2024	
(in thousands, except per share amounts)	**Number of Shares***	**Weighted Average Grant Date Fair Value***	**Number of Shares***	**Weighted Average Grant Date Fair Value***
Unvested shares, beginning of year	1,893	$ 7.87	2,140	$ 3.55
Granted	160	45.01	808	11.99
Vested	(777)	8.06	(860)	5.49
Forfeited or surrendered	(150)	8.43	(195)	5.70
Unvested shares, end of year	1,126	$ 12.96	1,893	$ 7.87

* 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.

During the year ended December 31, 2025, employees and non-employees received restricted stock units totaling 0.2 million. Vesting of restricted stock units totaled 0.8 million. The shares underlying the restricted stock units granted in 2025 were assigned a weighted average fair value of $45.01 per share, for a total value of $7.2 million. The restricted stock issuances are scheduled to vest over four years.

During the year ended December 31, 2024, employees and non-employees received restricted stock units totaling 0.8 million. Vesting of restricted stock units totaled 0.8 million. The shares underlying the restricted stock units granted in 2024 were assigned a weighted average fair value of $11.99 per share, for a total value of $9.7 million. The restricted stock issuances are scheduled to vest over a range of one to four years.

As of December 31, 2025, the total compensation cost related to non-vested awards not yet recognized is $12.1 million and is expected to be recognized over the weighted average remaining recognition period of approximately 2.6 years. As of December 31, 2024, the total compensation cost related to non-vested awards not yet recognized is $11.7 million and is expected to be recognized over the weighted average remaining recognition period of approximately 2.8 years.

Note 14. 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:

	For the years ended December 31,	
(in thousands, except per share amounts)	**2025**	**2024**
Numerator:		
Net income	$ 133,130	$ 78,522
Denominator[1]:		
Basic shares:		
Weighted-average shares outstanding	33,910	33,711
Diluted shares[2]:		
Stock options	520	677
Restricted stock units	1,314	1,502
Weighted-average shares outstanding	35,744	35,890
Net income per share:		
Basic	$ 3.93	$ 2.33
Diluted	$ 3.72	$ 2.19

(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, 15 and 187 shares were excluded from the denominator of diluted net income per share for the years ended December 31, 2025 and 2024, respectively.

Note 15. Restated Quarterly Consolidated Statements of Cash Flows (Unaudited)

As described in Note 1. Principal Business Activity and Significant Accounting Policies, the impacted 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 have been restated and are reflected in the tables that follow. The unaudited quarterly consolidated statements of cash flows reflect all adjustments that are, in the opinion of management, necessary for the fair statement of the cash flows for the quarterly periods presented. Restated amounts are computed independently for each quarter presented; therefore, the sum of the quarterly amounts may not equal the total amount for the year due to rounding.

Consolidated Statements of Cash Flows (unaudited)

	For the three months ended March 31, 2024		
(in thousands)	**As previously reported**	**Restatement impact**	**As restated**
Discount on notes receivable	$ —	$ (670)	$ (670)
Notes receivables	21,953	(21,953)	—
Net Cash Provided from Operating Activities	**$ 38,613**	**$ (22,623)**	**$ 15,990**
Purchases and originations of notes receivable, net of proceeds from repayments	$ —	$ 22,623	$ 22,623
Net Cash (Used for) Provided from Investing Activities	**$ (340)**	**$ 22,623**	**$ 22,283**

	For the six months ended June 30, 2024		
(in thousands)	**As previously reported**	**Restatement impact**	**As restated**
Discount on notes receivable	$ —	$ (180)	$ (180)
Notes receivables	(4,140)	4,140	—
Net Cash Provided from Operating Activities	**$ 34,218**	**$ 3,960**	**$ 38,178**
Purchases and originations of notes receivable, net of proceeds from repayments	$ —	$ (3,960)	$ (3,960)
Net Cash Used for Investing Activities	**$ (774)**	**$ (3,960)**	**$ (4,734)**

	For the nine months ended September 30, 2024		
(in thousands)	**As previously reported**	**Restatement impact**	**As restated**
Discount on notes receivable	$ —	$ 325	$ 325
Notes receivables	(32,994)	32,994	—
Net Cash Provided from Operating Activities	**$ 39,928**	**$ 33,319**	**$ 73,247**
Purchases and originations of notes receivable, net of proceeds from repayments	$ —	$ (33,319)	$ (33,319)
Net Cash Used for Investing Activities	**$ (1,058)**	**$ (33,319)**	**$ (34,377)**

	For the three months ended March 31, 2025		
(in thousands)	**As previously reported**	**Restatement impact**	**As restated**
Discount on notes receivable	$ —	$ (1,224)	$ (1,224)
Notes receivables	5,134	(5,134)	—
Net Cash Provided from Operating Activities	**$ 58,837**	**$ (6,358)**	**$ 52,479**
Purchases and originations of notes receivable, net of proceeds from repayments	$ —	$ 6,358	$ 6,358
Net Cash (Used for) Provided from Investing Activities	**$ (308)**	**$ 6,358**	**$ 6,050**

	For the six months ended June 30, 2025		
(in thousands)	**As previously reported**	**Restatement impact**	**As restated**
Discount on notes receivable	$ —	$ (782)	$ (782)
Notes receivables	(53,796)	53,796	—
Net Cash Provided from Operating Activities	**$ 22,522**	**$ 53,014**	**$ 75,536**
Purchases and originations of notes receivable, net of proceeds from repayments	$ —	$ (53,014)	$ (53,014)
Net Cash Used for Investing Activities	**$ (1,328)**	**$ (53,014)**	**$ (54,342)**

	For the nine months ended September 30, 2025		
(in thousands)	**As previously reported**	**Restatement impact**	**As restated**
Discount on notes receivable	$ —	$ (1,516)	$ (1,516)
Notes receivables	(85,172)	85,172	—
Net Cash Provided from Operating Activities	**$ 55,618**	**$ 83,656**	**$ 139,274**
Purchases and originations of notes receivable, net of proceeds from repayments	$ —	$ (83,656)	$ (83,656)
Net Cash Used for Investing Activities	**$ (2,103)**	**$ (83,656)**	**$ (85,759)**

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of December 31, 2025, Sezzle conducted an evaluation, under supervision and with the participation of management, including the Chief Executive Officer and Chief 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 Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level, due to the material weakness described in Management's Annual Report on Internal Control over Financial Reporting. 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.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. All internal control systems, no matter how well designed, have inherent limitations. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our internal controls over financial reporting as of December 31, 2025. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control — Integrated Framework (2013)." Based on this assessment, management concluded that, as of December 31, 2025, Sezzle did not maintain effective internal control over financial reporting due to the material weakness described below.

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 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 and 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.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by Baker Tilly US, LLP, an independent registered public accounting firm, as stated in their accompanying report.

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 will introduce enhancements to the design of our disclosure controls and procedures as they relate to the classification of our notes receivable.

Changes in Internal Control Over Financial Reporting

As of December 31, 2025, 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 concluded that no changes in our internal control over financial reporting occurred during the year ended December 31, 2025 have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

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

During the quarter ended December 31, 2025, 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, except as follows:

On November 18, 2025, Paul Paradis, the Company's President, adopted a Rule 10b5-1 trading arrangement (the "Paradis Plan") that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). The Paradis Plan provided for the potential sale of of 132,000 shares of common stock of the Company, between a start date of February 18, 2026 until termination of the Paradis Plan on November 18, 2026, or earlier if all transactions under the Paradis Plan were completed. As of the date hereof, 26,400 shares have been sold under the Paradis Plan.

On November 25, 2025, Amin Sabzivand, the Company's Chief Operating Officer, adopted a Rule 10b5-1 trading arrangement (the "Sabzivand Plan") that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). The Sabzivand Plan provided for the potential sale of 67,930 shares of common stock of the Company, between a start date of March 10, 2026, until termination of the Sabzivand Plan on November 30, 2026, or earlier if all transactions under the Sabzivand Plan were completed. As of the date hereof, no shares of common stock have been sold under the Sabzivand Plan.

However, our directors and executive officers may adopt 10b5-1 Plans or non-Rule 10b5-1 trading arrangements in the future.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference from our Proxy Statement for our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2025.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from our Proxy Statement for our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2025.

As disclosed in this Annual Report on Form 10-K, we restated our consolidated statements of cash flows for the year ended December 31, 2024, and 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. We concluded that we had not appropriately classified purchases and originations of notes receivable, and proceeds from repayments thereof, as investing activities within our consolidated statements of cash flows. We considered whether this error and the resulting restatement required recovery of incentive-based compensation under the Clawback Policy. The Company concluded that no incentive-based compensation was paid based on the information that is the subject of the restatement, and that no recovery of incentive-based compensation was required.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference from our Proxy Statement for our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2025.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference from our Proxy Statement for our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2025.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated by reference from our Proxy Statement for our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2025.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Form 10-K:

Financial Statements

Our consolidated financial statements are found in the "Index to Consolidated Financial Statements" under Part II, Item 8 of this Annual Report.

Financial Statement Schedules

All schedules have been omitted because the required information is not present or not present in amounts sufficient to require submission of the schedules, or because the information required is included in Part II, Item 8 of this Annual Report.

Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	File Number	File Date	
3.1	Fifth Amended and Restated Certificate of Incorporation	8-K	001-41781	11/22/2024	
3.2	Third Amended and Restated Bylaws	10-12G/A	000-56267	10/25/2021	
4.1	Description of Capital Stock				X
10.1	Revolving Credit and Security Agreement dated as of April 19, 2024 among Sezzle Funding SPE II, LLC, the lenders from time to time party thereto and Bastion Funding VI LP, as administrative agent.	8-K	001-41781	4/22/2024	
10.2	Amendment No. 1 to Revolving Credit and Security Agreement	10-Q	001-41781	11/8/2024	
10.3	Amendment No. 2 to Revolving Credit and Security Agreement	10-Q	001-41781	11/8/2024	
10.4	Amendment No. 3 to Revolving Credit and Security Agreement	8-K	001-41781	11/5/2025	
10.5	Amendment No. 4 to Revolving Credit and Security Agreement				X
10.6	Pledge and Guaranty Agreement dated as of April 19, 2024 by and between Sezzle Funding SPE II Parent, LLC, as pledgor, and Bastion Funding VI LP, in its capacity as administrative agent.	8-K	001-41781	4/22/2024	
10.7	Limited Guaranty and Indemnity Agreement dated as of April 19, 2024 by Sezzle Inc. for the benefit of Bastion Funding VI LP, in its capacity as administrative agent.	8-K	001-41781	4/22/2024	
10.8	Amendment No. 1 to Limited Guaranty and Indemnity Agreement	8-K	001-41781	6/24/2024	
10.9	Amendment No. 2 to Limited Guaranty and Indemnity Agreement	10-K	001-41781	2/27/2025	
10.10	Amended and Restated Loan and Receivables Sale Agreement	10-Q	001-41781	11/8/2024	
10.11	Amended and Restated Marketing and Servicing Agreement	10-Q	001-41781	11/8/2024	
10.12	Form of Warrant Agreement	8-K	000-56267	10/18/2022	
10.13	Office Lease by and between 601 Minnesota MT LLC and Sezzle Inc., dated June 9, 2023.	10-K	001-41781	2/29/2024	
10.14	Form of Indemnification Agreement	10-K	001-41781	2/29/2024	
10.15	Form of Director Agreement	10-12G/A	000-56267	10/25/2021	
10.16	Employment Agreement between Sezzle Inc. and Charles Youakim, dated June 20, 2019 #	10-12G/A	000-56267	10/25/2021	
10.17	Employment Agreement between Sezzle Inc. and Paul Paradis, dated June 20, 2019 #	10-12G/A	000-56267	10/25/2021	
10.18	Consulting Agreement between Sezzle Inc. and Karen Hartje, dated November 1, 2025	8-K	001-41781	11/5/2025	
10.19	Employment Letter between Sezzle Inc. and Lee Brading, dated January 26, 2026	8-K	0001-41781	1/29/2026	
10.17	Sezzle 2016 Employee Stock Option Plan #	10-12G/A	000-56267	10/25/2021	
10.18	Sezzle 2019 Equity Incentive Plan #	10-12G	000-56267	4/13/2021	
10.19	Sezzle 2021 Equity Incentive Plan #	10-12G/A	000-56267	10/25/2021	
10.20	Amendment to Sezzle Inc. 2021 Equity Incentive Plan #	8-K	001-41781	8/4/2025	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	File Number	File Date	
10.21	Form of Notice of Option Award #	10-K	001-41781	2/27/2025	
10.22	Form of Notice of RSU Award #	10-K	001-41781	2/27/2025	
10.23	Form of Notice of Unrestricted Stock Award #	10-Q	001-41781	5/8/2025	
10.24	Form of Notice of Restricted Stock Award #	10-Q	001-41781	8/8/2025	
10.25	Form of Award Amendment #	8-K	001-41781	8/4/2025	
10.26	Agreement for B Corporation Certification dated as of March 22, 2021 by and between Sezzle Inc. and B Lab Company	10-12G/A	000-56267	10/25/2021	
10.27	Form of Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement	10-12G/A	000-56267	10/25/2021	
19.1	Securities Trading Policy				X
21.1	Subsidiaries of Registrant				X
23.1	Consent of Baker Tilly US, LLP, independent registered public accounting firm				X
24.1	Powers of Attorney (see signature page hereto)				X
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
97.1	Clawback Policy - Executive Officers				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.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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: February 26, 2026

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

Dated: February 26, 2026

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Each of the undersigned hereby appoints Charles Youakim and Lee Brading, and each of them (with full power to act alone), as attorneys and agents for the undersigned, with full power of substitution, for and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1934, any and all amendments and exhibits to this annual report on Form 10-K and any and all applications, instruments, and other documents to be filed with the Securities and Exchange Commission pertaining to this annual report on Form 10-K or any amendments thereto, with full power and authority to do and perform any and all acts and things whatsoever requisite and necessary or desirable.

Signature	Title	Date
/s/ Lee Brading Lee Brading	Chief Financial Officer (Principal Financial Officer)	February 26, 2026
/s/ Kyle Brehm Kyle Brehm	Non-Executive Director	February 26, 2026
/s/ Stephen East Stephen East	Non-Executive Director	February 26, 2026
/s/ Justin Krause Justin Krause	SVP of Finance and Financial Controller (Principal Accounting Officer)	February 26, 2026
/s/ Paul Paradis Paul Paradis	President and Executive Director	February 26, 2026
/s/ Karen Webster Karen Webster	Non-Executive Director	February 26, 2026
/s/ Charles Youakim Charles Youakim	Chief Executive Officer and Chairman (Principal Executive Officer)	February 26, 2026

DESCRIPTION OF COMMON STOCK

General

As of December 31, 2025, Sezzle Inc. (the "Company") has its common stock registered under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act").

The following description summarizes certain important terms of our common stock set forth in our Fifth Restated Certificate of Incorporation (the "Charter"), and our Third Amended and Restated Bylaws ("Bylaws"). Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this description, you should refer to our Charter and Bylaws, each as may be amended from time to time and filed as exhibits to our Annual Reports on Form 10-K, and to the applicable provisions of Delaware law, including the Delaware General Corporation Law ("DGCL").

The total amount of our authorized capital stock consists of 750,000,000 shares of common stock, $0.00001 par value per share and 750,000,000 shares of preferred stock, $0.00001 par value per share.

Voting Rights

At a meeting of the Company, every holder of common stock present in person or by proxy, is entitled to one vote for each share of common stock held on the record date for the meeting on all matters submitted to a vote of our stockholders. Holders of our common stock do not have cumulative voting rights, and our preferred stock may have voting rights that permit its holders to vote with our common stockholders on an as-converted to common stock basis.

Except as otherwise required under the DGCL or provided for in our Charter, all matters other than the election of directors will be determined by a majority of the votes cast on the matter and all elections of directors will be determined by a plurality of the votes cast.

Dividend Rights

Holders of common stock are entitled to receive such dividends, if any, as may be declared from time to time by the board of directors out of funds legally available for dividend payments.

Rights Attaching to Common Stock

Our common stockholders have no preferences or rights of conversion, exchange, pre-emption or other subscriptions rights. There are no redemption or sinking fund provisions applicable to the common stock.

Removal of directors — Our Bylaws provide that any director may be removed either with or without cause at a special meeting of stockholders duly called and held for such purpose.

Amendment of Bylaws — Our Bylaws provide that the bylaws may be adopted, amended or repealed by the stockholders entitled to vote, but we may confer the power to adopt, amend or repeal our Bylaws upon our directors in our Charter. Our Charter provides that our board of directors is expressly authorized to adopt, amend, alter, or repeal our Bylaws.

Size of the Board, Resignations and Board Vacancies — Our Bylaws provide that the number of directors shall consist of not less than one and not more than seven directors affixed from time to time by resolution or vote of the board of directors. Any director may resign at any time upon notice given in writing to the Company. Vacancies and newly-created directorships shall be filled exclusively by vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, except that any vacancy created by the removal of a director by the stockholders for cause shall be filled by vote of a majority of the outstanding shares of our common stock. No decrease in the number of directors constituting the board of directors shall shorten the term of any incumbent director. Directors so chosen or elected shall hold office until the next annual meeting of stockholders or until their respective successors are duly elected and qualified.

Special stockholder meetings — Our Bylaws provide that special meetings of our stockholders may be called, according to the applicable law, by the board, the Chairperson of the board, the Chief Executive Officer, or the President.

Requirements for advance notification of stockholder nominations and proposals — Our Bylaws establish advance notice procedures with respect to nomination of candidates for election as directors and other business to be properly brought before an annual stockholder meeting.

No cumulative voting — The DGCL provides that stockholders are denied the right to cumulative votes in the election of directors unless the company's certificate of incorporation providers otherwise. Our Charter does not provide for cumulative voting.

Authorized but unissued shares — Subject to the limitation on the issue of securities under the Nasdaq listing rules and the DGCL, our authorized but unissued shares will be available for future issue without stockholder approval. We may use additional shares of common stock for a variety of purposes, including future offerings to raise additional capital, to fund acquisitions and as employee compensation.

Anti-Takeover Provisions

Provisions of the DGCL, our Charter and our Bylaws could make it more difficult to acquire us by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, could discourage certain types of coercive takeover practices and takeover bids that the board may consider inadequate, and encourage persons seeking to acquire control of the Company to first negotiate with our board. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

These provisions include:

Special Meetings of Stockholders — Our Charter and Bylaws provide that, except as otherwise required by law, special meetings of the stockholders may be called only by our board of directors, the Chairman of the board of directors, the Chief Executive Officer or the President.

Advance Notice Procedures. — Our Bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although our Bylaws do not give the board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, our Bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the company.

Authorized but Unissued Shares — Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Business Combinations with Interested Stockholders — The DGCL prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested shareholder" for a period of three years following the time the person became an interested stockholder, unless the business combination or the acquisition of shares meets an exception under Delaware law. Such exceptions include the receipt of board of directors or stockholder approval of the business combination in a manner prescribed by the DGCL. A "business combination" can include a merger, asset or share sale or other transaction resulting in financial benefit to an interested shareholder. Generally, an interested shareholder is: (i) a person who beneficially owns, has the right to acquire, or right to control, 15% or more of a corporation's voting shares; or (ii) is an affiliate or association of the corporation and owned 15% or more of a corporation's voting shares any time within the three-year period prior to the determination of interested shareholder status. The existence of this provision would be expected to have an anti-takeover effect with respect to transaction not approved in advance by the board.

Choice of Forum — Our Charter provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware (or, if, and only if, the Court of Chancery of the State of Delaware dismisses a Covered Claim (as defined below) for lack of subject matter jurisdiction, any other state or federal court in the State of Delaware that does have subject matter jurisdiction) will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for the following types of claims: (i) any derivative claim brought in the right of the Company, (ii) any claim asserting a breach of a fiduciary duty to the Company or the Company's stockholders owed by any current or former director, officer or other employee or stockholder of the Company, (iii) any claim against the Company arising pursuant to any provision of the DGCL, our Charter or Bylaws, (iv) any claim to interpret, apply, enforce or determine the validity of our Charter or our Bylaws, (v) any claim against the Company governed by the internal affairs doctrine, and (vi) any other claim, not subject to exclusive federal jurisdiction and not asserting a cause of action arising under the Securities Act, as amended, brought in any action asserting one or more of the claims specified in clauses (a)(i) through (v) herein above (each a "Covered Claim"). This provision would not apply to claims brought to enforce a duty or liability created by the Exchange Act.

Our Charter further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. In addition, our Charter provides that any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Company will be deemed to have notice of and consented to these choice-of-forum provisions and waived any argument relating to the inconvenience of the forums in connection with any Covered Claim.

The choice of forum provisions contained in our Charter may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. While the Delaware courts have determined that such choice of forum provisions are facially valid, it is possible that a court of law in another jurisdiction could rule that the choice of forum provisions contained in our Charter are inapplicable or unenforceable if they are challenged in a proceeding or otherwise, which could cause us to incur additional costs associated with resolving such action in other jurisdictions.

The provisions of Delaware law, our Charter and our Bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Corporate Opportunities

Our Charter provides that we renounce any interest or expectancy of the Company in, or being offered an opportunity to participate in, any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Company who is not an employee of the Company or any of its subsidiaries, or (ii) any holder of preferred stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is any employee of the Company or any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Company.

Limitations on Liability and Indemnification of Officers and Directors

Our Charter limits the liability of our directors to the fullest extent permitted by the DGCL or any other law of the state of Delaware and our Bylaws provide that we may indemnify our directors and our officers that are appointed by the board of directors to the fullest extent permitted by applicable law.

Rights on Liquidation or Winding Up

In the event of any liquidation, dissolution or winding-up of our affairs, holders of our common stock will be entitled to share ratably in our assets that are remaining after payment or provision for payment of all of our debts and obligations, including any rights of the preferred stockholder.

Public Benefit Corporation Status

We are incorporated in Delaware as a public benefit corporation as a demonstration of our long-standing commitment to financial education and helping young adults with their approach to personal finances, as well as creating alternative means for consumers. Our status as a public benefit corporation compels our leadership to manage against the aligned goals of creating a positive impact on the community at large and serving the public good in addition to maximizing profit for stockholders. Public benefit corporations are a relatively new class of corporations that are intended to produce a public benefit and to operate in a responsible and sustainable manner. Under Delaware law, public benefit corporations are required to identify in their certificate of incorporation the public benefit or benefits they will promote and their directors have a duty to manage the affairs of the public benefit corporation in a manner that balances the pecuniary interests of its stockholders, the best interests of those materially affected by the public benefit corporation's conduct, and the specific public benefit or public benefits identified in the public benefit corporation's certificate of incorporation. Public benefit corporations are also required to publicly disclose at least biennially a report that assesses their public benefit performance and may elect in their certificate of incorporation to measure that performance against an objective third-party standard. We did not elect to measure performance against an objective third-party standard, and we instead expect that our board of directors will measure our benefit performance against the objectives and standards determined appropriate by our board of directors.

When determining the objectives and standards by which our board of directors will measure our public benefit performance, our board of directors may consider, among other factors, whether the objectives and standards:

i. Adequately assess the effect of our operations upon the interests of our employees, consumers, merchants, local communities in which our officers are located, and the local and global environment;
ii. Are comparable to the objectives and standards created by independent third parties who evaluate the public benefit performance of other public benefit corporations; and
iii. Are appropriately transparent for public disclosure, including disclosing the process by which revisions to the objectives and standards are made and whether such objectives and standards present real or potential conflicts of interests,

We do not believe that an investment in a public benefit corporation differs materially from an investment in a corporation that is not designated as a public benefit corporation. Holders of our common stock will have voting, dividend, and other economic rights that are the same as the rights of stockholders of a corporation that is not a public benefit corporation.

Our public benefit, as provided in our Charter, is, "in pursuing any business, trade, or activity which may lawfully be conducted by Sezzle, Sezzle shall promote a specific public benefit of having a material positive effect (or reduction of negative effects) on consumer empowerment, education, and transparency in Sezzle's local, national, and global communities." Delaware law provides that the holders of at least two-thirds of our outstanding stock entitled to vote must approve any amendment of our certificate of incorporation to delete or amend the requirements of our public benefit purpose; or any merger or consolidation with an entity that would result in us losing our status as a public benefit corporation or with an entity that does not contain identical provisions identifying our public benefits.

Stockholders owning individually or collectively, as of the date of instituting a derivative suit, at least 2% of our outstanding shares may maintain a derivative lawsuit to enforce the requirements that the board of directors will manage or direct our business and affairs in a manner that balances the pecuniary interests of the stockholders, the best interests of those materially affected by our conduct, and the specific public benefits identified in our certificate of incorporation. Delaware law provides that stockholders owning at least 2% of our outstanding shares or $2 million in market value on the date of instituting a derivative suit may institute such a claim.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock in United States is Computershare Trust Company N.A.



Securities Trading Policy

Last Revised October 30, 2025

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Version	Issue Date	Comments
1.0.0	June 24, 2019	Initial release
1.0.1	July 16, 2020	Formal Release of combined policies.
1.0.2	June 24, 2021	Annual review
1.0.3	October 20, 2022	Annual review
1.0.4	September 13, 2023	Updates for Nasdaq listing
1.0.5	November 29, 2023	Legal Team proposed updates for fiscal year 2023.
1.0.6	May 2, 2024	Proposed Finance Edits.
1.0.7	August 6, 2024	Proposed management edits.
1.0.8	October 30, 2025	Proposed management edits.

1. BACKGROUND AND PURPOSE

1.1. Background

Sezzle Inc. (the "***Company***") is a publicly listed company in the United States. The Company and its employees have obligations to avoid unlawful and unethical Trading practices occurring through a Restricted Persons' access to material, nonpublic information of the Company. Capitalized terms used herein shall have the meanings as set forth below.

The Company is listed on The Nasdaq Stock Market LLC ("***Nasdaq***" or the "***Exchange***") and maintains this Securities Trading Policy (this "***Policy***") to ensure that Trading of Securities complies with the applicable laws and regulations of, among other things, the Nasdaq Listing Rules, the Securities Exchange Act of 1934 (the "***Exchange Act***"), and other applicable U.S. securities laws.

U.S. securities laws also apply to the disclosure of material, nonpublic information to others who may Trade Securities. Violations of these laws can result in civil and criminal penalties. A company and its controlling persons may also be subject to liability if such company or controlling persons fail to take reasonable steps to prevent insider trading by its personnel.

It is important that Restricted Persons understand the breadth of activities that constitute illegal insider trading and the consequences, which can be severe. The U.S. Securities and Exchange Commission (the "***SEC***"), the Financial Industry Regulatory Authority ("***FINRA***"), the Exchange, and other regulatory authorities are generally very effective at detecting insider trading. These regulatory authorities, along with government prosecutors, pursue insider trading violations vigorously. Cases have been successfully prosecuted against employees and others who have committed insider trading, even for relatively small Trades, through foreign accounts or through family members and friends. Profit or loss is irrelevant to whether insider trading occurs.

2. STATEMENT OF POLICY

2.1. Objective

All Restricted Persons are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the Restricted Person's personal interests and those of the Company.

The Board has established this Policy to:

- assist Restricted Persons to comply with their legal obligations in relation to Trading in Securities;
- establish the Company's policy and procedure for Restricted Persons Trading in Securities;
- raise awareness and minimize any potential for breach of the prohibitions on insider trading contained in Section 10(b) of the Exchange Act and the rules and regulations promulgated thereunder;
- maintain a proper market for the Securities of the Company and ensure the Company's reputation and integrity are not adversely impacted by perceptions of improper Trading of Securities; and
- promote stockholder and general market confidence in the Company.

2.2. Securities Covered in this Policy

This Policy applies to Trading in all Securities including:

- Securities of the Company; and
- Securities of other companies where you have Inside Information of such company that you obtained in the course of your employment with, or the performance of services on behalf of, the Company. These companies may include the Company's customers or suppliers and those with which the Company may be negotiating major transactions, such as an acquisition, investment, or sale of assets. Information that may not be material to the Company may nevertheless be material to those other companies.

This Policy does not apply to transactions under Section 6.6 or to transactions in mutual funds, exchange- traded funds, index funds or other "broad basket" funds that own or hold Securities as one of many investments.

2.3. Application

This Policy applies to all Restricted Persons, including:

- family members who reside with you;
- anyone else who lives in your household;
- any family members who do not live in your household but whose securities transactions are directed by you or who are subject to your influence or control (such as parents or children who consult with you before they trade in securities);
- any person to whom you have disclosed material, nonpublic information; and
- any entity that you control.

You are responsible for making sure that any Trading in Securities executed or directed by you, or such other affiliated person or entity listed above complies with this Policy.

2.4. Key Principles

All Trading in Securities by Restricted Persons must be conducted in accordance with this Policy during an open Trading Window with the Notification Officer's prior written clearance.

- *No Conflicts of Interest*. In conducting personal Trading activities, all Restricted Persons must act lawfully and avoid conflicts of interests between their personal interests and the Company's interests.
- *No Trading on Inside Information.* Any Restricted Person who possesses Inside Information in relation to the Company must not Trade in Securities, regardless of any written clearance granted under this Policy.
- *No Tipping.* The Company has authorized only certain individuals to publicly release Inside Information relating to the Company. You may not communicate Inside Information to others (unless such disclosure is made in accordance with the Company's policies regarding the authorized disclosure of such information) or recommend to anyone the purchase or sale of any Securities when you are aware of Inside Information. You are also prohibited from communicating Inside Information if you reasonably believe that the person being communicated the Inside Information is likely to apply for, acquire or dispose of, or enter into an agreement to apply for, acquire or dispose of, any Securities or procure another person to do so. This practice, known as "tipping," also may violate the U.S. securities laws and can result in civil and criminal penalties, even though you did not Trade and/or gain any benefit from another's Trading.
- *No Exception for Hardship*. The existence of a personal, financial emergency does not excuse you from compliance with this Policy.

3. DEFINITIONS

In this Policy, unless the context otherwise requires:

Board means the board of directors of the Company.

Chair means the Chairperson of the Board.

Director means a member of the Board.

Inside Information has the meaning set forth in Section 5.

Notification Officer means the General Counsel of the Company, or any other employee designee appointed by the Board.

Personnel means a person who is an employee (permanent or temporary), senior executive, and/or Director.

Prohibited Trading Period means any time other than during a Trading Window and any additional period from time to time when the Chair or Board impose a prohibition on Trading.

Restricted Person or "you" means all Personnel and agents, consultants, advisors, and contractors who are currently engaged by the Company.

RSUs means restricted stock units of the Company.

Rule 10b5-1 Trading Plan has the meaning set forth in Section 7.7.
Senior Executive means:

- the Chief Executive Officer, President, and Chief Financial Officer;
- all officers and direct reports to the Chief Executive Officer and/or President;
- any other person who is one of the Company's key management personnel, including those persons identified as key management personnel, officers or named executive officers in the Company's most recent annual report filed with the SEC; and
- any other employee who has been notified that the Board designates them as a Senior Executive for the purposes of this Policy.

Securities means:

- Shares, preferred stock, options, RSUs, performance rights and other Securities issued by the Company which are convertible into Shares;
- debentures (including bonds and notes); and
- derivatives of any of the above (including swaps, futures contracts, contracts for differences, spread bets, warrants, depositary receipts, hedges, exchange-traded or over the counter-options), whether settled by cash or otherwise.

Shares means common stock of the Company.

Trade or Trading means:

- buying or selling Securities;
- entering into an agreement to buy or sell Securities; or
- exercising options, rights, or awards to acquire Securities.

Trading Window means any period other than a Prohibited Trading Period specified in Section 6.2.

4. DELEGATION OF AUTHORITY

The Board hereby delegates the authority for the development, implementation, and continuous improvement of this Policy to the Chief Financial Officer and/or designated employees of the Company's finance team (collectively, "***Finance***") including the authority over Trades requested by Personnel in accordance with this Policy.

5. PROHIBITION ON INSIDER TRADING

5.1. Inside Information

'**Inside Information**' is information that:

- is not generally available; and
- if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Securities. Information expected to affect the Company's Share price, whether positive or negative, should be considered material.

Information is '**generally available**' if:

- it consists of 'readily observable matter;'
- it has been made known in a manner that would, or would be likely to, bring to the attention of persons who commonly invest in Securities of a kind whose price or value might be affected by the information and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or

- it consists of deductions, conclusions or inferences made or drawn from information of the kind referred to in (a) or (b).

Restricted Persons may only assume information is generally available when it has been broadly disseminated to the marketplace (for example, by means of a filing with the SEC, such as a Form 8-K or other periodic report, a press release, a publicly accessible conference call or a publication in a widely- available newspaper or magazine) and enough time has elapsed to permit the investing public to absorb and evaluate the information. As a general rule, information is considered "generally available" after two full trading days after the information has been broadly disseminated.

A reasonable person would be taken to expect information to have a material effect on the price or value of Securities if (and only if) the information would, or would be likely to, influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of those Securities. In other words, information must be shown to be material to the investment decision of a reasonable hypothetical investor in the Securities.

Common examples of information that will frequently be regarded as material to the investment decision of a reasonable hypothetical investor in the Securities are:

- projections of future earnings or losses or other earnings guidance;
- earnings or losses that are significantly higher or lower than generally expected by the investment community;
- a pending or proposed merger, acquisition, tender offer, or an acquisition or disposition of significant assets;
- a change in Senior Executives or the members of the Board;
- major events regarding the Company's Securities, including the declaration of a stock split, stock or cash dividend, or the offering of additional Securities;
- severe financial liquidity problems;
- actual or threatened major litigation, or the resolution of such litigation;
- new major contracts, order, merchants, suppliers, customer or financing sources, or the loss of any of them; and
- significant cybersecurity breaches.

Other types of information may also be material; no complete list can be given.

Whether a particular item is "material" or "generally available" will be judged with the benefit of hindsight. Before engaging in any transaction, a Restricted person should give careful thought to whether any facts and circumstances exist that could raise suspicions about the propriety of the proposed Trade after the fact. Persons with any questions as to whether information may be considered "material" and "nonpublic" should consult the Company's Continuous Disclosure Policy available at investors.sezzle.com or consult the Notification Officer.

5.2. Prohibited Conduct

The Exchange Act prohibits:

- the direct and indirect acquisition or disposal of Securities using Inside Information;
- the procurement of another person to acquire or dispose of Securities using Inside Information; and
- communication of Inside Information to another person for the purpose of the other person acquiring or disposing of Securities.

Restricted Persons must not, whether in their own capacity or as an agent for another, apply for, acquire or dispose of, or enter into an agreement to apply for, acquire or dispose of, any Securities, or procure another person to do so if the Restricted Person:

- possesses Inside Information; and
- knows or ought reasonably to know, that:
    - the Inside Information is not generally available; and
    - if it were generally available, it might have a material effect on the price or value of the Securities or influence a person's decision to Trade the Securities.

Restricted Persons must not either directly or indirectly pass Inside Information to another person if they know, or ought reasonably to know, that this other person is likely to apply for, acquire or dispose of the Securities or procure another person to do so.

5.3. Gifts

Bona fide gifts of Securities are not subject to this Policy, unless:

- the Restricted Person making the gift has reason to believe that the recipient intends to sell the Securities at a time when the Restricted Person is aware of Inside Information; or
- the Restricted Person making the gift is subject to a Prohibited Trading Period and the sale by the recipient of the Securities occurs during a Prohibited Trading Period.

For the avoidance of doubt, the pre-clearance procedures set forth in Section 7 shall apply to any gifts of Securities, transfers, or contributions of Securities to a family trust or other entity, and transfers of Securities among family members.

5.4. Confidentiality Obligations

Maintaining the confidentiality of Company information is essential for competitive, security, and other business reasons, as well as to comply with U.S. securities laws. You should treat all information you learn about the Company or its business plans in connection with your employment or engagement as confidential and proprietary to the Company. Inadvertent disclosure of confidential or Inside Information may expose the Company and you to significant risk of investigation and litigation.

Further to your legal obligations related to insider trading under the Exchange Act and any other applicable law, you must not disclose the Company's confidential information to any unauthorized third party or use that information for personal gain or in a manner that may harm the Company.

The timing and nature of the Company's disclosure of Inside Information to outsiders is subject to legal rules, the breach of which could result in substantial liability to you, the Company, and its management. Accordingly, it is important that responses to inquiries about the Company from the press, investment analysts or others in the financial community be made on the Company's behalf only through authorized individuals.

6. COMPANY IMPOSED RESTRICTIONS ON TRADING

6.1. Trading Windows

To help prevent inadvertent violations of the U.S. securities laws and to avoid the appearance of Trading on the basis of Inside Information, all Trading in Securities by Personnel will only be permitted during Trading Windows.

6.2. When are the Trading Windows?

The Trading Windows during which Personnel will be permitted to Trade Securities will be provided by the Company's Notification Officer. These will generally be open except at the following times (each, a "**Prohibited Trading Period**"):

- from the close of the Nasdaq trading day on December 23 each year until two full Nasdaq trading days following the day on which the Company's full year results or annual report on Form 10-K for such period (whichever is first) is made generally available to the public;

- from the close of the Nasdaq trading day on March 23, June 22 and September 22 each year until two full Nasdaq trading days following the day on which the Company's review of operations or quarterly report on Form 10-Q for such period (whichever is first) is made generally available to the public; and

- any additional period arising from time to time that the Board imposes a prohibition on Trading as an 'ad hoc' prohibition on Trading of Securities.

In addition, from time to time, the Company may be involved in activities that are material and that are known only by a limited number of people at the Company. If you are someone whose duties cause you to become aware of such an activity, the Notification Officer or the Finance Team may notify you of an event-specific Trading restriction (or additional Prohibited Trading Period) and you will not be permitted to Trade in Securities. The existence of an event-specific blackout may or may not be broadly announced, and you should not communicate it to anyone. Even if you are not notified of an event-specific blackout, you should not Trade in Securities.

Notwithstanding the time periods described above, the Company may declare a Trading Window closed at any time at its absolute discretion and without prior notice. For example, this could occur where directors of the Company believe that certain Personnel may hold Inside Information relating to the Company.

Trading Windows will not automatically be opened outside the times described above. Details of when a Trading Window is opened or closed and any Prohibited Trading Periods will be communicated to Personnel via email or through any other electronic medium utilized by the Company to communicate with employees.

6.3. What Trading is Prohibited During a Trading Window?

Even if the Trading Window is open, U.S. securities laws prohibit Trading by Restricted Persons if they possess any Inside Information.

Restricted Persons are always prohibited from short-term Trading, hedging unvested awards, and short positions in Securities covered by this Policy.

- *Short-term Trading*. Other than when Personnel exercises employee options or performance rights to acquire Securities at the specified exercise price, you may not Trade Securities (or an interest in Securities) on a short-term basis. Short-term Trading includes buying and selling Securities within a 6-month period and entering into other short-term dealings (e.g. forward contracts).
- *Hedging unvested awards*. You may not enter into transactions or arrangements, including by way of derivatives or similar financial products, which operate to limit the economic risk of your holdings of unvested Securities granted under an employee incentive plan.
- *Short positions*. You may not Trade in Securities to profit from a decrease in the market price of Securities.

6.4. Hedging Arrangements

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow a Restricted Person to continue to own the covered Securities, but without the full risks and rewards of ownership. When that occurs, the Restricted Person may no longer have the same objectives as the Company's other stockholders. As a result, these types of transactions must be analyzed carefully. If you wish to engage in a transaction of this type, you must first obtain the clearance of the Notification Officer in compliance with Section 7.1, and there is no assurance that clearance will be granted. Any request for pre-clearance of a hedging or similar arrangement must set forth a justification for the proposed transaction.

6.5. Margin Loans and Similar Funding Arrangements

Directors and Senior Executives may not enter a margin lending arrangement in respect of Securities or transfer Securities into an existing margin loan account ("***Margin Lending Arrangement***"). Directors and Senior Executives may pledge Securities for personal loans and investments ("***Pledge Arrangement***") only with the prior written consent of the Audit & Risk Committee (the "***ARC***"). This is because the terms of the arrangement may require the Securities to be sold during a Prohibited Trading Period or when the relevant Director or Senior Executive possesses Inside Information.

The ARC, as part of its risk assessment and risk management oversight responsibilities, shall evaluate proposed and outstanding Pledge Arrangements for potential impacts to the Company and the Company's Securities in the event of a forced sale of Securities. The ARC may approve a proposed Pledge Arrangement if the Director or Senior Executive can clearly demonstrate financial capacity to repay the loan without resorting to a sale of the Securities pledged.

In addition, the ARC may also consider the following factors in determining its approval as it deems appropriate:

- The loan amount secured by the Pledge Arrangement in relation to the average trading volume of the Company's Securities;
- The loan amount secured by the Pledge Arrangement in relation to the total Company's Securities beneficially owned by the director or senior executive;
- The loan-to-value ratio in the proposed Pledge Arrangement;
- The procedural safeguards to foreclosure, such as notice periods, the ability to substitute collateral, or other considerations unique to the director or senior executive;
- The triggering events of any potential margin call or sale of securities;

- Any potential conflicts of interest (actual or perceived);
- The aggregate amount of Securities pledged outstanding at any given time by any other directors or Senior Executives;
- The percentage of pledged Securities versus the overall public float of Securities;
- Potential impacts to the Company or the market price of the pledged Securities in the event of a forced sale;
- And any other factor deemed relevant to the ARC.

The ARC, or its nominee, will monitor all active Pledge Arrangements on an ongoing basis.

6.6. Exceptions to the Prohibited Trading Period

The following exceptions to the Trading restrictions in Section 6.2 apply even if a Trading Window is not open (but subject always to U.S. securities laws).

- You may exercise (but not sell Securities following exercise) an option or other right to acquire Securities under an employee incentive scheme or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security falls during a Prohibited Trading Period. The Trading restrictions do apply, however, to any sale of the underlying stock or to a "cashless exercise" of the option through a broker, as this entails selling a portion of the underlying stock to cover the costs of exercise. Therefore, "cashless exercises" which include a sale of Securities are subject to the restrictions set forth in this Policy.

- The vesting of stock options, restricted stock or RSUs will continue but any sale of Securities in connection with such vesting (other than forfeitures of Shares to the Company to satisfy the employee's tax obligations in connection with the vesting of RSUs), are subject to the restrictions set forth in this Policy. However, if you have properly entered into a Rule 10b5-1 Trading Plan for such sales, and such Rule 10b5-1 plan permits such sales, such sales will comply with this Policy.
- You may Trade under an offer or invitation made to all or most of the security holders such as a rights or entitlement issue, a security purchase plan, or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue.
- You may Trade where the beneficial interest in the relevant Securities does not change. This includes:
    - a dealing by which the relevant Securities are transferred by Personnel from their personal holdings to a superannuation fund of which they are a beneficiary;
    - the withdrawal of Securities from an employee incentive scheme and the transfer of those Securities to the participant's personal holdings or superannuation fund of which they are a beneficiary;

    - an acquisition of Securities under a dividend reinvestment plan, provided the election to participate in the dividend reinvestment plan was made before the Personnel came into possession of any Inside Information;

    - Personnel accepting a takeover bid or transferring Securities under a scheme of arrangement in respect of the Company;
    - a disposal of Securities that is the result of a secured lender or financier exercising their rights (however, this does not extend to disposal under a Margin Lending Arrangement where such arrangement is prohibited by this Policy);

- an acquisition of Securities under a bonus issue made to all holders of the Company's Securities of the same class; and
- an investment in, or Trading in units of, a fund or some other scheme (other than a scheme only investing in the Securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party.

Despite the above exceptions, under U.S. securities laws, a person who possesses Inside Information may be prohibited from Trading even where Trading falls within an exception specified above.

7. PRE-NOTIFICATION AND REPORTING OF TRADES

7.1. Who and When Must Give Notice of an Intention to Trade?

When permitted to Trade in accordance with this Policy, all Personnel must submit prior written notice of an intention to Trade in Securities and confirm that they do not possess any Inside Information at least two Nasdaq trading days' (or such shorter period approved by the Notification Officer) before the transaction date. Employees (permanent or temporary) (excluding Directors and Senior Executives) must submit prior written notice of any proposed Trading to the Notification Officer. Such notice may be provided through the Company's third-party service providers. In addition to the above, Senior Executives and Directors must submit such prior written notice and receive prior approval as follows:

- in the case of Senior Executives (other than the Chief Executive Officer and President), to the Chair and the Notification Officer;
- in the case of the Chief Executive Officer or President, to the Board and Notification Officer;

- in the case of a Director of the Company, to the Chair and Notification Officer; and
- in the case of the Chair, the Board and Notification Officer.

The Notification Officer is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the Trade. If the relevant Notification Officer objects to the proposed Trade, they must immediately notify the relevant Personnel that the Trade must not proceed and must advise the Directors (who may overrule the decision if they think appropriate). If a person seeks pre-clearance to Trade and permission to engage in Trade is denied, then he or she should refrain from initiating any Trading in Securities. You should not inform any other person of the restriction.

When a notification of an intention to Trade is made, the requestor should carefully consider whether he or she may be aware of any Inside Information and should describe fully those circumstances to the Notification Officer. The requestor should be prepared to file a Form 4 for the proposed transaction in compliance with Section 16 and to comply with SEC Rule 144 and file Form 144, in each case as applicable, at the time of any sale. We assist our Directors and Senior Executives in completing and filing the appropriate forms and advance notice of the transactions allows us to complete these filings on a timely basis.

7.2. What Trades Do Not Need Pre-Notification?

Trades executed pursuant to Section 6.6 of this Policy do not need to be pre-notified. However, Restricted Persons making such Trades must notify the Company in accordance with Section 7.3.

7.3. Notification of Trades

In addition to providing prior notification under Section 7.1, once a Trade of any Securities has been made by or for a Restricted Person, details of the Trade, including the amount and price of Securities involved, must be submitted to the Notification Officer. Each disclosure notice will need to state whether the relevant Trade occurred outside of a Trading Window and, if so, whether prior written clearance was provided.

The Company will maintain a register of notifications and clearances given in relation to Trading in Company Securities and must report all such matters to the Board as they arise.

7.4. Notification of Intention to Trade on Behalf of Associates

Directors and Senior Executives must give prior written notice of any proposed Trading in Securities in accordance with Section 7.1 on behalf of any of their associates.

For this purpose, "**associates**" of a Director or Senior Executive includes their spouses, family members, trusts, corporate entities, nominees, and other persons over whom a Director or Senior Executive has, or may be expected to have, investment control or influence.

7.5. Rule 10b5-1 Plans

Rule 10b5-1 under the Exchange Act provides an affirmative defense to allegations of insider trading liability. To be eligible to rely on this defense, a person must buy or sell Securities pursuant to a plan that meets all applicable legal requirements of Rule 10b5-1 (a "***Rule 10b5-1 Trading Plan***"). Transactions that comply with an approved Rule 10b5-1 Trading Plan are permitted under this Policy.

In general, a Rule 10b5-1 Trading Plan must be entered into in good faith at a time when the person is not aware of any Inside Information and may not be entered into during a Prohibited Trading Period. The Rule 10b5-1 Trading Plan must specify the amounts and prices of Securities to be purchased or sold as well as the dates on which the purchases or sales are to be made ahead of time (or include a written formula for determining such information) or delegate discretion on these matters to an independent third party. Once the Rule 10b5- 1 Trading Plan is adopted, the person must not exercise any influence over how, when or whether to Trade any Securities that are subject to the Rule 10b5-1 Trading Plan.

The Rule 10b5-1 Trading Plan must be reviewed and approved by the Notification Officer. The Rule 10b5- 1 Trading Plan must include a minimum of a 90-day cooling-off period between your entry into your Rule 10b5-1 Trading Plan and the first possible Trade thereunder. The cooling-off period is designed to minimize the risk that a claim will be made that you were aware of Inside Information when you entered into the Rule 10b5-1 Trading Plan.

Amendments, suspensions, and terminations of a Rule 10b5-1 Trading Plan will be viewed in hindsight and could call into question whether the Rule 10b5-1 Trading Plan was entered into in good faith. As a result, amendments, suspensions, and terminations of Rule 10b5-1 Trading Plans require pre-approval by the Notification Officer.

Persons that are subject to a Rule 10b5-1 Trading Plan shall continue to provide the notices of Trades required under Section 7 and will provide all other information requested by the Notification Officer in order for the Company to timely and accurately disclose all information required by the Exchange Act in the Company's quarterly and annual reports filed with the SEC.

7.6. Reporting and Liability under Section 16 of the Exchange Act

For the purpose of preventing the unfair use of information which may have been obtained by an insider, under Section 16 of the Exchange Act ("***Section 16***") any profits realized by any officer, director, or 10% stockholder from any "purchase" and "sale" of Securities during a six-month period, so called "short-swing profits," may be recovered by the Company. When such a purchase and sale occurs, good faith is no defense. The insider is liable even if compelled to sell for personal reasons, and even if the sale takes place after full disclosure and without the use of any Inside Information. Officers and directors should consult the attached "Short-Swing Profit Rule Section 16(b) Checklist" attached hereto as "Attachment A" in addition to consulting the Notification Officer prior to engaging in any transactions involving Securities, including without limitation, the Company's stock, options, or warrants.

The liability of an insider under Section 16(b) is only to the Company itself. The Company, however, cannot waive its right to short-swing profits, and any Company stockholder can bring suit in the name of the Company. Reports of ownership filed with the SEC on Form 3, Form 4, or Form 5 pursuant to Section 16(a) are readily available to the public and are carefully monitored for potential Section 16(b) violations. In addition, liabilities under Section 16(b) may require separate disclosure in the Company's annual report or its proxy statement for its annual meeting of stockholders. No suit may be brought more than two years after the date the profit was realized. However, if the insider fails to file a report of the transaction on Form 4 or Form 5 as required under Section 16(a), the two-year limitation period does not begin to run until after the transactions giving rise to the profit have been disclosed. Failure to report transactions and late filing of reports require separate disclosure in the Company's proxy statement.

7.7. Post-Termination Transactions

This Policy continues to apply to your transactions in Securities even after you have terminated employment or other services to the Company. If you are aware of Inside Information when your employment or service relationship terminates, you may not Trade in Securities until that information has become generally available, is no longer material, or until the next scheduled Trading Window, whichever is later.

7.8. Nasdaq Listing and SEC Rules

The Company will comply with the Nasdaq Listing Rules requirements related to Trading in Securities and all applicable SEC rules, including maintaining this Policy in accordance with applicable legislation and regulations.

8. POLICY COMPLIANCE

8.1. Compliance with Policy and Legal Obligations

Restricted Persons are individually responsible for ensuring their compliance with this Policy and their legal obligations relating to insider trading.
You must immediately report, in person or in writing, any known or suspected violation of this Policy in a manner consistent with the Company's Ethics, Hotline and Non-Retaliation Policy located in the "People Operations Policies." The Company will treat all reports received in connection with this Policy in the strictest confidence and you will not face any form of retaliation, reprisal, or detriment from the Company or your supervisor for raising a concern or reporting conduct in violation of this Policy in good faith.

You should never attempt to personally conduct any investigations or enquiries into a suspected act of insider trading related to the Company.

8.2. Consequences of breaching Policy and legal obligations

Engaging in insider trading may subject Restricted Persons to:

- criminal liability, including substantial monetary fines and/or imprisonment; and/or
- civil liability, which may include being sued by another party for any loss suffered as a result of insider trading.

Further, the Company will not tolerate any breach of Restricted Persons' legal obligations regarding insider trading. Restricted Persons who breach any applicable insider trading law or this Policy will likely face disciplinary action, including termination of employment or engagement with the Company. The Company may be required to notify relevant authorities of a serious breach of this Policy.

8.3. Guidance

Your compliance with this Policy is of the utmost importance both for you and for the Company. If you have any questions about this Policy or its application to any proposed transaction, you may obtain additional guidance from the Notification Officer. Do not try to resolve uncertainties on your own, as the rules relating to insider trading are often complex, not always intuitive and violations carry severe consequences.

9. PERIODIC REVIEWS

On a periodic basis, but no less frequently than an annual basis, Finance will review this Policy, having regard to changing circumstances and any changes to the Nasdaq Listing Rules, SEC regulations, the Exchange Act or other applicable legislation, and recommend approval of any amendments to this Policy to the Board.

On a periodic basis, but no less frequently than an annual basis, the Board will review and consider the approval any proposed amendments to this Policy. The Board may, at its discretion, amend this Policy to extend its application to securities of other companies or entities with which the Company has a close business relationship (including the Company's clients, suppliers or contractors). Finance will communicate any amendments to this Policy to Restricted Persons as appropriate.

All Restricted Persons must certify their understanding of, and compliance with, this Policy and its amendments.

Attachment A

SHORT-SWING PROFIT RULE SECTION 16(B) CHECKLIST

Note: ANY combination of PURCHASE AND SALE or SALE AND PURCHASE within six months of each other by an officer, director or 10% stockholder (or any family member living in the same household or certain affiliated entities) results in a violation of Section 16(b) of the Exchange Act, and the "profit" must be recovered by Sezzle Inc. (the "Company"). It makes no difference how long the shares being sold have been held or, for officers and directors, that you were an insider for only one of the two matching transactions. The highest priced sale will be matched with the lowest priced purchase within the six-month period.

If a sale is to be made by an officer, director or 10% stockholder (or any family member living in the same household or certain affiliated entities):

1. Have there been any purchases by the insider (or family members living in the same household or certain affiliated entities) within the past six months?

2. Have there been any option grants or exercises not exempt under Rule 16b-3 within the past six months?

3. Are any purchases (or non-exempt option exercises) anticipated or required within the next six months?

4. Has a Form 4 been prepared?

5. If a sale is to be made by an affiliate of the Company, has a Form 144 been prepared and has the broker been reminded to sell pursuant to Rule 144?

If a purchase or option exercise for Company stock is to be made:

1. Have there been any sales by the insider (or family members living in the same household or certain affiliated entities) within the past six months?

2. Are any sales anticipated or required within the next six months (such as tax-related or year- end transactions)?

3. Has a Form 4 been prepared?

Before proceeding with a purchase or sale, consider whether you are aware of any Inside Information which could affect the price of the Company Securities. All transactions in the Company's Securities by officers and directors must be pre-cleared by contacting the proper Notification Officer.

Exhibit 21.1

SEZZLE INC.

Subsidiaries of the Registrant

Name of subsidiary	Jurisdiction of incorporation or organization
Sezzle Canada Corp.	Nova Scotia
Sezzle Funding SPE, LLC	Delaware
Sezzle Funding SPE II, LLC	Delaware
Sezzle Funding SPE II Parent, LLC	Delaware
Sezzle Holdings I, Inc.	Delaware
Sezzle Holdings II, Inc.	Delaware
Sezzle Holdings III B.V.	Netherlands
Sezzle Holdings IV, Inc.	Delaware
Sezzle Holdings V, LLC	Delaware
Sezzle Payments Private Limited	India
Sezzle FinTech Private Limited	India
Sezzle Germany GmbH	Germany
Sezzle Lithuania UAB	Lithuania
Sezzle Colombia S.A.S.	Colombia

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 333-283206 and 333-280740) and Form S-8 (File Nos. 333-285360 and 333-257366) of Sezzle Inc. of our report dated February 26, 2026, relating to the consolidated financial statements, which appears in this annual report on Form 10-K for the year ended December 31, 2025.

/s/ Baker Tilly US, LLP
Minneapolis, Minnesota
February 26, 2026

Exhibit 31.1

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 Annual Report on Form 10-K 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: February 26, 2026

/s/ Charles Youakim
Charles Youakim
Chairman and Principal Executive Officer

Exhibit 31.2

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 Annual Report on Form 10-K 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: February 26, 2026

/s/ Lee Brading
Lee Brading
Principal Financial Officer

Exhibit 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

In connection with the Annual Report on Form 10-K of Sezzle Inc., a Delaware corporation ("the Company"), for the year ended December 31, 2025, 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, to the officer's knowledge:

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: February 26, 2026

/s/ Charles Youakim
Charles Youakim
Chairman and Principal Executive Officer

Exhibit 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

In connection with the Annual Report on Form 10-K of Sezzle Inc., a Delaware corporation ("the Company"), for the year ended December 31, 2025, 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, to the officer's knowledge:

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: February 26, 2026

/s/ Lee Brading
Lee Brading
Principal Financial Officer



Clawback Policy – Executive Officers

11/20/2025

1. Introduction

Sezzle Inc. (the "**Company**") is a publicly listed company trading on The Nasdaq Stock Market ("**Nasdaq**"). In accordance with Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), Rule 10D-1 promulgated thereunder ("**Rule 10D-1**"), and Rule 5608 of the Nasdaq listing standards (the "**Nasdaq Rules**"), companies listed on Nasdaq must adopt and comply with a written policy providing that such companies will recover reasonably promptly from current and former executive officers the amount of certain erroneously awarded incentive-based compensation.

To comply with Rule 10D-1 and the Nasdaq Rules, the Board of Directors (the "**Board**") of the Company has adopted this Policy (the "**Policy**") to provide for the reasonably prompt recovery of Erroneously Awarded Compensation (as defined below) from Executive Officers (as defined below). The recovery of Erroneously Awarded Compensation from Executive Officers is required on a "no fault" basis, without regard to any misconduct occurred or an Executive Officer's responsibility for the erroneous financial statements. An accounting restatement due to material noncompliance with any financial reporting requirement of the Company under the securities laws triggers application of this Policy.

2. Definitions

"Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements of the Company (a "Big R" restatement), or that is not material to previously issued financial statements but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).[1]

"**Clawback Eligible Incentive Compensation**" means all Incentive-based Compensation Received by an Executive Officer (i) on or after October 2, 2023, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period relating to any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), (iv) while the Company has a class of securities listed on Nasdaq or another national securities exchange or a national securities association, and (v) during the applicable Clawback Period.

"**Clawback Period**" means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date, and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years.

"**Committee**" means the Compensation Committee of the Board of the Company or, in the absence of such a committee, a majority of the independent directors serving on the Board.

"**Erroneously Awarded Compensation**" means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.[2]

[1] Both "Big R" and "Little r" restatements are caused by material misstatements that either already exist in the current period or would exist in the current period. Only an error that is immaterial to the previous period and the correction of the error is also immaterial to the current period does not trigger recovery of compensation under the Policy.

[2] For example, assume an award was $3,000 based on a financial reporting measure as originally reported. The issuer exercised negative discretion and only paid the executive an award of $2,000. Following a restatement, the amount of the award based on the corrected financial reporting measure is $1,800. The amount recoverable erroneously awarded compensation would be $200 (i.e., $2,000 - $1,800). Or, assume the issuer exercised positive discretion of $1,000, originally paying the executive an award of $4,000. Following the restatement, the amount recoverable erroneously awarded compensation based on the corrected financial reporting measure is now $1,800 (i.e., $4,000 – ($1,800 +$1,000)).

"**Executive Officer**" means each person who is currently or was previously designated as an "officer" of the Company as defined in Rule 16a-1(f) under the Exchange Act or any other senior executive or vice president as designated by the Committee or the Board to be subject to this Policy. For the avoidance of doubt, the identification of an executive officer for purposes of this Policy shall include the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer of the Company who performs a policy-making function, or any other person who performs similar policy-making functions for the Company.

"**Financial Reporting Measures"** means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the Securities Exchange Commission (the "**SEC**").

"**Incentive-based Compensation**" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

Incentive-based Compensation is deemed to be "**Received**" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation is attained, even if the payment or grant of the Incentive-based Compensation occurs after the end of that period.

"**Restatement Date**" means the earlier to occur of (i) the date the Board, a committee of the Board, or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

3. Calculation and Recovery of Erroneously Awarded Compensation

In event of an Accounting Restatement, the Company will reasonably promptly recover the Erroneously Awarded Compensation Received in accordance with the Nasdaq Rules and Rule 10D-1.

A. If the Erroneously Awarded Compensation Received is subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the Committee shall determine the amount of any Erroneously Awarded Compensation Received by each Executive Officer and shall promptly deliver a written notice to each Executive Officer containing the amount of any Erroneously Awarded Compensation and a demand for the return or repayment of such compensation, as applicable.

B. If Incentive-based Compensation is based on (or derived from) stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to recalculation from the information in the applicable Accounting Restatement, the Committee shall (i) determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-based Compensation was Received; (ii) maintain documentation of the determination of such estimate and provide such documentation to Nasdaq; and (iii) promptly deliver a written notice to each Executive Officer containing the amount of Erroneously Awarded Compensation and a demand for the return or repayment of such compensation, as applicable.

4. Exemptions to Recovery of Erroneously Awarded Compensation

Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 3 if the Committee determines that recovery would be impracticable and any of the following conditions are met:

A. The Committee has determined that the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before making this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Compensation, document such attempt to recover the Erroneously Awarded Compensation, and send such documentation to Nasdaq.

B. Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Committee must obtain an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation, and must provide such opinion to Nasdaq.

C. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

5. Method of Recovery by the Committee

The Committee shall have discretion to determine the appropriate means of recovering Erroneously Awarded Compensation based on the particular facts and circumstances of each Executive Officer. Any determination made pursuant this Policy and any application and implementation thereof need not be uniform with respect to each Executive Officer, or payment recovered or forfeited under this Policy. To the extent permitted by applicable law, the Committee may seek to recoup Erroneously Awarded Compensation Received by all legal means available, including but not limited to, by requiring any affected Executive Officer to repay such amount to the Company, by set-off, by reducing future compensation of the affected Executive Officer, or by such other means or combination of means as the Committee, in its sole discretion, determines to be appropriate. Notwithstanding the foregoing, except as set forth in Section 4, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder.

6. Executive Officer Payment; Failure to Pay

A. To the extent that the Executive Officer has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, such reimbursed amount shall be credited to the amount of the Erroneously Awarded Compensation subject to recovery under this Policy.

B. To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

7. Prohibition of Indemnification and Insurance

The Company shall not be permitted to insure or indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned, or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid, or awarded to an Executive Officer from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the effective date of this Policy).

8. Administration and Interpretation

This Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding on all affected persons. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary or appropriate for the administration of this Policy and for the Company's compliance with the Nasdaq Rules, Section 10D, Rule 10D-1 and any other applicable law, regulation, rule or interpretation of the SEC or Nasdaq promulgated or issued in connection therewith. For the avoidance of doubt, in the event of any inconsistency, conflict or ambiguity as to the rights and obligations of affected persons under other compensation policies of the Company, the terms of this Policy shall control and supersede any such inconsistency, conflict or ambiguity.

9. Amendments

The Committee shall review this Policy on an annual basis and recommend to the Board any proposed amendments to this Policy. The Board may amend this Policy from time to time, in its discretion, in accordance with securities laws and Nasdaq Rules, as applicable, or otherwise.

10. Other Recovery Rights

This Policy shall be binding and enforceable against all Executive Officers and, to the extent required by applicable law or guidance from the SEC or Nasdaq, their beneficiaries, heirs, executors, administrators, or other legal representatives. This Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to abide by the terms of this Policy.

Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, regulation, or rule or pursuant to the terms of any policy of the Company or any provision in any employment agreement, equity award agreement, compensatory plan, agreement, or other arrangement.

11. Mandatory Disclosure

The Company shall file this Policy and, in the event of an Accounting Restatement, will disclose information related to such Accounting Restatement in accordance with the requirements of the Federal securities laws, including the disclosure required by the applicable SEC filings.

Clawback Policy Acknowledgment

I, the undersigned, agree and acknowledge that I am fully bound by, and subject to, all of the terms and conditions of the Sezzle Inc. Clawback Policy (as may be amended, restated, supplemented or otherwise modified from time to time, the "Policy"). In the event of any inconsistency between the Policy and the terms of any employment agreement to which I am a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Policy shall govern. In the event it is determined by the Committee that any amounts granted, awarded, earned or paid to me must be forfeited or reimbursed to the Company, I will promptly take any action necessary to effectuate such forfeiture and/or reimbursement. Any capitalized terms used in this Acknowledgment without definition shall have the meaning set forth in the Policy.

Date:_____ By:_____

Name:_____

Title:_____

Amendment No. 4 to Revolving Credit and Security Agreement

This Amendment No. 4 to Revolving Credit and Security Agreement (this "*Agreement*") is entered into as of January , 2026 by and among Sezzle Funding SPE II, LLC, a Delaware limited liability company, as borrower (the *"Borrower"*), Bastion Funding VI LP, ("*Bastion*") as lender (the *"Lender"*) and Bastion, as administrative agent for the Secured Parties (as defined in the Loan and Security Agreement referenced below) (in such capacity, together with its successors and assigns, the "*Administrative Agent*").

Recitals

Whereas, the Borrower has entered into that certain Revolving Credit and Security Agreement, dated as of April 19, 2024, by and among the Borrower, the Lender and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the *"Loan and Security Agreement"*); and

Whereas, in accordance with the terms of the Loan and Security Agreement, the Borrower has requested, and the Lender and the Administrative Agent have agreed to, modify certain provisions of the Loan and Security Agreement upon the terms and subject to the conditions set forth herein.

Now, Therefore, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Agreement

1. *Defined Terms.* Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan and Security Agreement.

2. *Amendments.*

(a) The following definitions are inserted in Section 1 in correct alphabetical order:

'"Pay-in-Five Product" means a buy now pay later product offered by Sezzle pursuant to which the Obligor makes an initial down payment and then four payments thereafter.

'"Pay-in-Five Receivable" means a Receivable for the Pay-in-Five Product.'

(b) The defined term "Extended Receivable" is amended by inserting in the first line after the word "Receivable" and before the word "the", the following:

"(other than a Pay-in-Five Receivable)"

(c) The definition of "Concentration Limitations" is amended by deleting "and" at the end of clause (j), deleting "." at the end of clause (k) and by inserting at the end of clause (k) the following:

"; and

(l) no more than the Aggregate Receivable Balance of such Collateral Receivables that are Pay-in-Five Receivables represented by any Obligor that had not been an Obligor under any previous Receivable and satisfied all the obligations thereunder on or prior to the date the relevant Pay-in-Five Receivable was originated may exceed 10.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date.

Notwithstanding Section 1.04(d), Collateral Receivables (or portions thereof) that fall into categories (g), (h) and/or (l) will be deemed to fall into all of such categories and not only the category that produces the lowest Borrowing Base."

(d) Exhibit F is amended and restated in the form attached hereto.

3. *Representations and Warranties*. The Borrower hereby represents and warrants to each of the Secured Parties that:

(a) the representations and warranties of Borrower contained in the Loan and Security Agreement are true and correct in all material respects (except in the case of any representation and warranty qualified by materiality or Material Adverse Effect, which is true and correct in all respects) as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (except in the case of any representation and warranty qualified by materiality or Material Adverse Effect, which is true and correct in all respects) as of such earlier date;

(b) after giving effect to this Agreement, no Default or Event of Default has occurred and is continuing;

(c) the Borrower has all requisite power and authority and all requisite governmental licenses, permits, authorizations, consents and approvals to execute, deliver and perform its obligations under this Agreement;

(d) no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement; and

(e) this Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

4. *Effect on the Facility Documents and Ratification*. (a) Nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Loan and Security Agreement or any of the other Facility Documents or constitute a course of conduct or dealing among the parties. Each of the Lender and Administrative Agent reserves all rights, privileges and remedies under the Facility Documents. The amendments contained herein do not and shall not create (nor shall the Borrower rely upon the existence of or claim or assert that there exists) any obligation of the Lender or Administrative Agent to consider or agree to any further amendment and, in the event the Lender or Administrative Agent subsequently agrees to consider any further amendments, neither the amendments contained herein nor any other conduct of the Lender or Administrative Agent shall be of any force or effect on its respective consideration or decision with respect to any such requested amendment and the Lender and Administrative Agent shall not have any further obligation whatsoever to consider or agree to any further amendment or other agreement. The Loan and Security Agreement, as hereby amended, is hereby ratified and re-affirmed in all respects and shall remain in full force and effect. All references in the Facility Documents to the Loan and Security Agreement shall be deemed to be references to the Loan and Security Agreement as modified hereby. This Agreement shall constitute a Facility Document.

(b) The relationship of the Lender and the Borrower has been and shall continue to be, at all times, that of creditor and debtor and not as joint venturers or partners. Nothing contained in this Agreement, any instrument, document or agreement delivered in connection herewith or in the Loan and Security Agreement or any of the other Facility Documents shall be deemed or construed to create a fiduciary relationship between or among the parties.

5. *No Novation.* This Agreement is not intended by the parties to be, and shall not be construed to be, a novation of the Loan and Security Agreement or any other Facility Document or an accord and satisfaction in regard thereto.

6. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; *provided* that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Agent (acting on the instructions of Required Lenders).

7. *Headings*. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

8. *Incorporation of Credit Agreement.* The provisions contained in Section 12.05 (Execution in Counterparts) Section 12.07 (Governing Law), Section 12.08 (Severability of Provisions), Section 12.10 (Merger), Section 12.12 (Submission to Jurisdiction; Waivers; etc.), and Section 12.13 (Waiver of Jury Trial) of the Loan and Security Agreement are incorporated herein by this reference, *mutatis mutandis*.

9. *Effectiveness.* This Amendment shall become effective when executed and delivered by the parties hereto.

remainder of page intentionally blank; signatures follow.

In Witness Whereof, the parties have caused this Agreement to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

Sezzle Funding SPE II, LLC, as Borrower

By:_____
Name:
Title:

SIGNATURE PAGE
AMENDMENT NO. 4 TO REVOLVING CREDIT AND SECURITY AGREEMENT

Bastion Funding VI LP, as Administrative Agent

By:__
Name:
Title:

SIGNATURE PAGE
AMENDMENT NO. 4 TO REVOLVING CREDIT AND SECURITY AGREEMENT

Bastion Funding VI LP, as Lender

By:__
Name:
Title:

SIGNATURE PAGE
AMENDMENT NO. 4 TO REVOLVING CREDIT AND SECURITY AGREEMENT

Exhibit F

Financial Covenants

1) **Minimum Collection Rate (Pay-in-Four Product)**

On the first day of each month, the Two Month Collection Rate for two of the three most recent Vintages of Pay-in-Four Receivables that were originated at least two months prior to such day shall not be less than 98.0%. On August 1, 2024, the three most recent Vintages of Pay-in-Four Receivables that were originated at least two months prior to August 1, 2024 are the May 2024, April 2024 and March 2024 Vintages of Pay-in-Four Receivables.

In addition, on the first day of each month, the Three Month Collection Rate for two of the three most recent Vintages of Pay-in-Four Receivables that were originated at least three months prior to such date shall not be less than 101.0%. On August 1, 2024, the three most recent Vintages that were originated at least three months prior to August 1, 2024 are the April 2024, March 2024 and February 2024 Vintages.

2) **Minimum Collection Rate (Pay-in-Five Product)**

On the first day of each month, the Two Month Collection Rate for two of the three most recent Vintages of Pay-in-Five Receivables that were originated at least two months prior to such day shall not be less than 97%. On August 1, 2024, the three most recent Vintages of Pay-in-Five Receivables that were originated at least two months prior to August 1, 2024 are the May 2024, April 2024 and March 2024 Vintages of Pay-in-Five Receivables.

In addition, on the first day of each month, the Three Month Collection Rate for two of the three most recent Vintages of Pay-in-Five Receivables that were originated at least three months prior to such date shall not be less than 102%. On August 1, 2024, the three most recent Vintages that were originated at least three months prior to August 1, 2024 are the April 2024, March 2024 and February 2024 Vintages.

For purposes of paragraphs 1) and 2) above:

“Collection Rate” means with respect to any Vintage the ratio of (i) the aggregate Collections with respect to all Receivables in such Vintage (excluding any principal payments made in connection with the origination of such Receivables), to (ii) (x) the Original Principal Amount of all Receivables in such Vintage minus (y) any partial or full refund provided to the Obligors obligated to repay the Receivables in such Vintage provided by the applicable Merchant in the ordinary course of business.

“Original Principal Amount” means with respect to any Receivable, the principal amount of such Receivable on the date of origination of such Receivable minus (x) any principal payment required to be made in connection with the origination of such Receivable minus (y) the Merchant discount (based on the applicable Merchant Discount Rate) with respect to such Receivable minus (z) any service fee collected at the time of origination of such receivable.

3) **Second Payment Default Rate**

As of the last day of any calendar month, the Borrower shall not permit the Second Payment Default Rate for two or more of the three Vintages in the most recent Set of Vintages to be greater than 4%.

"Set of Vintages" means on any date, the three-monthly Vintages of Receivables owned by the Borrower that have most recently met their Second Payment Date. For avoidance of doubt the Second Payment Date is the Borrower's first scheduled payment after the initial down payment at origination.

"Second Payment Default Rate" means the ratio of (i) the Outstanding Base Amount of all Collateral Receivables owned by the Borrower that had their Second Payment Date in a given month (the "Specified Month") and for which a default in the obligation to make such second payment occurred, to (ii) the Total Original Base Amount of all Collateral Receivables owned by the Borrower that came due for the second time in such Specified Month.

PUBLIC EXHIBIT 3

Sezzle Inc. Form 10-K/A (Amendment) for Fiscal Year 2025
filed April 30, 2026.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

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	**81-0971660**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
700 Nicollet Mall, Suite 640, Minneapolis, Minnesota	**55402**
(Address of principal executive offices)	(Zip Code)

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

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

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2025, was $3,165.9 million based on the closing price of $179.25 per share of Common Stock as reported on The Nasdaq Stock Market LLC.

The total number of shares of common stock, par value $0.00001 per share, outstanding at February 24, 2026 was 33,801,675.

DOCUMENTS INCORPORATED BY REFERENCE

None.

EXPLANATORY NOTE

Sezzle Inc. (“Sezzle”, the “Company”, “we”, “us”, or “our”) is filing this Amendment No.1 on Form 10-K/A (this “Amendment”) to amend our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the “Original Form 10-K”), originally filed with the U.S. Securities and Exchange Commission on February 26, 2026, solely to include the information required by Items 10 through 14 of Part III of the Form 10-K. This information was previously omitted from the Original Form 10-K in reliance on General Instruction G(3) to Form 10-K, which permits the information in the aforementioned items to be incorporated in the Original Form 10-K by reference to our definitive proxy statement if such proxy statement is filed no later than 120 days after our fiscal year ended December 31, 2025. We are filing this Amendment to include the Part III information in the Original Form 10-K because we will not file a definitive proxy statement containing such information within 120 days after the fiscal year ended December 31, 2025.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, this Amendment also contains new certifications by the principal executive officer and the principal financial officer as required by Section 302 of the Sarbanes-Oxley Act of 2002. Accordingly, Item 15 of Part IV is amended to include the currently dated certifications as exhibits. Because no financial statements have been included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted.

Except as expressly noted in this Amendment, this Amendment does not reflect events that may have occurred subsequent to February 26, 2026 or modify or otherwise update any other disclosures contained in the Original Form 10-K, including, without limitation, the financial statements. Accordingly, this Amendment should be read in conjunction with the Original Form 10-K. Defined terms used, but not defined, herein have the meanings ascribed to them in the Original Form 10-K.

SEZZLE INC.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our directors and executive officers, their respective ages as of April 27, 2026, and certain other information are as follows:

Name	Age	Director Since	Position	Committee Membership
Lee Brading	58	—	Chief Financial Officer	—
Kyle Brehm	41	2024	Independent Non-Executive Director	Audit and Risk Committee (Member), Compensation Committee (Member), and Nominating and Corporate Governance Committee (Member)
Stephen East	62	2024	Independent Non-Executive Director	Audit and Risk Committee (Chair), Compensation Committee (Chair), and Nominating and Corporate Governance Committee (Chair)
Bryan Hunt	57	2026	Independent Non-Executive Director	Audit and Risk Committee (Member), Compensation Committee (Member), and Nominating and Corporate Governance Committee (Member)
Paul Paradis	42	2018	Co-Founder, Executive Director, and President	—
Amin Sabzivand	38	—	Chief Operating Officer	—
Charles Youakim	49	2016	Co-Founder, Executive Chairman, and Chief Executive Officer	—

The biographies of our directors and executive officers are as follows:

Lee Brading

Mr. Brading has served as our Chief Financial Officer since February 2026. He originally joined Sezzle in 2020 and has served the Company in various capacities, most recently as Senior Vice President of Corporate Development and Investor Relations, where he was responsible for corporate development, capital markets strategy, FP&A, investor relations, and public relations. Prior to that, he was at Wells Fargo Securities, LLC and its predecessor Wachovia Capital Markets. Brading has held various finance and accounting roles, including Managing Director and Global Head of Credit Research at Wells Fargo Securities and audit manager at BDO Seidman.

Brading holds a MBA from The University of North Carolina at Chapel Hill's Kenan-Flager Business School and a BS in Business Administration and Accounting from Washington & Lee University. He is a Chartered Financial Analyst and was a Certified Public Accountant (expired).

Kyle Brehm

Mr. Brehm has been a State & Local Tax Partner at the law firm of Jones Walker LLP since June 2025. Prior to this, Mr. Brehm was a Partner at the law firm of Fredrikson & Byron P.A., a director at PricewaterhouseCoopers LLP, and was a member of the board of directors and treasurer of eQuality-Pathways to Potential, a non-profit organization organized in Minneapolis, MN, from 2012 until 2022.

Mr. Brehm has a Bachelor of Arts from St. John's University, a Juris Doctor (JD) degree from University of Minnesota Law School and an MBA from the University of Minnesota-Carlson School of Management.

We believe Mr. Brehm is well-qualified to serve as a member of our Board of Directors. Mr. Brehm has relevant legal and tax experience that provides valuable insight to the Company and the industry in which it operates.

Stephen East

Stephen East currently sits on the Board of Toll Brothers, Inc. (NYSE: TOL) and previously was one of the country's preeminent Wall Street Housing analysts. He is widely recognized as an influential expert on the single-family new construction industry and Consumer Behavior. With 30+ years of wide-ranging research and industry experience, Stephen is well-known for his focus on strategy, managerial talent, capital structure and housing-related macroeconomics.

Stephen retired from Wells Fargo after serving as a Managing Director and Senior Consumer Analyst, heading the Equity Research team that covered the Homebuilding and Building Products sectors. Prior to joining Wells Fargo, he was recruited by Evercore ISI and spent four years there as a Partner and Senior Managing Director heading the firm's Housing research effort. Prior to joining Evercore ISI, he spent nearly two decades in equity research and investment management, including roles as Director of Research. He also spent six years in industry at Monsanto. Stephen was II ranked for numerous years, including multiple years ranked No. 1 in the annual Institutional Investor analyst survey for Homebuilding & Building Products. He was also recognized by StarMine as a top analyst.

Mr. East is an active member of various industry trade groups, including ULI and NAHB and has been a frequent speaker at real estate industry conferences and media outlets. Stephen has been a commissioner on his local Planning & Zoning Commission for more than 10 years, while also volunteering on his local Crisis Response Team.

Stephen is a CFA Charterholder and is a Financial Expert as defined by the Sarbanes-Oxley Act of 2002. He currently sits on the Audit & Risk and Executive Compensation committees and is Chair of the Public Debt & Equity Securities committee of Toll Brothers Board. Stephen earned an MBA from the University of Missouri and a BS in Finance from Arkansas State University, which he attended on an athletic scholarship.

We believe that Mr. East is a valuable asset to our Board of Directors due to his financial acumen and extensive experience in the capital markets and corporate governance at public companies.

Bryan Hunt

Mr. Hunt was appointed and has served as a member of the Board of Directors since April 2026. Mr. Hunt is a General Partner of Relevance Ventures and is an experienced financial services professional and awarded financial analyst with expertise in securities analysis, investment banking, and corporate valuation. Prior to joining Relevance Ventures, Mr. Hunt spent more than 24 years at Wells Fargo and its predecessors in both high yield and equity research. He was recognized by Institutional Investor Magazine as the top food and beverage high yield analyst for seven consecutive years and the top high yield analyst across all industries in 2016.

Mr. Hunt has served as a member of the governing board of AthleticsICC, LLC (AthleticsICC Insurance Services) since March 2025. he previously served as a member of the governing board and compensation committee of Talkiatry from March 2021 through January 2025. Mr. Hunt holds honors and distinctions from Vanderbilt University – Owen Graduate School of Management and the University of Alabama, and he holds the Chartered Financial Analyst designation.

We believe Mr. Hunt is well-qualified to serve as a member of our Board of Directors due to his experience in financial services, securities analysis, and prior board and committee service.

Paul Paradis

Mr. Paradis co-founded Sezzle and has served as a member of our Board of Directors since May 2018. Mr. Paradis has served as President since July 2020 and, prior to serving as President, Mr. Paradis was our Chief Revenue Officer starting in May 2016. Mr. Paradis has extensive experience in sales and marketing. He began his career in sales with the Minnesota Timberwolves. He left the Timberwolves to attain his MBA from the Carlson School of Management at the University of Minnesota, where he focused on marketing and strategy. After graduating from the Carlson School of Management, Mr. Paradis spent six years leading sales and marketing at Dashe & Thomson and the Abreon Group, boutique management consultancies focused on IT transformation adoption. Mr. Paradis left the Abreon Group in 2016 when he co-founded Sezzle. At Sezzle, Mr. Paradis oversees sales, account management, strategic partnerships, and customer and merchant support.

Mr. Paradis has a Bachelor of Arts in Political Science from Davidson College and an MBA from the University of Minnesota. Mr. Paradis currently serves as a member of the advisory board of Binaxity. We believe Mr. Paradis is well-qualified to serve as a member of our Board of Directors due to his experience from serving as co-founder and President at Sezzle, in addition to his experience in IT transformation.

Amin Sabzivand

Mr. Sabzivand has been serving as our Chief Operating Officer at Sezzle since March 2023, overseeing engineering, product, risk, operations, and business analytics functions. He is responsible for defining and executing organizational strategies, objectives, and goals for Sezzle's operations in the United States and Canada. Prior to this role, Mr. Sabzivand was Senior Vice President of Product and Vice President/Head of Data, where he designed different payment and e-commerce solutions, and developed machine-learning algorithms for credit risk and fraud detection, along with designing various business analytics tools and key performance indicator reports. Mr. Sabzivand holds two Master's degrees in Financial Mathematics and Engineering Management from the University of Minnesota. Before joining Sezzle, he held roles within the Mathematics department at the University of Minnesota.

Charles Youakim

Mr. Youakim is our co-founder, Executive Chairman, and Chief Executive Officer of Sezzle. Mr. Youakim is a serial technology entrepreneur with over ten years of experience in growing fintech companies from inception to large-scale businesses. Mr. Youakim began his career as an engineer and software developer. After successfully advancing in his early career, he returned to business school where he was able to focus on expanding his knowledge of finance, marketing, and business strategy.

In 2010, after completing business school, Mr. Youakim founded his first payments company, Passport Labs, Inc. (“Passport”). Passport became a leader in software and payments for the transportation industry. At Passport, Mr. Youakim led the construction and the original technology and led the company as it disrupted the industry through the introduction of white label systems and payment wallets. Passport is the technology behind enterprise transportation installations like ParkChicago, ParkBoston, and the GreenP in Toronto.

Mr. Youakim co-founded Sezzle in 2016 and also planned much of the business’ technology architecture. Mr. Youakim has a degree in Mechanical Engineering from the University of Minnesota and an MBA from the Carlson School of Management at the University of Minnesota. Mr. Youakim does not currently hold any other directorships. We believe Mr. Youakim is well-qualified to serve as a member of our Board of Directors due to his perspective and experience from serving as co-founder and Chief Executive Officer of Sezzle, as well as his experience leading other technology companies.

Director Independence

Our Board currently consists of five members: Brehm, East, Hunt, Paradis, and Youakim. Under the Nasdaq listing standards, a director will only qualify as “independent” if, in the opinion of that company’s board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In addition, audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and compensation committee members must satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act and the listing standards of Nasdaq. Our Board conducts a periodic review of the independence of the directors and, based upon information provided by each member of the Board regarding his or her background, employment, affiliations, and beneficial ownership, the Board of Directors has determined that each of Brehm, East and Hunt are “independent” as defined under the applicable rules, regulations, and listing standards of Nasdaq and the applicable rules and regulations promulgated by the SEC.

There are no family relationships among any of our directors or executive officers.

Board Committees

Our Board of Directors has established a Compensation Committee, Nominating and Corporate Governance Committee, and Audit and Risk Committee, each of which operates pursuant to a committee charter, available at our website (investors.sezzle.com) under the "Governance" heading. Each committee is comprised of Mr. Brehm, Mr. East (Chair), and Mr. Hunt, each of whom the Board has determined is independent under the definitions of independence prescribed by Nasdaq and the SEC. Further, our Board of Directors has determined that each member of our Audit and Risk Committee can read and understand fundamental financial statements in accordance with Nasdaq audit committee requirements. Our Board of Directors has determined that Mr. East is an “audit committee financial expert” within the meaning of the SEC regulations.

Compensation Committee

Our Compensation Committee consists of Kyle Brehm, Stephen East, and Bryan Hunt. Stephen East serves as chair of the committee. Our Compensation Committee charter is available on our website at https://investors.sezzle.com/leadership-and-governance/. Our compensation committee has overall responsibility for evaluating and approving the structure, operation, and effectiveness of the Company's compensation plans, policies, and programs for officers and directors, including but not limited to:

- Assisting the Board of Directors in developing and evaluating potential candidates for executive officer positions, and overseeing the development of executive succession plans;
- Reviewing the Company's overall compensation strategy to provide for appropriate rewards and incentives for the Company's management and employees;
- Reviewing and approving corporate goals and objectives relevant to the Chief Executive Officer and other executive officer compensation, and evaluating the performance of the executive officers of the Company in light of those goals and objectives;
- Reviewing, assessing, and making recommendations to the Board of Directors regarding the compensation of the independent directors;
- Considering and making recommendations to the Board of Directors regarding whether to seek shareholder approval for any executive officer compensation;
- Overseeing the Company's policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation, or clawback of performance-based remuneration in the event of serious misconduct, a material misstatement in the Company's financial statements, or as otherwise set forth in policies of the Committee or Board;
- Overseeing and monitoring the remuneration of non-executive directors, including the Company's policies and practices regarding any minimum shareholding requirements;
- Administering the Company's equity-based plans, deferred compensation plans and management incentive compensation plans, granting awards under such plans and making recommendations to the Board of Directors about amendments to such plans (or approve amendments to such plans, to the extent authority to approve such amendments is provided therein) and the adoption of any new equity-based incentive compensation plans;
- Reviewing, considering, and selecting, to the extent determined to be advisable, a peer group of appropriate companies for purposes of benchmarking and analysis of compensation for executive officers and directors;
- In its sole discretion, appointing, retaining, or obtaining the advice of a compensation consultant, legal counsel, or other adviser;
- Reviewing and discussing with management the compensation discussion and analysis (the "CD&A") and related disclosures to be included in the Company's proxy statement and/or annual report on Form 10-K by the rules and regulations of the SEC and, based on such review and discussion, recommend to the Board that the CD&A and related disclosure be included in such filings;
- Producing a compensation committee report on executive compensation for inclusion in the Company's annual proxy statement in accordance with the proxy rules and such rules as required by the SEC;
- Monitoring the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits;
- Overseeing the Company's compliance with applicable rules and regulations promulgated by the SEC regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under Nasdaq rules;
- Reviewing the risks associated with the Company's compensation policies and practices, including an annual review of the Company's risk assessment of its compensation policies and practices for its employees;
- Reviewing whether there is any gender or other inappropriate bias in remuneration for directors, executives, or other employees;
- Reviewing and assessing the adequacy of its charter and submitting any changes to the Board of Directors for approval on an annual basis;
- Reporting its actions and any recommendations to the Board on a periodic basis; and
- Annually performing, or participating in, an evaluation of the performance of the committee, the results of which shall be presented to the Board of Directors.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of Kyle Brehm, Stephen East, and Bryan Hunt. Stephen East serves as chair of the committee. Our Nominating and Corporate Governance Committee charter is available on our website at https://investors.sezzle.com/leadership-and-governance/. Our Nominating and Corporate Governance Committee provides oversight with respect to corporate governance and ethical conduct, and monitors the effectiveness of our corporate governance guidelines. Our Nominating and Corporate Governance Committee is responsible for, among other things:

- Identifying individuals qualified to become directors, consistent with criteria approved by the Board, receiving nominations for such qualified individuals, and reviewing recommendations put forward by the Chief Executive Officer;
- Establishing criteria for Board of Directors composition and identifying individuals qualified to become members of our Board of Directors and its various committees;
- Establishing a policy under which stockholders of the Company may recommend a candidate to the committee for consideration for nomination as a director;
- Recommending to the Board qualified individuals to serve as committee members;
- Reviewing the Company's practices and policies with respect to directors, including retirement policies, the size of the Board, the ratio of employee directors to nonemployee directors, the meeting frequency of the Board and the structure of Board meetings and making recommendations to the Board with respect thereto;
- In concert with the Board of Directors, reviewing the Company policies with respect to significant issues of corporate public responsibility, including contributions;
- Recommending to the Board of Directors or to the appropriate committee thereto processes for annual evaluations of the performance of the Board of Directors, the Chairperson of the Board and the Chief Executive Officer and appropriate committees of the Board of Directors;
- Considering and reporting to the Board any questions of possible conflicts of interest of directors;
- Providing for new director orientation and continuing education for existing directors on a periodic basis;
- Overseeing the maintenance and presentation to the Board of Directors of management's plans for succession to executive and senior management positions in the Company, and reviewing succession planning for directors;
- Reviewing and assessing the adequacy of its charter and submitting any changes to the Board of Directors for approval;
- Performing, or participating in, as frequently as necessary or advisable, an evaluation of the performance of the committee, the results of which shall be presented to the Board of Directors;
- Establishing objectives to promote the Company's stated public benefits and support the operation of the Company in a responsible and sustainable manner consistent with its status as a public benefit corporation;
- Adopting standards to measure the Company's progress in promoting its stated public benefits, as required by Delaware General Corporation Law; and
- Monitor, review, and report to the Board on the Company's performance of its promotion of its stated public benefits, in satisfaction of listing standards of NASDAQ, and applicable law.

The Nominating and Corporate Governance Committee is responsible for developing and recommending to our Board of Directors the desired and essential qualifications, expertise, and characteristics of members of the Board, including any specific qualities or skills that the Nominating and Corporate Governance Committee believes are necessary for one or more of the members of the Board to possess. The Nominating and Corporate Governance Committee has developed a skills matrix to assist it in consideration of the appropriate balance of experience, skills and attributes required of a member of the Board and to be represented on the Board as a whole. The skills matrix was developed after considering the Company's near and long-term strategies and is intended to identify skills and attributes that will assist the Board in exercising its oversight function. The skills matrix reflects the core director criteria that should be satisfied by each director or nominee and includes:

- Experience in developing, implementing and delivering strategic business objectives;
- Qualifications and/or proficiency in financial accounting;
- Proven ability and understanding in the application of legal principles, including financial services law;
- Ability to identify key risks in a wide range of areas including legal and compliance;
- Knowledge and experience in the strategic use and governance of information management and information technology including digital strategies, disruption and innovation;
- Ability to comprehend and communicate developments in the Company's industry;
- A broad range of commercial/business experience, preferably in the small to medium enterprise context;
- Prior experience in directorship or governance; and
- Experience at an executive level, including the ability to oversee strategic human resource management and evaluate the performance of senior executives.

The Committee first evaluates the current members of the Board of Directors willing to continue in service as well as the results of periodic Board and committee self-evaluations. Current members of the Board of Directors with skills and experience that are relevant to our business and who are willing to continue in service are considered for nomination, balancing the value of continuity of service by existing members of the Board of Directors with that of obtaining a new perspective.

Candidates for nomination to our Board of Directors are selected by our Board of Directors based on the recommendation of the Nominating and Corporate Governance Committee in accordance with the committee's charter, our Certificate of Incorporation and our Bylaws; and the skills matrix approved by our Board of Directors regarding director qualifications. In recommending candidates for nomination, the Nominating and Corporate Governance Committee considers candidates properly recommended by directors, officers, employees, stockholders, and other uses, using the same criteria to evaluate all candidates. Evaluations of candidates generally involve a review of background materials, internal discussions, and interviews with selected candidates as appropriate. In addition, the Nominating and Corporate Governance Committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees.

The Nominating and Corporate Governance Committee will consider recommendations by stockholders of candidates for election to the Board of Directors. Any stockholder who wishes that the Committee consider a candidate must follow the procedures set forth in our bylaws. Under our Bylaws, if a stockholder plans to nominate a person as a director at a meeting, the stockholder is required to place a proposed director's name in nomination by written request delivered to or mailed and received at our principal executive offices not less than 90 nor more than 120 calendar days prior to the first anniversary of the date on which we first mailed proxy materials for the preceding year's annual meeting. However, in the event that the date of the annual meeting is more than 30 days before or after such anniversary date, notice by the stockholder must be so delivered on or before ten (10) days after the day on which the date of the current year's annual meeting is first disclosed in a public announcement.

Audit and Risk Committee

Our Audit and Risk Committee consists of Kyle Brehm, Stephen East, and Bryan Hunt. Stephen East serves as chair of the committee. Our Audit and Risk Committee charter is available on our website at https://investors.sezzle.com/leadership-and-governance/. The charter sets forth the oversight responsibilities of the committee which include, among other things: (i) assisting the Board of Directors in its oversight of (a) the integrity of the consolidated financial statements of the Company, (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditor's qualifications and independence, (d) the performance of the Company's internal audit function and independent auditors, and (e) the Company's internal control over financial reporting; (ii) deciding whether to appoint, retain or terminate the Company's independent auditors and to pre-approve all audit, audit-related, tax and other services, if any, to be provided by the independent auditors; and (iii) preparing the disclosure required by Item 407(d)(3)(i) of Regulation S-K and the report required by the SEC rules. Duties of the committee include:

- Overseeing the preparation of disclosures required by applicable rules and regulations in the Company's proxy and annual reports;
- To the extent the committee deems necessary, engaging and overseeing any specialists to support its role and responsibilities;
- Appointing, evaluating, overseeing, retaining, compensating, terminating, or changing the Company's independent auditor;
- Reviewing and discussing the Company's annual, semi-annual, and quarterly financial statements, whether or not audited;
- Reviewing and discussing any material issues regarding accounting principles and financial statement presentations, including significant changes in the Company's selection or application of accounting principles;
- Reviewing and discussing earnings press releases, along with any financial information and earnings guidance provided to analysts and rating agencies;
- Reviewing with the independent auditor the audit, including discussing applicable audit standards and any challenges encountered in the course of the audit work;
- Discussing with management and the auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's accounting practices;
- Reviewing and discussing with management, internal audit staff, and the independent auditor, the adequacy of the Company's internal controls;
- Establishing procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- Reviewing, and, if appropriate, approving related party transactions;
- Overseeing the Company's ethics and compliance functions, including the Company's Code of Conduct and other procedures established with regard to ethical behavior;
- Conferring with the Company's general counsel about legal matters that may have a material impact on the financial statements or the Company's compliance;

- Reviewing and discussing with management and the internal auditor, the Company's procedures and practices designed to provide reasonable assurance that the Company's books, records, accounts and internal accounting controls are established and maintained in compliance with the Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and similar laws and regulations to which the Company is subject;
- Overseeing the integrity of the Company's information technology systems, processes, and data;
- Reviewing and assessing the adequacy of its charter and submitting any changes to the Board for approval; and
- Performing, or participating in, as frequently as necessary or advisable, an evaluation of the performance of the committee, the results of which shall be presented to the Board of Directors.

Our Board of Directors has determined that Mr. East is an "audit committee financial expert" within the meaning of the SEC regulations. Further, our Board of Directors has determined that each member of our audit and risk committee can read and understand fundamental financial statements in accordance with the audit committee requirements of the Nasdaq listing rules.

Code of Conduct

Our Board of Directors has adopted a Code of Conduct applicable to all officers, directors and employees, including our principal executive and principal financial officers and controller, which is available on our website (investors.sezzle.com) under the "Governance" heading.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports of ownership and changes in ownership with the SEC. The SEC has designated specific due dates for these reports and we must identify in this proxy statement those persons who did not file these reports when due. We assist our directors and officers by completing and filing reports on their behalf. Based solely on our review of copies of the reports filed with the SEC and the written representations of our directors and executive officers, we believe that each person who at any time during the year ended December 31, 2025 was a director or an executive officer of the Company, or held more than 10% of our common stock, complied with all reporting requirements for fiscal year 2025, other than:

- Two Form 4s filed for the Company's former General Counsel, Chief Compliance Officer and Secretary, Kerissa Hollis, on March 24, 2025 and April 3, 2025, respectively, incorrectly omitted a grant of 3,186 restricted stock units granted on October 1, 2024. These omissions were due to an administrative error on the part of the Company. Ownership of the restricted stock units was reflected on the Form 4 filed May 14, 2025.

ITEM 11. EXECUTIVE COMPENSATION

The following discussion and analysis of compensation arrangements should be read with the compensation tables and related disclosures set forth below. This discussion contains forward looking statements that are based on our current plans and expectations regarding future compensation programs. The actual compensation programs that we adopt may differ materially from the programs summarized in this discussion.

This section describes the material elements of the compensation awarded to, earned by, or paid to our Executive Chairman and Chief Executive Officer, Charles Youakim, and our two most highly compensated executive officers (other than our Executive Chairman and Chief Executive Officer), Paul Paradis, our Executive Director and President, and Karen Hartje, our former Chief Financial Officer, for our fiscal years ended December 31, 2025 and 2024. These executives are collectively referred to in this "Executive Compensation" section as our "named executive officers." As a smaller reporting company we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to smaller reporting companies.

Summary Compensation Table

The following table sets forth the compensation paid to, received by, or earned during each of fiscal year 2025 and 2024 by each of our named executive officers.

Name and principal position	Year	Salary	Bonus	Stock awards[1][2]	Option awards[1][2]	Nonequity incentive plan compensation[3]	All other compensation[4]	Total ($)
Charles Youakim, Executive Chairman and Chief Executive Officer	2025	$ 548,653	$ —	$ —	$ —	$ 551,565	$ 185	$ 1,100,403
	2024	536,510	—	463,920	682,642	540,750	291	2,224,113
Paul Paradis, Executive Director and President	2025	370,994	—	—	—	186,482	21,002	578,478
	2024	362,783	—	914,560	—	274,238	20,714	1,572,295
Karen Hartje, Chief Financial Officer	2025	303,987	—	—	—	—	41,135	345,122
	2024	342,058	—	914,560	—	155,000	20,816	1,432,434

(1) Amounts reported represent the grant date fair value, computed in accordance with FASB ASC Topic 718, of restricted stock units ("RSUs") and unrestricted stock earned by each executive officer during fiscal year 2024. The RSUs and unrestricted stock were granted under the 2021 Equity Incentive Plan, disregarding the effects of estimated forfeitures.

(2) The amounts reported in this column reflect the accounting cost for these awards and do not correspond to the actual economic value that may be received by the applicable officer upon the sale of any of the underlying shares of common stock. Stock award amounts disclosed for 2024 include unrestricted stock earned for fiscal year 2024 and issued March 20, 2025 under the Profit-sharing Incentive Plan ("PSIP"), totaling $463,920 for Mr. Youakim and $231,960 for both Mr. Paradis and Ms. Hartje.

(3) Amounts reported represent PSIP cash awards earned by the respective officer.

(4) Amounts primarily reflect the value of matching contributions made by the Company in 2024 and 2025 under its 401(k) retirement plan, as well as other fringe benefits. In addition, all other compensation for Ms. Hartje includes $20,000 of compensation earned under the November 1, 2025 consulting agreement between Ms. Hartje and the Company.

Narrative Disclosure to Summary Compensation Table

Compensation Philosophy and Structure

Our performance depends upon our ability to attract and retain executives and directors. To prosper, we must attract, motivate, and retain these highly skilled individuals. To that end, we embrace the following principles in our compensation framework:

- Offer competitive rewards to attract high-caliber executives;
- Clear alignment of compensation with strategic objectives;
- Focus on creating sustainable value for all of our stakeholders;
- Merit-based compensation across a diverse workforce; and
- Ensure total compensation is competitive by market standards.

Our compensation committee is responsible, in part, for reviewing and making recommendations for our executive directors, non-executive directors, executive officers, and employee base. The compensation committee assesses the appropriateness of the nature and amount of compensation for these individuals on a periodic basis by reference to relevant market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high-quality directors, executives, and employees. In 2025, we engaged FW Cook as a compensation consultant to review current compensation for directors and senior executives, benchmark the same against industry peers, and make recommendations for appropriate adjustments to salary, short-term and long-term equity-based compensation plans. Following consultation with senior executives, the compensation consultant made a presentation to the compensation committee.

Our Board believes the compensation framework to be appropriate and effective in attracting and retaining the best executives and directors to operate and manage the Company.

The executive and director compensation framework is designed to support our reward philosophies and underpin our growth strategy, and is based on the following:

- Base Salary
- Profit-sharing Incentive Plan
- Long-Term Incentive Plan

Base Salary

The initial base salaries of our named executive officers were set forth in their respective employment agreements and have been periodically reviewed by the Compensation Committee. For 2025, the salary for Mr. Youakim was increased to $551,565. The salaries for Mr. Paradis and Ms. Hartje were each increased to $372,963 and $353,430, respectively. The actual amounts paid as base salaries to each named executive officer for 2024 and 2025 are set forth above in the Summary Compensation Table in the column entitled “Salary.”

Profit-sharing Incentive Plan ("PSIP")

Our named executive officers are eligible to participate in our PSIP, which provides an annual bonus opportunity based on a combination of Company financial performance as well as individual performance.

Baseline payout targets, ranging from a 0% to 100% payout, were established at the beginning of the year and were based on the Company's adjusted net income goals for the respective year ended. For the year ended December 31, 2024, the PSIP payout pool for the Company was determined based on 10% of adjusted net income. For the year ended December 31, 2025, the PSIP payout pool for the Company was determined based on 5% of adjusted net income. Individual payouts for both years were paid on a discretionary basis. Cash paid for the PSIP for 2024 and 2025 is included within the summary above under 'Nonequity incentive plan compensation'. In addition, a portion of the 2024 PSIP was paid out with unrestricted stock and is included within the summary above under 'Stock Awards.'

Long-Term Incentive Plan ("LTIP")

Our named executive officers are also eligible to participate in our LTIP, which in 2024 provided for grants of restricted stock units and/or stock options under the 2021 Equity Incentive Plan, with vesting subject to service-based conditions over a four-year period. No LTIP awards were granted to our named executive officers in 2025.

Agreements with our Named Executive Officers

Each of our named executive officers is party to an employment agreement with us dated June 1, 2019, that sets forth the terms and conditions of his or her employment, including an annual base salary, which has subsequently been increased as described above, and the ability to participate in the Company's employee stock option plans, as described below. In addition, our named executive officers are bound by certain restrictive covenant obligations pursuant to a Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, including covenants relating to non-disclosure and use of proprietary information and assignment of inventions, as well as a covenant not to compete or solicit certain of our service providers, customers or prospective customers and suppliers during employment and for a period of one-year immediately following termination of employment for any reason.

Employee and Retirement Benefits and Perquisites

We currently provide our named executive officers with the same broad-based health and welfare benefits, including health, vision and dental insurance, which are available to our U.S.-based full-time employees. In addition, we maintain a 401(k) retirement plan for our U.S.-based full-time employees and a Registered Retirement Savings Plan ("RRSP") for our Canada-based full-time employees, under which we may make discretionary matching and/or profit-sharing contributions. Other than the 401(k) plan and RRSP, we do not provide any qualified or non-qualified retirement or deferred compensation benefits to our employees, including our named executive officers. Except as described in the footnotes to the Summary Compensation Table above, we do not currently provide any perquisites to our named executive officers. The actual amounts of 401(k) retirement plan matching contributions paid to each named executive officer for 2024 and 2025 are set forth in the Summary Compensation Table in the column entitled "All other compensation."

Outstanding Equity Awards at Fiscal Year-End 2025

The following table sets forth information regarding outstanding option awards and unvested stock awards held by each of the named executive officers on December 31, 2025.

	Option Awards					Stock Awards			
Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Option exercise price ($)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested ($)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($)
Charles Youakim	78,954	—	—	5.32 (1)	7/27/2029	—	—	98,688 (3)	6,264,714
	24,306	—	40,512	11.38 (2)	4/1/2034	—	—	—	—
Paul Paradis	78,954	—	—	5.32 (1)	7/27/2029	—	—	59,208 (3)	3,758,524
	—	—	—	—	—	—	—	37,500 (4)	2,380,500
Karen Hartje(5)	—	—	—	—	—	—	—	—	—

(1) Reflects stock options that vested as to 25% of the shares subject to the award on the one-year anniversary of the date of grant (July 27, 2020), with the remaining shares vesting in equal monthly installments over a 36-month period thereafter.

(2) Reflects Long-term Incentive Plan options issued to Mr. Youakim on April 1, 2024 under the Company's LTIP program. The options vest over a four-year period, with 25% of the award vesting on April 1, 2025 and the remaining vesting on a quarterly basis thereafter.

(3) Reflects Long-term Incentive Plan awards issued on June 14, 2023 for Messrs. Youakim and Paradis. The awards, in the form of Restricted Stock Units, vest over a four-year period, with 25% of the award vesting on January 1, 2024 and the remaining vesting on a quarterly basis thereafter. The value of the awards is calculated using $63.48, the closing trading price of our common stock on December 31, 2025.

(4) Reflects Long-term Incentive Plan awards issued on April 1, 2024 to Mr. Paradis in the form of Restricted Stock Units. The awards vest over a four-year period, with 25% of the award vesting on April 1, 2025 and the remaining vesting on a quarterly basis thereafter. The value of the awards is calculated using $63.48, the closing trading price of our common stock on December 31, 2025.

(5) Ms. Hartje's outstanding equity awards were forfeited on November 1, 2025 in conjunction with her terminating her employment agreement and entering into a consulting agreement with the Company.

Potential Payments Upon Termination of Employment

Each of our named executive officers is entitled to severance and other benefits upon a termination of employment in certain circumstances, as described below. The employment of our named executive officers may be terminated: (i) at any time upon mutual written agreement of the parties; (ii) by us immediately and without prior notice for "cause" (as defined in the named executive officer's employment agreement); (iii) immediately upon death or disability; (iv) by us other than for cause with advance written notice of at least 12 months (six months, in the case of Ms. Hartje); or (v) by the named executive officer, other than due to death or disability, with advance written notice of at least 12 months (six months, in the case of Ms. Hartje). In lieu of providing the written notice described above, the Company may elect to make a payment to the named executive officer equal to the regular compensation that the named executive officer would have earned over the applicable notice period.

In addition, in the event that a named executive officer's employment is terminated by the Company in connection with, or within the three-year period following, a change of control (as defined in the Company's employee stock option plan), all stock options held by the named executive officer under such plan will immediately vest and become exercisable.

Equity Plans

2016 Employee Stock Option Plan

The Company adopted the 2016 Employee Stock Option plan on January 16, 2016 (the "2016 Stock Option Plan"). The purposes of the 2016 Stock Option Plan were to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees and consultants, and to promote the success of the Company's business.

The 2016 Stock Option Plan was superseded upon the adoption of the 2019 Equity Incentive Plan (discussed below) by the Company, although the terms of the 2016 Stock Option Plan continue to apply to awards granted under that plan.

2019 Equity Incentive Plan

On June 24, 2019, the Board of Directors adopted, and on June 1, 2020 our stockholders approved, as amended, the Sezzle Inc. 2019 Equity Incentive Plan (the "2019 Equity Incentive Plan"). The 2019 Equity Incentive Plan permitted the grant of incentive stock options to our employees and the grant of stock options, stock appreciation rights, restricted stock or restricted CDI awards, restricted stock units, dividend equivalent rights, and performance awards to our employees, directors, and consultants.

The 2019 Equity Incentive Plan was superseded upon the adoption of the 2021 Equity Incentive Plan (discussed below) by the Company, although the terms of the 2019 Equity Incentive Plan continue to apply to awards granted under that plan.

2021 Equity Incentive Plan

The Board of Directors, upon the recommendation of the Remuneration and Nomination Committee (now the Compensation Committee), adopted the 2021 Equity Incentive Plan, which was subsequently approved by the Company's stockholders, as a replacement for the 2019 Equity Incentive Plan. This summary is not a complete description of all provisions of the 2021 Equity Incentive Plan and is qualified in its entirety by reference to the 2021 Equity Incentive Plan.

Purpose. The purpose of the 2021 Equity Incentive Plan is to advance the interests of the Company by providing for the grant of stock and stock-based awards to the Company's employees, directors, and consultants.

Administration. The 2021 Equity Incentive Plan is administered by the administrator, who has the discretionary authority to, among other things, administer and interpret the 2021 Equity Incentive Plan and any awards granted under it, determine eligibility for and grant awards, determine the exercise price, base value from which appreciation is measured, or purchase price, if applicable to any award, determine, modify, accelerate or waive the terms and conditions of any award, determine the form of settlement of awards, prescribe forms, rules and procedures for awards and otherwise do all things necessary or desirable to carry out the purposes of the 2021 Equity Incentive Plan. Determinations of the administrator under the 2021 Equity Incentive Plan will be conclusive and binding upon all parties. To the extent permitted by applicable law, the administrator may delegate certain of its powers under the 2021 Equity Incentive Plan to one or more of its members or members of the Board of Directors, officers of the Company or other employees or persons. As used in this summary, the term "administrator" refers to the Compensation Committee or its authorized delegates, as applicable.

Eligibility. Employees, directors, and consultants of us or our subsidiaries are eligible to participate in the 2021 Equity Incentive Plan. Eligibility for stock options intended to be incentive stock options under the U.S. tax code (ISOs) is limited to our employees or employees of a "parent corporation" or "subsidiary corporation" of the Company. Eligibility for stock options, other than ISOs, and SARs is limited to individuals who are providing direct services on the grant date to us or certain of our subsidiaries.

Authorized Shares. Subject to adjustment as described below, the maximum number of shares of our common stock that may be delivered in satisfaction of awards under the 2021 Equity Incentive Plan is 3,947,370 shares of common stock ("the initial share pool"). The initial share pool automatically increases on January 1 of each year from 2022 to 2031 by the lesser of (i) four percent (4%) of the number of shares of our common stock outstanding as of the close of business on the immediately preceding December 31st and (ii) the number of shares of common stock determined by the Board of Directors on or prior to such date for such year (the initial share pool, as so increased, the "Share Pool"). As of December 31, 2025, the Share Pool was comprised of 7,667,542 shares of common stock. The following rules apply in respect of the Share Pool:

- Shares of our common stock withheld by us in payment of the exercise price or purchase price of an award or in satisfaction of tax withholding requirements will not reduce the Share Pool.
- Shares of our common stock underlying awards that are settled in cash or that expire, become unexercisable, or that terminate or are forfeited to or repurchased by us due to failure to vest will not reduce the Share Pool.
- Shares of our common stock delivered under awards in substitution for awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition ("Substitute Awards") will not reduce the Share Pool.

Shares of common stock that may be delivered under the 2021 Equity Incentive Plan may be authorized but unissued shares, treasury shares or previously issued shares acquired by the Company.

Director Limits. With respect to any non-employee director in any calendar year, the aggregate value of all compensation granted or paid, including awards granted under the 2021 Equity Incentive Plan, may not exceed $750,000 in the aggregate ($1 million in the aggregate with respect to a director's first calendar year of service on the Board of Directors). The foregoing limits will not apply to any compensation granted or paid to a non-employee director for his or her service to us or one of our subsidiaries other than as a director, including, without limitation, as a consultant or advisor to us or one of our subsidiaries.

Types of Awards. The 2021 Equity Incentive Plan provides for the grant of stock options, SARs, restricted and unrestricted stock and stock units, performance awards and other awards that are convertible into or otherwise based on our common stock. Dividend equivalents may also be provided in connection with awards under the 2021 Equity Incentive Plan.

- *Stock Options and SARs.* The administrator may grant stock options, including ISOs, and SARs. A stock option is a right entitling the holder to acquire shares of our common stock upon payment of the applicable exercise price. A SAR is a right entitling the holder upon exercise to receive an amount (payable in cash or shares of equivalent value) equal to the excess of the fair market value of the shares subject to the right over the base value from which appreciation is measured. The exercise price of each stock option, and the base value of each SAR, granted under the 2021 Equity Incentive Plan will be no less than 100% of the fair market value of a share of our common stock on the date of grant (110% in the case of certain ISOs). Other than in connection with certain corporate transactions or changes to our capital structure, stock options and SARs granted under the 2021 Equity Incentive Plan may not be repriced or substituted for by new stock options or SARs having a lower exercise price or base value, nor may any consideration be paid upon the cancellation of any stock options or SARs that have a per share exercise or base price greater than the fair market value of a share of our common stock on the date of such cancellation, in each case, without stockholder approval. Each stock option and SAR will have a maximum term not more than ten years from the date of grant (or five years, in the case of certain ISOs).
- *Restricted and Unrestricted Stock and Stock Units.* The administrator may grant awards of unrestricted stock, unrestricted stock units, restricted stock and restricted stock units. Unrestricted stock is stock not subject to any restrictions under the terms of the award. An unrestricted stock unit is an unfunded and unsecured promise, denominated in shares, to deliver shares or cash measured by the value of shares in the future, and a restricted stock unit is a stock unit that is subject to the satisfaction of specified performance or other vesting conditions. Restricted stock is stock subject to restrictions requiring that it be redelivered or offered for sale to us if specified conditions are not satisfied.
- *Performance Awards.* The administrator may grant performance awards, which are awards subject to performance criteria.

- *Other Stock-Based Awards.* The administrator may grant other awards that are convertible into or otherwise based on shares of our common stock, subject to such terms and conditions as are determined by the administrator.
- *Substitute Awards.* The administrator may grant Substitute Awards, which may have terms and conditions that are inconsistent with the terms and conditions of the 2021 Equity Incentive Plan.

Vesting; Terms of Awards. The administrator will determine the terms of all awards granted under the 2021 Equity Incentive Plan, including the time or times an award will vest or become exercisable, the terms on which awards will remain exercisable and the effect of termination of a participant's employment or service on awards. The administrator may at any time accelerate the vesting or exercisability of an award.

Transferability of Awards. Except as the administrator may otherwise determine, awards may not be transferred other than by will or by the laws of descent and distribution.

Performance Criteria. The 2021 Equity Incentive Plan provides for grants of performance awards subject to "performance criteria." Performance criteria are specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting, or full enjoyment of the award. Performance criteria and any related targets may be applied to a participant individually or to a business unit or division of the Company or the Company as a whole. Performance criteria may also be based on individual performance and/or subjective performance criteria. The administrator may provide that performance criteria applicable to an award will be adjusted in a manner to reflect events (for example, but without limitation, acquisitions or dispositions) occurring during the performance period that affect the applicable performance criteria.

Effect of Certain Transactions. In the event of a consolidation, merger or similar transaction in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding shares of common stock by a single person or entity, a sale of all or substantially all of the Company's assets or shares of common stock, a dissolution or liquidation of the Company, or any other transaction the administrator determines to be a covered transaction, the administrator may, with respect to outstanding awards, provide for:

- The assumption, substitution or continuation of some or all awards (or any portion thereof) by the acquirer or surviving entity;
- The cash payment in respect of some or all awards (or any portion thereof) equal to the difference between the fair market value of the shares subject to the award and its exercise or base price, if any, on such terms and conditions as the administrator determines; and/or
- The acceleration of exercisability or delivery of shares in respect of some or all awards.

Adjustment Provisions. In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in our capital structure, the administrator will make appropriate adjustments to the maximum number of shares that may be delivered under the 2021 Equity Incentive Plan; the number and kind of securities subject to, and, if applicable, the exercise price or base value of, outstanding or subsequently granted awards; and any other provisions affected by such event.

Clawback. The administrator may provide in any case that any outstanding award, the proceeds from the exercise or disposition of any award, and any other amounts received in respect of any award will be subject to forfeiture and disgorgement to the Company if the participant to whom the award was granted is not in compliance with any provision of the 2021 Equity Incentive Plan, any award, or any restrictive covenant with the Company. Each award is subject to any policy of the Company that relates to trading on non-public information and permitted transactions with respect to shares of stock. In addition, each award will be subject to any policy of the Company that provides for forfeiture, disgorgement, or clawback with respect to incentive compensation that includes awards under the 2021 Equity Incentive Plan and will be further subject to forfeiture and disgorgement to the extent required by law or applicable stock exchange listing standards.

Effective Date, Amendments and Termination. The Company's stockholders adopted the 2021 Equity Incentive Plan on June 11, 2021. No awards may be granted under the 2021 Equity Incentive Plan after June 10, 2031, the tenth anniversary of such approval. The administrator may at any time amend the 2021 Equity Incentive Plan or any outstanding award and may at any time terminate the 2021 Equity Incentive Plan as to future grants of awards. However, except as expressly provided in the 2021 Equity Incentive Plan or applicable award, the administrator may not alter the terms of an award so as to materially and adversely affect a participant's rights without the participant's consent (unless the administrator expressly reserved the right to do so at the time the award was granted). Any amendments to the 2021 Equity Incentive Plan will be conditioned on stockholder approval to the extent required by law or applicable stock exchange requirements.

Equity Compensation Plan Information

Each of our 2016 Employee Stock Option Plan (the "2016 Plan"), our 2019 Equity Incentive Plan (as amended, the "2019 Plan") and our 2021 Equity Incentive Plan (the "2021 Plan") were approved by our stockholders in due course. The following table sets forth aggregated information with respect to the 2016 Plan, the 2019 Plan and the 2021 Plan as of December 31, 2025:

Plan Category	Number of Securities Issuable Upon Exercise of Outstanding Options, Warrants and Rights		Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights		Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)	
Equity compensation plans approved by security holders	1,565,329	(1)	$ 16.42	(2)	1,628,878	(3)
Equity compensation plans not approved by security holders	None		N/A		None	
Total	1,565,329		$ 16.42		1,628,878	

(1) Includes 4,446 shares issuable upon exercise of outstanding options under the 2016 Plan. Includes 355,885 shares issuable upon exercise of outstanding options under the 2019 Plan. Includes 78,984 shares issuable upon exercise of outstanding options and 1,126,014 shares issuable upon the vesting and settlement of outstanding RSUs under the 2021 Plan.
(2) Reflects the weighted-average exercise price of outstanding options (weighted exclusive of shares to be issued in settlement of outstanding RSUs). There is no exercise price for outstanding RSUs.
(3) Pursuant to the adoption of the 2021 Plan, no more awards may be made under the 2016 and 2019 Plans. A total of 3,947,370 shares were initially reserved under the 2021 Plan, which total is subject to increase on January 1st of each year from 2022 to 2031 by the lesser of (i) 4 percent of the number of shares of stock outstanding as of the close of business on the immediately preceding December 31st and (ii) the number of shares of stock determined by the Board on or prior to such date for such year.

Pay Versus Performance

The following table sets forth information regarding the compensation of our named executive officers ("NEOs"), together with the financial performance of the Company over such years, as calculated in accordance with Item 402(v) of Regulation S-K and reflecting the scaled disclosure accommodations available to smaller reporting companies.

The amounts shown as "compensation actually paid" do not reflect the actual value of cash compensation and equity awards received by our NEOs, but rather, is a calculation prescribed by SEC rules that include, among other things, the year-over-year changes in the "fair value" of unvested equity-based awards. The resulting values may differ significantly from the values reported in our Summary Compensation Table.

Year[1]	Summary Compensation Table Total for PEO[2]	Compensation Actually Paid to PEO[3]	Average Summary Compensation Table Total for Non-PEO NEOs[2]	Average Compensation Actually Paid to Non-PEO NEOs[3]	Value of Initial Fixed $100 Investment Based On: Total Shareholder Return[4]	Net Income (in thousands)
2025	$ 1,100,403	$ 5,470,348	$ 461,800	$ 2,823,618	$ 1,856	$ 133,130
2024	2,224,113	11,580,877	1,502,365	10,141,144	1,247	78,522

(1) For both 2025 and 2024, our principal executive officer ("PEO") was Charles Youakim. Our non-PEO NEOs for both 2025 and 2024 were Paul Paradis and Karen Hartje.
(2) Amounts reported in these columns represent (i) the total compensation reported in the Summary Compensation Table for the applicable year for our PEO and (ii) the average of the total compensation reported in the Summary Compensation Table for our non-PEO NEOs.
(3) Compensation actually paid represents the Summary Compensation Table total compensation adjusted as required by Item 402(v)(2)(iii) of Regulation S-K. A reconciliation of the adjustments for our PEO and our non-PEO NEOs is set forth following the footnotes to this table.
(4) Pursuant to Item 201(e) of Regulation S-K, the comparison assumes $100 was invested on December 31, 2023, and that dividends were reinvested during the measurement period (note, we did not issue any dividends during the measurement period). Historical stock price performance is not necessarily indicative of future stock price performance.

Reconciliation of Compensation Actually Paid Adjustments

	2025		2024	
	PEO	Average Non-PEO NEOs[8]	PEO	Average Non-PEO NEOs[8]
Summary Compensation Table ("SCT") Total[1]	$ 1,100,403	$ 461,800	$ 2,224,113	$ 1,502,365
Minus: Stock award values reported in SCT[2]	—	—	(463,920)	(914,560)
Minus: Option award values reported in SCT[2]	—	—	(682,642)	—
Plus: Year-end fair value of outstanding and unvested equity awards granted in fiscal year[3]	—	—	2,685,115	2,557,800
Plus/(Minus): Change in fair value of outstanding and unvested equity awards granted in prior fiscal years[4]	2,835,316	3,024,059	6,965,108	6,312,975
Plus: Vesting date fair value of equity awards granted and vested during the fiscal year[5]	—	—	—	—
Plus/(Minus): Change in fair value from end of prior year to vesting date of equity awards granted in prior years that vested during the fiscal year[6]	1,534,629	978,588	853,103	682,564
Minus: Fair value at the end of prior years of equity awards granted in prior years that were forfeited during the fiscal year[7]	—	(1,640,829)	—	—
Compensation Actually Paid	**$ 5,470,348**	**$ 2,823,618**	**$ 11,580,877**	**$ 10,141,144**

(1) With respect to the PEO, amounts shown represent Total Compensation reported in the Summary Compensation Table. With respect to the non-PEO NEOs, amounts shown represent averages.
(2) Represents the grant date fair value of the equity awards granted during the applicable year, computed in accordance with the methodology used for financial reporting purposes.
(3) Represents the fair value as of the applicable year-end on outstanding and unvested equity awards granted during such year, computed in accordance with the methodology used for financial reporting purposes.
(4) Represents the change in fair value during the applicable year of each equity award that was granted in a prior fiscal year and that remained outstanding and unvested as of the last day of the applicable fiscal year, computed in accordance with the methodology used for financial reporting purposes, and, for awards subject to performance-based vesting conditions, based on the probable outcome of such performance-based vesting conditions as of the last day of the applicable fiscal year.
(5) Represents the fair value at vesting of equity awards that were granted and vested during the applicable fiscal year, computed in accordance with the methodology used for financial reporting purposes.
(6) Represents the change in fair value, measured from the prior fiscal year-end to the vesting date, of each equity award that was granted in a prior fiscal year and that vested during the applicable fiscal year, computed in accordance with the methodology used for financial reporting purposes.
(7) Represents the fair value as of the last day of the prior fiscal year of the equity awards that were granted in a prior fiscal year and which failed to meet the applicable vesting conditions in the applicable fiscal year, computed in accordance with the methodology used for financial reporting purposes.
(8) See footnote 1 in the pay versus performance table above for the NEOs included in the average.

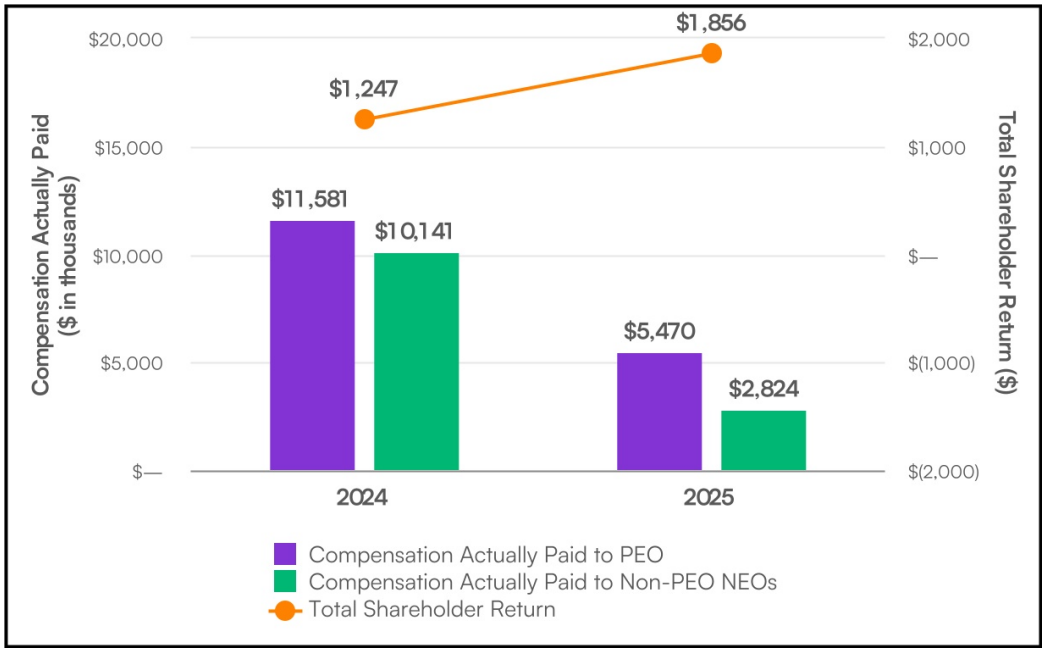
Relationship Between Pay and Performance

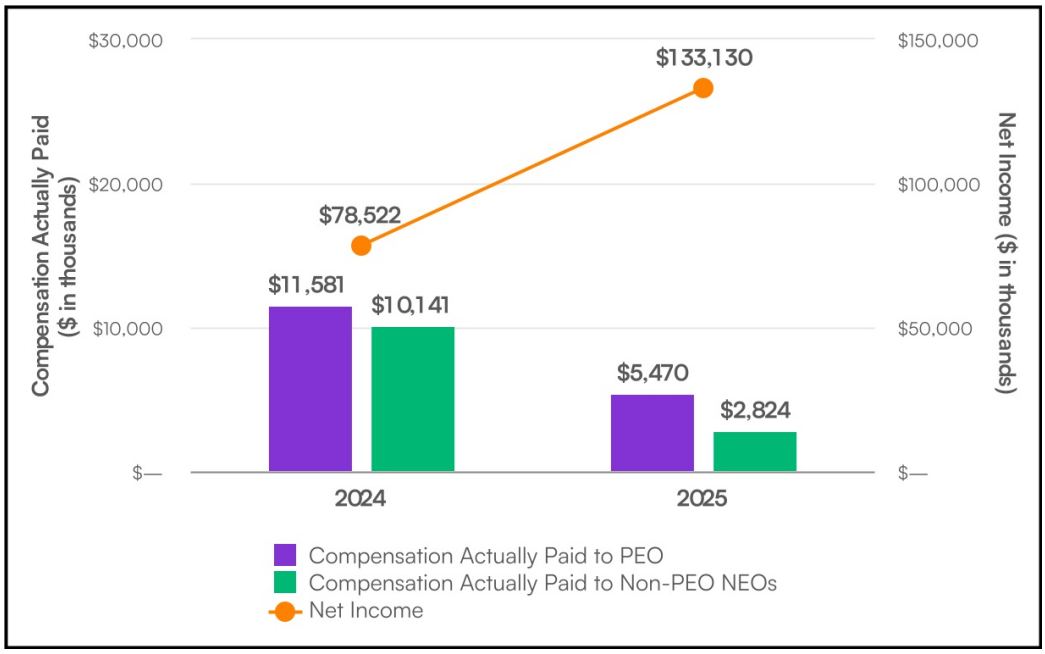
The following graphs illustrates the relationship between the Compensation Actually Paid to our PEO and the average Compensation Actually Paid to our other NEOs, and our cumulative total shareholder return and net income, for fiscal years 2024 and 2025.

Because our executive compensation program rewards our named executive officers primarily through long-term incentives in the form of stock option and restricted stock unit awards, Compensation Actually Paid ("CAP"), as calculated in accordance with Item 402(v) of Regulation S-K, is driven predominantly by the year-over-year change in the fair value of equity awards that are outstanding and unvested at fiscal year-end, or that vest during the covered year. As a result, CAP is highly sensitive to movements in our share price and to the timing of annual grants, vesting events, and any forfeitures, and may diverge materially from the totals reported in the Summary Compensation Table in any given year.

As of December 31, 2024 and 2025, the value of a $100 initial fixed investment on December 31, 2023 was $1,247 (return of 1,147%) and $1,856 (return of 1,756%), respectively. Our net income grew from $78.5 million in 2024 to $133.1 million in 2025. CAP paid to our PEO and the average CAP paid to our non-PEO NEOs were meaningfully higher than the corresponding Summary Compensation Table totals in both years, reflecting continued appreciation in the fair value of previously granted unvested equity. Year-over-year, however, CAP declined from $11.6 million to $5.5 million for our PEO and from $10.1 million to $2.8 million on average for our non-PEO NEOs. We believe this year-over-year decline reflects measurement dynamics specific to the CAP framework rather than a deterioration in Company performance: (i) no new equity awards were granted to our named executive officers during fiscal 2025, so CAP for 2025 did not include any "year-end fair value of awards granted in the covered year" component; (ii) following significant vesting activity during 2024, the population of prior-year unvested awards subject to mark-to-market adjustment in 2025 was smaller than in 2024, producing a smaller absolute-dollar fair-value change notwithstanding further share-price appreciation; and (iii) the average CAP paid to our non-PEO NEOs in 2025 was reduced by the approximately $1.6 million deduction associated with the forfeiture of unvested equity held by our former Chief Financial Officer upon her transition to a consulting role in November 2025.

Viewed over the full two-year measurement window, we believe CAP is generally reflective of our cumulative Total Shareholder Return and our net income, and reflects the intended linkage between long-term stockholder value creation and the realized and realizable compensation of our named executive officers. Because the scaled disclosure rules applicable to smaller reporting companies require only two years of data, and because our equity grant cadence and the accounting-based fair-value methodology can introduce year-to-year volatility — including from one-time grants, the cliff vesting of sizable prior-year awards, and forfeitures — we believe the relationship between CAP and Company performance is best evaluated on a multi-year basis rather than on the basis of a single year's movement.





Recovery of Incentive-Based Compensation

As disclosed in this Annual Report on Form 10-K, we restated our consolidated statements of cash flows for the year ended December 31, 2024, and 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. We concluded that we had not appropriately classified purchases and originations of notes receivable, and proceeds from repayments thereof, as investing activities within our consolidated statements of cash flows. We considered whether this error and the resulting restatement required recovery of incentive-based compensation under the Clawback Policy. The Company concluded that no incentive-based compensation was paid based on the information that is the subject of the restatement, and that no recovery of incentive-based compensation was required.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee is or has been an officer or employee of our Company. None of our executive officers currently serve, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more executive officers serving on our Board or Compensation Committee.

Director Compensation

Under our bylaws, the Board of Directors establishes the fees for non-executive directors based on recommendations of the Compensation Committee. The Board of Director's policy is to compensate non-executive directors at competitive market rates to attract and retain individuals of high caliber and quality, having regard to fees paid and/or equity awards granted for comparable companies and the size, complexity, and spread of our operations.

We have entered into an individual appointment letter or agreement with each of our non-executive directors. Unless otherwise provided in such letter or agreement, our compensation structure for non-executive directors is to provide annual compensation in an amount equal to $60,000 for serving as a member of the Board of Directors, $15,000 for serving as the Chair of the Audit and Risk Committee, $7,500 for serving as either the Chair of the Compensation Committee or Chair of the Nominating and Corporate Governance Committee, $7,500 for serving as a member of the Audit and Risk Committee, and $3,750 for serving as a member of the Compensation Committee or Nominating and Corporate Governance Committee.

The fees earned by the non-executive directors for the year ended December 31, 2025, including stock and option awards, are as set forth below:

Name[1]	Fees earned or paid in cash[1]	Stock awards[2]	Option awards	Non-equity incentive plan compensation	Nonqualified deferred compensation earnings	All other compensation[3]	Total
Kyle Brehm	$ 75,000	$ 59,862	$ —	$ —	$ —	$ 2,463	$ 137,325
Stephen East	90,000	59,862	—	—	—	2,880	152,742
Karen Webster[4]	75,000	59,862	—	—	—	10,666	145,528

(1) Fees earned or paid in cash represent compensation for serving as a member of the Board of Directors and as Chair and/or member of the Audit and Risk Committee, Compensation Committee, and Nominating and Corporate Governance Committee.

(2) Stock awards were issued on May 21, 2025, in the form of Restricted Stock Awards ("RSAs") to Messrs. Brehm and East, and Restricted Stock Units ("RSUs") to Ms. Webster. Each received 604 stock awards. The awards vest over a four-year term, with 25% of the awards vesting on May 21, 2026, and the remaining awards vesting on a quarterly basis thereafter. The value of the stock awards was determined using $99.11 (the fair value of the Company's common stock on the grant date).

(3) Amounts represent a stipend paid for Company-related travel expenses and to support educational resources.

(4) Ms. Webster resigned from the Board of Directors on April 3, 2026.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of April 27, 2026, information regarding beneficial ownership of shares of our common stock by the following:

- each person, or group of affiliated persons, who is known by us to beneficially own 5% or more of any class of our voting securities;
- each of our directors;
- each of our Named Executive Officers; and
- all current directors and executive officers, as a group.

Beneficial ownership is determined according to the rules of the SEC. Beneficial ownership generally includes voting or investment power of a security and includes shares underlying options that are currently exercisable or exercisable by June 26, 2026. The officers, directors and principal stockholders supplied the information for this table. Except as otherwise indicated, we believe that the beneficial owners of the common stock listed below, based on the information given to us by each of them, have sole investment and voting power with respect to their shares, except where community property laws may apply.

Percentage of ownership is based on 33,625,019 shares of our common stock outstanding on April 27, 2026. Unless otherwise indicated, we deem shares subject to options that are exercisable by, and shares issuable upon the vesting of restricted stock units by, June 26, 2026 to be outstanding and beneficially owned by the person holding the options or restricted stock units for the purpose of computing percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the ownership percentage of any other person.

Unless otherwise indicated on the table, the address of each of the individuals named below is: c/o Sezzle Inc., 700 Nicollet Mall, Suite 640, Minneapolis, MN 55402, USA.

Name of Beneficial Owner	Number of Shares of Common Stock	Percentage of Common Stock
5% Shareholders		
BlackRock Inc.[(1)]	2,415,350	7.2 %
Directors and Executive Officers		
Lee Brading[(2)]	300,583	*
Kyle Brehm[(3)]	22,814	*
Stephen East[(4)]	9,490	*
Bryan Hunt[(5)]	2,800	*
Paul Paradis[(6)]	1,225,889	3.6 %
Amin Sabzivand[(7)]	131,036	*
Charles Youakim[(8)]	14,833,274	44.0 %
All directors and executive officers	**16,225,303**	**48.8 %**

* Less than 1.0%

(1) Based solely on information contained in a Schedule 13G filed with the SEC on January 21, 2026. Of the shares of common stock beneficially owned, BlackRock Inc. reported that it has sole voting power over 2,389,968 shares and sole dispositive power over 2,415,350 shares.

(2) Mr. Brading serves as the Chief Financial Officer of the Company. Shares include options to purchase 31,584 shares of common stock.

(3) Mr. Brehm serves as a director of the Company. Shares include 186 restricted stock units that vest by June 26, 2026.

(4) Mr. East serves as a director of the Company. Shares include 186 restricted stock units that vest by June 26, 2026.

(5) Mr. Hunt was appointed as a director of the Company on April 9, 2026.

(6) Mr. Paradis serves as the President of the Company. Shares include 1,146,935 shares held by Mr. Paradis directly or through related entities (over which Mr. Paradis retains dispositive control) and family trusts. Shares also include options to purchase 78,954 shares of common stock.

(7) Mr. Sabzivand serves as the Chief Operating Officer of the Company. Shares include options to purchase 6,930 shares of common stock and 750 restricted stock units that vest by June 26, 2026.

(8) Mr. Youakim serves as the Chairman and Chief Executive Officer of the Company. Shares include 14,721,914 shares held by Mr. Youakim directly or through related entities (over which Mr. Youakim retains dispositive control) and family trusts. Shares include options to purchase 111,360 shares of common stock. Mr. Youakim has pledged 11,863,600 shares as collateral to secure personal indebtedness.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions

Nicholas Paradis, the brother of our director and president Paul Paradis, was an employee of the Company throughout 2025. His total compensation for the year ended December 31, 2025, between annual base salary, vesting of restricted stock units and other Company benefits including a 401(k) match, was approximately $283,800. Further, David Myos, the brother-in-law of our Chairman and Chief Executive Officer Charles Youakim, was an employee of the Company throughout 2025. His total compensation for the year ended December 31, 2025, between annual base salary and other Company-sponsored benefits including a 401(k) match, was approximately $197,000. The portion of the total compensation described above reflecting annualized compensation is consistent with standard hiring practices with other employees performing similar functions and with similar tenure.

Other than the matters disclosed in the previous paragraph, and the current employment agreements between us and each of our executive officers described in the “Executive Compensation” section of this report, there are no existing agreements or arrangements and there are no currently proposed transactions in which we were, or will be, a participant, in which the amount involved exceeded or will exceed the lesser of $120,000 and the average of one percent of our assets as of the end of the last two fiscal years, and in which any current director, executive officer, beneficial owner of more than 5% of our shares of common stock, or entities affiliated with them, had or will have a material interest.

Policies and Procedures for Review and Approval of Related Party Transactions

The charter of our Board of Directors includes a written policy and procedure for related party transactions, which requires prompt disclosure of any circumstances giving rise to a reasonable possibility of conflict between a director’s personal or business interests, the interests of any person associated with them, or their duties to any other company on the one hand, and our interests or their duties to us on the other hand. Our Audit and Risk Committee is responsible for reviewing and approving all transactions in which we are a participant and in which any parties related to us, including our executive officers, directors, beneficial owners of more than 5% of our shares of common stock, immediate family members of the foregoing persons and any other persons whom the Board of Directors determines may be considered related parties of us, has or will have a direct or indirect material interest. Transactions with related parties will also be subject to shareholder approval to the extent required by Nasdaq.

Indemnification Agreements

We have entered into indemnification agreements with our directors and certain officers. Each indemnification agreement provides that, subject to certain exceptions and limitations set forth therein, we will indemnify and advance certain expenses to the director or executive officer to the fullest extent, and only to the extent, permitted by applicable law in effect as of the date of the agreement and to such greater extent as applicable law may thereafter from time to time permit. The form of indemnification agreement is attached as Exhibit 10.12 to our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Principal Accountant Fees And Services

The following table summarizes fees (in thousands) for professional audit services and other services rendered to us by our predecessor auditor, Baker Tilly US, LLP, for our years ended December 31, 2025 and 2024:

		2025		2024
Audit Fees[(1)]	$	1,546	$	779
Audit-Related Fees		—		—
Tax Fees		—		—
All Other Fees		—		—
Total Fees	**$**	**1,546**	**$**	**779**

(1) "Audit Fees" consisted of fees for professional services provided in connection with the audit of our consolidated financial statements, quarterly reviews of interim condensed consolidated financial statements, services that are normally provided in connection with regulatory filings or engagements, and related administrative fees.

Auditor Independence

During the year ended December 31, 2025, there were no other professional services provided by Baker Tilly US, LLP that would have required our Audit and Risk Committee to consider their compatibility with maintaining the independence of our auditors.

Audit and Risk Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

Our Audit and Risk Committee has established a policy governing the use of our independent registered public accounting firm's services. Under the policy, our Audit and Risk Committee is required to pre-approve all audit and permissible non-audit services performed by our independent registered public accounting firm to ensure that the rendering of such services does not impair the accounting firm's independence. Pursuant to the Sarbanes-Oxley Act of 2002, we do not employ our independent registered public accounting firm for engagements related to:

- Bookkeeping;
- Financial information systems design and implementation;
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- Actuarial services;
- Internal audit outsourcing services;
- Management functions or human resources;
- Broker-dealer, investment adviser, or investment banking services; or
- Legal services and expert services unrelated to the audit.

All fees paid to Baker Tilly US, LLP for the years ended December 31, 2025 and 2024 were pre-approved by our Audit and Risk Committee.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Amendment No. 1 on Form 10-K/A:

Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	File Number	File Date	
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
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

* Indicates exhibit is being furnished and not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

SIGNATURES

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: April 30, 2026

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

Dated: April 30, 2026

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

Exhibit 31.1

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 Amendment No. 1 to the Annual Report on Form 10-K of Sezzle Inc.; and
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.

Date: April 30, 2026

/s/ Charles Youakim
Charles Youakim
Chairman and Principal Executive Officer

Exhibit 31.2

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 Amendment No. 1 to the Annual Report on Form 10-K of Sezzle Inc.; and
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.

Date: April 30, 2026

/s/ Lee Brading
Lee Brading
Principal Financial Officer

Exhibit 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

In connection with the Annual Report on Form 10-K of Sezzle Inc., a Delaware corporation ("the Company"), for the year ended December 31, 2025, 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, to the officer's knowledge:

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: April 30, 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 Annual Report on Form 10-K of Sezzle Inc., a Delaware corporation ("the Company"), for the year ended December 31, 2025, 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, to the officer's knowledge:

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: April 30, 2026

/s/ Lee Brading
Lee Brading
Principal Financial Officer

PUBLIC EXHIBIT 4

Sezzle Inc. Schedule 13D/A
filed September 14, 2026

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 3)*

Sezzle Inc.

(Name of Issuer)

Common Stock, $0.00001 par value per share

(Title of Class of Securities)

(CUSIP Number)

Charles Youakim
700 Nicollet Mall, Suite 640
Minneapolis, MN, 55402
651-343-4692

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

09/02/2026

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No.

1	**Name of reporting person** Charles Youakim
	Check the appropriate box if a member of a Group (See Instructions)

2	☑ (a) ☐ (b)
3	**SEC use only**
4	**Source of funds (See Instructions)** PF
5	**Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)** ☐
6	**Citizenship or place of organization** UNITED STATES
Number of Shares Beneficially Owned by Each Reporting Person With:	**7** **Sole Voting Power** 13,413,162.00
	8 **Shared Voting Power** 0.00
	9 **Sole Dispositive Power** 13,413,162.00
	10 **Shared Dispositive Power** 0.00
11	**Aggregate amount beneficially owned by each reporting person** 13,413,162.00
12	**Check if the aggregate amount in Row (11) excludes certain shares (See Instructions)** ☐
13	**Percent of class represented by amount in Row (11)** 39.6 %
14	**Type of Reporting Person (See Instructions)** IN

Comment for Type of Reporting Person: Note to (7), (9), and (11): Includes (i) 12,346,326 shares beneficially owned by the Reporting Person (which number, as of the filing date of this Amendment No. 3 to Schedule 13D, includes 67,474 shares issuable upon the future vesting of currently unvested portions of a restricted stock unit award granted to the Reporting Person), (ii) 119,466 shares issuable upon the exercise of outstanding options held by the Reporting Person that are currently exercisable or exercisable within 60 days following the filing date of this Amendment No. 3 to Schedule 13D, and (iii) 947,370 shares owned by Cerro Gordo LLC ("CGL"). The Reporting Person has sole voting and investment power over shares of the issuer held by CGL. Note to (13): Based on 33,764,222 shares of Common Stock outstanding as of September 2, 2026, plus 119,466 shares purchasable upon the exercise of outstanding options held by the Reporting Person that are currently exercisable or exercisable within 60 days following the filing date of the Amendment No. 3 to Schedule 13D.

SCHEDULE 13D

CUSIP No.

1	**Name of reporting person** Cerro Gordo LLC
	Check the appropriate box if a member of a Group (See Instructions)

2	☑ (a) ☐ (b)
3	**SEC use only**
4	**Source of funds (See Instructions)** PF
5	**Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)** ☐
6	**Citizenship or place of organization** SOUTH DAKOTA

Number of Shares Beneficially Owned by Each Reporting Person With:	7	**Sole Voting Power** 947,370.00
	8	**Shared Voting Power** 0.00
	9	**Sole Dispositive Power** 947,370.00
	10	**Shared Dispositive Power** 0.00

11	**Aggregate amount beneficially owned by each reporting person** 947,370.00
12	**Check if the aggregate amount in Row (11) excludes certain shares (See Instructions)** ☐
13	**Percent of class represented by amount in Row (11)** 2.8 %
14	**Type of Reporting Person (See Instructions)** OO

Comment for Type of Reporting Person: Note to (13): Based on 33,764,222 shares of Common Stock outstanding as of September 2, 2026.

SCHEDULE 13D

Item 1. Security and Issuer

(a) Title of Class of Securities:

Common Stock, $0.00001 par value per share

(b) Name of Issuer:

Sezzle Inc.

(c) Address of Issuer's Principal Executive Offices:

700 Nicollet Mall, Suite 640, Minneapolis, MINNESOTA , 55402.

Item 1 Comment: EXPLANATORY NOTE: This Amendment No. 3 ("Amendment No. 3") to Schedule 13D is being filed by the Reporting Persons pursuant to Rule 13d-2(a) under Securities Exchange Act of 1934 to report certain materi a changes to the Reporting Person's beneficial ownership and arrangements made with respect to the Com

mon Stock of the Issuer since the filing of the statement on Schedule 13D filed with the Securities and Exchange Commission (the "SEC") on February 15, 2024 (the "Original Schedule 13D"), as amended by Amendment Nos.1 and 2 thereto, filed with the SEC on February 11, 2025 and March 16, 2026, respectively (the Original Schedule 13D, together with such Amendment Nos.1 and 2, the "Schedule 13D"). Information contained in the Schedule 13D remains effective except to the extent that it is amended, restated, or superseded by the information contained in this Amendment No. 3. All capitalized terms used herein and not otherwise defined in this Amendment No. 3 have the meaning set forth in the Schedule 13D.

Item 5. Interest in Securities of the Issuer

(a) Item 5(a) is hereby amended and restated as follows: The Reporting Persons, collectively, currently beneficially own 13,413,162 shares of Common Stock, which represents 39.6% of the outstanding shares of Common Stock of the Issuer. Such shares include (i) 12,346,326 shares owned by Mr. Youakim individually (which number, as of the filing date of this Amendment No. 3, includes 67,474 shares issuable upon the future vesting of currently unvested portions of the 2023 RSU Grant), (ii) 119,466 shares issuable upon the exercise of outstanding options held by Mr. Youakim, which are currently exercisable or exercisable within 60 days following the filing date of this Amendment No. 3, and (iii) 947,370 shares owned by CGL. Beneficial ownership is calculated based on 33,764,222 shares of Common Stock outstanding as of September 2, 2026 plus 119,466 shares purchasable upon the exercise of outstanding options held by the Reporting Persons that are currently exercisable or exercisable within 60 days following the filing date of this Amendment No. 3.

(c) Item 5(c) is hereby amended and supplemented by adding the following disclosure: Descriptions of all transactions in Common Stock by the Reporting Persons during the 60 days preceding the filing of this Amendment No. 3 are set forth below: On July 1, 2026, the 2023 RSU Grant held by Mr. Youakim vested with respect to 19,737 shares. Such vested portion was settled by the Issuer through the issuance of 12,759 shares of Common Stock on August 10, 2026, net of 6,978 shares that were forfeited by Mr. Youakim to the Issuer in satisfaction of withholding tax obligations at a deemed price of $118.00 per share. Previously, Mr. Youakim may have been deemed to share voting and/or dispositive power over 1,508,454 shares of Common Stock held by the Charles G. Youakim 2020 Irrevocable GST Trust ("2020 Trust"). Pursuant to a stipulated judgment and decree of the Family Court Division of the State of Minnesota District Court, Fourth Judicial District, entered in connection with the dissolution of the Reporting Person's marriage, effective September 2, 2026, Mr. Youakim ceased to have any voting or dispositive power over the shares of Common Stock held by the 2020 Trust and, as a result, no longer beneficially owns such shares.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Charles Youakim

Signature: **Charles Youakim**
Name/Title: **Charles Youakim**
Date: **09/10/2026**

Cerro Gordo LLC

Signature: **Cerro Gordo LLC**
Name/Title: **Charles Youakim**
Date: **09/10/2026**

PUBLIC EXHIBIT 5

Sezzle Inc. 2021 Equity-Incentive Plan and Amendment to 2021 Equity-Incentive Plan

SEZZLE INC.
2021 EQUITY INCENTIVE PLAN

1. DEFINED TERMS

Exhibit A, which is incorporated by reference, defines certain terms used in the Plan and includes certain operational rules related to those terms.

2. PURPOSE

The Plan has been established to advance the interests of the Company by providing for the grant to Participants of Stock and Stock-based Awards.

3. ADMINISTRATION

The Plan will be administered by the Administrator. The Administrator has discretionary authority, subject only to the express provisions of the Plan, to administer and interpret the Plan and any Awards; to determine eligibility for and grant Awards; to determine the exercise price, base value from which appreciation is measured, or purchase price, if any, applicable to any Award, to determine, modify, accelerate or waive the terms and conditions of any Award; to determine the form of settlement of Awards (whether in cash, shares of Stock, other Awards or other property); to prescribe forms, rules and procedures relating to the Plan and Awards; and to otherwise do all things necessary or desirable to carry out the purposes of the Plan or any Award. Determinations of the Administrator made with respect to the Plan or any Award are conclusive and bind all persons.

4. SHARE POOL; LIMITS ON AWARDS

(a) Number of Shares. Subject to adjustment as provided in Section 7(b) below, the maximum number of shares of Stock that may be delivered in satisfaction of Awards under the Plan is twenty-five million shares (the "**Initial Share Pool**"). The Initial Share Pool will automatically increase on January 1st of each year from 2022 to 2031 by the lesser of (i) 4 percent of the number of shares of Stock outstanding as of the close of business on the immediately preceding December 31st and (ii) the number of shares of Stock determined by the Board on or prior to such date for such year (the Initial Share Pool, as it may be so increased, the "Share Pool"). Up to twenty-five million shares of Stock from the Share Pool may be delivered in satisfaction of ISOs, but nothing in this Section 4(a) will be construed as requiring that any, or any fixed number of, ISOs be granted under the Plan. For purposes of this Section 4(a), shares of Stock shall not be treated as delivered under the Plan, and will not reduce the Share Pool, unless and until, and to the extent, they are actually delivered to a Participant. Without limiting the generality of the foregoing, the Share Pool shall not be reduced by (i) any shares of Stock withheld by the Company in payment of the exercise price or purchase price of an Award or in satisfaction of tax withholding requirements with respect to an Award or (ii) any shares of Stock underlying any portion of an Award that is settled in cash or that expires, becomes unexercisable, terminates or is forfeited to or repurchased by the Company, in any case, without the delivery (or retention, in the case of Restricted Stock or Unrestricted Stock) of Stock. For the avoidance of doubt, the Share Pool will not be increased by any shares of Stock delivered under the Plan that are subsequently repurchased using proceeds directly attributable to Stock Option exercises. The limits set forth in this Section 4(a) will be construed to comply with the applicable requirements of Section 422.

(b) Substitute Awards. The Administrator may grant Substitute Awards under the Plan. To the extent consistent with the requirements of Section 422 and the regulations thereunder and other applicable legal requirements (including applicable stock exchange requirements), shares of Stock delivered in respect of Substitute Awards will be in addition to and will not reduce the Share Pool. Notwithstanding the foregoing or anything in Section 4(a) above to the contrary, if any Substitute Award is settled in cash or expires, becomes unexercisable, terminates or is forfeited to or repurchased by the Company without the delivery (or retention, in the case of Restricted Stock or Unrestricted Stock) of Stock, the shares of Stock previously subject to such Award will not increase the Share Pool or otherwise be available for future delivery under the Plan. The Administrator will determine the extent to which the terms and conditions of the Plan apply to Substitute Awards, if at all; *provided, however*, that Substitute Awards will not be subject to the limits described in Section 4(d) below.

(c) Type of Shares. Stock delivered by the Company under the Plan may be authorized but unissued Stock, treasury Stock or previously issued Stock acquired by the Company. No fractional shares of Stock will be delivered under the Plan.

(d) Director Limits. Notwithstanding anything to the contrary under the Plan, the aggregate value of all compensation granted or paid to any Director with respect to any calendar year, including Awards granted under the Plan and cash fees or other compensation paid by the Company to such Director outside of the Plan for his or her services as a Director during such year, may not exceed $750,000.00 in the aggregate ($1,000,000.00 in the aggregate with respect to a Director's first calendar year of service on the Board), calculating the value of any Awards based on the grant date fair value in accordance with the Accounting Rules, assuming a maximum payout. For the avoidance of doubt, the limitation in this Section 4(d)(2) will not apply to any compensation granted or paid to a Director for his or her services to the Company or a subsidiary other than as a Director, including, without limitation, as a consultant or advisor to the Company or a subsidiary.

5. ELIGIBILITY AND PARTICIPATION

The Administrator will select Participants from among Employees and Directors of, and consultants to, the Company and its subsidiaries. Eligibility for ISOs is limited to individuals described in the first sentence of this Section 5 who are employees of the Company or of a "parent corporation" or "subsidiary corporation" of the Company as those terms are defined in Section 424 of the Code. Eligibility for Stock Options, other than ISOs, and SARs is limited to individuals described in the first sentence of this Section 5 who are providing direct services on the date of grant of the Award to the Company or to a subsidiary of the Company that would be described in the first sentence of Section 1.409A-1(b)(5)(iii)(E) of the Treasury Regulations.

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6. RULES APPLICABLE TO AWARDS

(a) All Awards.

(1) Award Provisions. The Administrator will determine the terms and conditions of all Awards, subject to the limitations provided herein. No term of an Award shall provide for automatic "reload" grants of additional Awards upon the exercise of an Option or SAR. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) an Award, the Participant will be deemed to have agreed to the terms and conditions of the Award and the Plan. Notwithstanding any provision of the Plan to the contrary, Substitute Awards may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Administrator.

(2) Term of Plan. No Awards may be made after ten years from the Date of Adoption, but previously granted Awards may continue beyond that date in accordance with their terms.

(3) Transferability. Neither ISOs nor, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 6(a)(3), other Awards may be transferred other than by will or by the laws of descent and distribution. During a Participant's lifetime, ISOs and, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 6(a)

(3), SARs and NSOs may be exercised only by the Participant. The Administrator may permit the gratuitous transfer (*i.e.*, transfer not for value) of Awards other than ISOs, subject to applicable securities and other laws and such terms and conditions as the Administrator may determine.

(4) Vesting; Exercisability. The Administrator will determine the time or times at which an Award vests or becomes exercisable and the terms and conditions on which a Stock Option or SAR remains exercisable. Without limiting the foregoing, the Administrator may at any time accelerate the vesting and/or exercisability of an Award (or any portion thereof), regardless of any adverse or potentially adverse tax or other consequences resulting from such acceleration. Unless the Administrator expressly provides otherwise, however, the following rules will apply if a Participant's Employment ceases:

(A) Except as provided in (B) and (C) below, immediately upon the cessation of the Participant's Employment, each Stock Option and SAR (or portion thereof) that is then held by the Participant or by the Participant's permitted transferees, if any, will cease to be exercisable and will terminate and each other Award that is then held by the Participant or by the Participant's permitted transferees, if any, to the extent not then vested, will be forfeited.

(B) Subject to (C) and (D) below, each vested and unexercised Stock Option and SAR (or portion thereof) held by the Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of three months following such cessation of Employment or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(C) Subject to (D) below, each vested and unexercised Stock Option and SAR (or portion thereof) held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment due to his or her death or by the Company due to his or her Disability, to the extent then exercisable, will remain exercisable for the lesser of (i) the one-year period ending on the first anniversary of such cessation of Employment or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(D) All Awards (whether or not vested or exercisable) held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment will immediately terminate upon such cessation of Employment if the termination is for Cause or occurs in circumstances that in the determination of the Administrator would have constituted grounds for the Participant's Employment to be terminated for Cause (in each case, without regard to the lapsing of any required notice or cure periods in connection therewith).

(5) Recovery of Compensation. The Administrator may provide in any case that any outstanding Award (whether or not vested or exercisable), the proceeds from the exercise or disposition of any Award or Stock acquired under any Award, and any other amounts received in respect of any Award or Stock acquired under any Award will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted is not in compliance with any provision of the Plan or any applicable Award or any non-competition, non-solicitation, no-hire, non-disparagement, confidentiality, invention assignment or other restrictive covenant by which he or she is bound. Each Award will be subject to any policy of the Company or any of its subsidiaries that relates to trading on non-public information and permitted transactions with respect to shares of Stock, including limitations on hedging and pledging. In addition, each Award will be subject to any policy of the Company or any of its affiliates that provides for forfeiture, disgorgement, or clawback with respect to incentive compensation that includes Awards under the Plan and will be further subject to forfeiture and disgorgement to the extent required by law or applicable stock exchange listing standards, including, without limitation, Section 10D of the Exchange Act. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees (or will be deemed to have agreed) to the terms of this Section 6(a)(5) and to any clawback, recoupment or similar policy of the Company or any of its subsidiaries and further agrees (or will be deemed to have further agreed) to cooperate fully with the Administrator, and to cause any and all permitted transferees of the Participant to cooperate fully with the Administrator, to effectuate any forfeiture or disgorgement described in this Section 6(a)(5). Neither the Administrator nor the Company nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 6(a)(5).

(6) Taxes. The grant of an Award and the issuance, delivery, vesting and retention of Stock, cash or other property under an Award are conditioned upon the full satisfaction by the Participant of all tax and other withholding requirements with respect to the Award. The Administrator will prescribe such rules for the withholding of taxes and other amounts with respect to any Award as it deems necessary. Without limitation to the foregoing, the Company or any affiliate of the Company will have the authority and the right to deduct or withhold (by any means set forth herein or in an Award agreement), or require a Participant to remit to the Company or an affiliate of the Company, an amount sufficient to satisfy all U.S. and non-U.S. federal, state and local income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to participation in the Plan and any Award hereunder and legally applicable to the Participant and required by law to be withheld (including, any amount deemed by the Company, in its discretion, to be an appropriate charge to the Participant even if legally applicable to the Company or any affiliate of the Company). The Administrator, in its sole discretion, may hold back shares of Stock from an Award or permit a Participant to tender previously-owned shares of Stock in satisfaction of tax or other withholding requirements (but not in excess of the maximum withholding amount consistent with the Award being subject to equity accounting treatment under the Accounting Rules). Any amounts withheld pursuant to this Section 6(a)(6) will be treated as though such amounts had been paid directly to the applicable Participant. In addition, the Company may, to the extent permitted by law, deduct any such tax and other withholding amounts from any payment of any kind otherwise due to a Participant from the Company or any of its affiliates.

(7) Dividend Equivalents. The Administrator may provide for the payment of amounts (on terms and subject to such conditions established by the Administrator) in lieu of cash dividends or other cash distributions with respect to Stock subject to an Award whether or not the holder of such Award is otherwise entitled to share in the actual dividend or distribution in respect of such Award; *provided, however*, that (a) dividends or dividend equivalents relating to an Award that, at the dividend payment date, remains subject to a risk of forfeiture (whether service-based or performance-based) shall be subject to the same risk of forfeiture as applies to the underlying Award and (b) no dividends or dividend equivalents shall be payable with respect to Stock Options or SARs. Any entitlement to dividend equivalents or similar entitlements will be established and administered either consistent with an exemption from, or in compliance with, the applicable requirements of Section 409A.

(8) Rights Limited. Nothing in the Plan or any Award will be construed as giving any person the right to be granted an Award or to continued employment or service with the Company or any of its subsidiaries, or any rights as a stockholder except as to shares of Stock actually delivered under the Plan. The loss of existing or potential profit in any Award will not constitute an element of damages in the event of a termination of a Participant's Employment for any reason, even if the termination is in violation of an obligation of the Company or any of its

subsidiaries to the Participant.

(9) Coordination with Other Plans. Shares of Stock and/or Awards under the Plan may be issued or granted in tandem with, or in satisfaction of or substitution for, other Awards under the Plan or awards made under other compensatory plans or programs of the Company or any of its subsidiaries. For example, but without limiting the generality of the foregoing, awards under other compensatory plans or programs of the Company or any of its subsidiaries may be settled in Stock (including, without limitation, Unrestricted Stock) under the Plan if the Administrator so determines, in which case the shares delivered will be treated as awarded under the Plan (and will reduce the Share Pool).

(10) Section 409A.

(A) Without limiting the generality of Section 11(b) hereof, each Award will contain such terms as the Administrator determines and will be construed and administered, such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies such requirements.

(B) Notwithstanding anything to the contrary in the Plan or any Award agreement, the Administrator may unilaterally amend, modify or terminate the Plan or any outstanding Award, including, without limitation, changing the form of the Award, if the Administrator determines that such amendment, modification or termination is necessary or desirable to avoid the imposition of an additional tax, interest or penalty under Section 409A.

(C) If a Participant is determined on the date of the Participant's termination of Employment to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then, with regard to any payment that is considered nonqualified deferred compensation under Section 409A, to the extent applicable, payable on account of a "separation from service", such payment will be made or provided on the date that is the earlier of (i) the first business day following the expiration of the six-month period measured from the date of such "separation from service" and (ii) the date of the Participant's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 6(a)(10)(C) (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such delay) will be paid, without interest, on the first business day following the expiration of the Delay Period in a lump sum and any remaining payments due under the Award will be paid in accordance with the normal payment dates specified for them in the applicable Award agreement.

(D) For purposes of Section 409A, each payment made under the Plan or any Award will be treated as a separate payment.

(E) With regard to any payment considered to be nonqualified deferred compensation under Section 409A, to the extent applicable, that is payable upon a change in control of the Company or other similar event, to the extent required to avoid the imposition of an additional tax, interest or penalty under Section 409A, no amount will be payable unless such change in control constitutes a "change in control event" within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations.

(b) Stock Options and SARs.

(1) Time and Manner of Exercise. Unless the Administrator expressly provides otherwise, no Stock Option or SAR will be deemed to have been exercised until the Administrator receives a notice of exercise in a form acceptable to the Administrator that is signed by the appropriate person and accompanied by any payment required under the Award. The Administrator may limit or restrict the exercisability of any Stock Option or SAR in its discretion, including in connection with any Covered Transaction. Any attempt to exercise a Stock Option or SAR by any person other than the Participant will not be given effect unless the Administrator has received such evidence as it may require that the person exercising the Award has the right to do so.

(2) Exercise Price. The exercise price (or the base value from which appreciation is to be measured) per share of each Award requiring exercise must be no less than 100% (in the case of an ISO granted to a 10-percent stockholder within the meaning of Section 422(b)(6) of the Code, 110%) of the Fair Market Value of a share of Stock, determined as of the date of grant of the Award, or such higher amount as the Administrator may determine in connection with the grant.

(3) Payment of Exercise Price. Where the exercise of an Award (or portion thereof) is to be accompanied by a payment, payment of the exercise price must be made by cash or check acceptable to the Administrator or, if so permitted by the Administrator and if legally permissible, (i) through the delivery of previously acquired unrestricted shares of Stock, or the withholding of unrestricted shares of Stock otherwise deliverable upon exercise, in either case, that have a Fair Market Value equal to the exercise price; (ii) through a broker-assisted cashless exercise program acceptable to the Administrator; (iii) by other means acceptable to the Administrator; or (iv) by any combination of the foregoing permissible forms of payment. The delivery of previously acquired shares in payment of the exercise price under clause (i) above may be accomplished either by actual delivery or by constructive delivery through attestation of ownership, subject to such rules as the Administrator may prescribe.

(4) Maximum Term. The maximum term of Stock Options and SARs must not exceed 10 years from the date of grant (or five years from the date of grant in the case of an ISO granted to a 10-percent stockholder described in Section 6(b)(2) above).

(5) No Repricing. Except in connection with a corporate transaction involving the Company (which term includes, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares) or as otherwise contemplated by Section 7 below, the Company may not, without obtaining stockholder approval, (i) amend the terms of outstanding Stock Options or SARs to reduce the exercise price or base value of such Stock Options or SARs; (ii) cancel outstanding Stock Options or SARs in exchange for Stock Options or SARs that have an exercise price or base value that is less than the exercise price or base value of the original Stock Options or SARs; or (iii) cancel outstanding Stock Options or SARs that have an exercise price or base value greater than the Fair Market Value of a share of Stock on the date of such cancellation in exchange for cash or other consideration.

7. EFFECT OF CERTAIN TRANSACTIONS

(a) Mergers, *etc.* Except as otherwise expressly provided in an Award or other agreement or by the Administrator, the following provisions will apply in the event of a Covered Transaction:

(1) Assumption or Substitution. If the Covered Transaction is one in which there is an acquiring or surviving entity, the Administrator may provide for (i) the assumption or continuation of some or all outstanding Awards or any portion thereof or (ii) the grant of new awards in substitution therefor by the acquiror or survivor or an affiliate of the acquiror or survivor.

(2) Cash-Out of Awards. Subject to Section 7(a)(5) below, the Administrator may provide for payment (a "**cash-out**"), with respect to some or all Awards or any portion thereof (including only the vested portion thereof, with the unvested portion terminating without payment due

as provided in Section 7(a)(4) below), equal in the case of each applicable Award or portion thereof to the excess, if any, of (i) the fair market value of one share of Stock multiplied by the number of shares of Stock subject to the Award or such portion, minus (ii) the aggregate exercise or purchase price, if any, of such Award or such portion thereof (or, in the case of a SAR, the aggregate base value above which appreciation is measured), in each case, on such payment and other terms and subject to such conditions (which need not be the same as the terms and conditions applicable to holders of Stock generally), as the Administrator determines, including that any amounts paid in respect of such Award in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate. For the avoidance of doubt, if the per share exercise or purchase price (or base value) of an Award or portion thereof is equal to or greater than the fair market value of one share of Stock, such Award or portion may be cancelled with no payment due hereunder or otherwise in respect thereof.

(3) Acceleration of Certain Awards. Subject to Section 7(a)(5) below, the Administrator may provide that any Award requiring exercise will become exercisable, in full or in part, and/or that the delivery of any shares of Stock remaining deliverable under any outstanding Award of Stock Units (including Restricted Stock Units and Performance Awards to the extent consisting of Stock Units) will be accelerated, in full or in part, in each case on a basis that gives the holder of the Award a reasonable opportunity, as determined by the Administrator, following the exercise of the Award or the delivery of the shares, as the case may be, to participate as a stockholder in the Covered Transaction.

(4) Termination of Awards upon Consummation of Covered Transaction. Except as the Administrator may otherwise determine, each Award will automatically terminate (and in the case of outstanding shares of Restricted Stock, will automatically be forfeited) immediately upon the consummation of the Covered Transaction, other than (i) any Award that is assumed, continued or substituted for pursuant to Section 7(a)(1) above and (ii) any Award that by its terms, or as a result of action taken by the Administrator, continues following the Covered Transaction.

(5) Additional Limitations. Any share of Stock and any cash or other property or other award delivered pursuant to Section 7(a)(1), Section 7(a)(2) or Section 7(a)(3) above with respect to an Award may, in the discretion of the Administrator, contain such restrictions, if any, as the Administrator deems appropriate, including to reflect any performance or other vesting conditions to which the Award was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Section 7(a)(2) above or an acceleration under Section 7(a)(3) above will not, in and of itself, be treated as the lapsing (or satisfaction) of a performance or other vesting condition. In the case of Restricted Stock that does not vest and is not forfeited in connection with the Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of such Stock in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan.

(6) Uniform Treatment. For the avoidance of doubt, the Administrator need not treat Participants or Awards (or portions thereof) in a uniform manner, and may treat different Participants and/or Awards differently, in connection with a Covered Transaction.

(b) Changes in and Distributions with Respect to Stock.

(1) Basic Adjustment Provisions. In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in the Company's capital structure that constitutes an equity restructuring within the meaning of the Accounting Rules, the Administrator shall make appropriate adjustments to the Share Pool, and shall make appropriate adjustments to the number and kind of shares of stock or securities underlying Awards then outstanding or subsequently granted, any exercise or purchase prices (or base values) relating to Awards and any other provision of Awards affected by such change.

(2) Certain Other Adjustments. The Administrator may also make adjustments of the type described in Section 7(b)(1) above to take into account distributions to stockholders other than those provided for in Sections 7(a) and 7(b)(1) above, or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan or any Award.

(3) Continuing Application of Plan Terms. References in the Plan to shares of Stock will be construed to include any stock or securities resulting from an adjustment pursuant to this Section 7.

8. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such shares have been addressed and resolved; (ii) if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the Award have been satisfied or waived. The Company may require, as a condition to the exercise of an Award or the delivery of shares of Stock under an Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act of 1933, as amended, or any applicable state or non-U.S. securities law. Any Stock delivered under the Plan will be evidenced in such manner as the Administrator determines appropriate, including book-entry registration or delivery of stock certificates. In the event that the Administrator determines that stock certificates will be issued in connection with Stock issued under the Plan, the Administrator may require that such certificates bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending the lapse of the applicable restrictions.

9. AMENDMENT AND TERMINATION

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by applicable law, and may at any time terminate the Plan as to any future grants of Awards; *provided, however*, that except as otherwise expressly provided in the Plan or the applicable Award, the Administrator may not, without the Participant's consent, alter the terms of an Award so as to affect materially and adversely the Participant's rights under the Award, unless the Administrator expressly reserved the right to do so in the Plan or at the time the applicable Award was granted. Any amendments to the Plan will be conditioned upon stockholder approval only to the extent, if any, such approval is required by applicable law (including the Code) or stock exchange requirements, as determined by the Administrator. For the avoidance of doubt, without limiting the Administrator's rights hereunder, no adjustment to any Award pursuant to the terms of Section 7 or Section 12 hereof will be treated as an amendment requiring a Participant's consent.

10. OTHER COMPENSATION ARRANGEMENTS

The existence of the Plan or the grant of any Award will not affect the right of the Company or any of its subsidiaries to grant any person bonuses or other compensation in addition to Awards under the Plan.

11. MISCELLANEOUS

(a) Waiver of Jury Trial. By accepting or being deemed to have accepted an Award under the Plan, each Participant waives (or will be deemed to have waived), to the maximum extent permitted under applicable law, any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan or any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered

or which in the future may be delivered in connection therewith, and agrees (or will be deemed to have agreed) that any such action, proceedings or counterclaim will be tried before a court and not before a jury. By accepting (or being deemed to have accepted) an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers. Notwithstanding anything to the contrary in the Plan, nothing herein is to be construed as limiting the ability of the Company and a Participant to agree to submit any dispute arising under the terms of the Plan or any Award to binding arbitration or as limiting the ability of the Company to require any individual to agree to submit such disputes to binding arbitration as a condition of receiving an Award hereunder.

(b) Limitation of Liability. Notwithstanding anything to the contrary in the Plan or any Award, none of the Company, nor any of its subsidiaries, nor the Administrator, nor any person acting on behalf of the Company, any of its subsidiaries, or the Administrator, will be liable to any Participant, to any permitted transferee, to the estate or beneficiary of any Participant or any permitted transferee, or to any other person by reason of any acceleration of income, any additional tax, or any penalty, interest or other liability asserted by reason of the failure of an Award to satisfy the requirements of Section 422 or Section 409A or by reason of Section 4999 of the Code, or otherwise asserted with respect to any Award.

(c) Unfunded Plan. The Company's obligations under the Plan are unfunded, and no Participant will have any right to specific assets of the Company in respect of any Award. Participants will be general unsecured creditors of the Company with respect to any amounts due or payable under the Plan.

12. ESTABLISHMENT OF SUB-PLANS

The Administrator may at any time and from time to time (including before or after an Award is granted) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan for Participants based outside of the U.S. and/or subject to the laws of countries other than the U.S., including by establishing one or more sub-plans, supplements or appendices under the Plan or any Award agreement for the purpose of complying or facilitating compliance with non-U.S. laws or taking advantage of tax favorable treatment or for any other legal or administrative reason determined by the Administrator. Any such sub-plan, supplement or appendix may contain, in each case, (i) such limitations on the Administrator's discretion under the Plan and (ii) such additional or different terms and conditions, as the Administrator deems necessary or desirable and will be deemed to be part of the Plan but will apply only to Participants within the group to which the sub-plan, supplement or appendix applies (as determined by the Administrator); *provided, however*, that no sub-plan, supplement or appendix, rule or regulation established pursuant to this provision shall increase the Share Pool.

13. GOVERNING LAW

(a) In General. Awards and shares of Stock will be granted, issued and administered consistent with the requirements of applicable Delaware law relating to the issuance of stock and the consideration to be received therefor, and with the applicable requirements of the stock exchanges or other trading systems on which the Stock is listed or entered for trading, in each case, as determined by the Administrator. Except as otherwise provided by the express terms of an Award agreement, under a sub-plan described in Section 12 above or as provided in Section 13(a) above, the domestic substantive laws of the State of Delaware govern the provisions of the Plan and of Awards under the Plan and all claims or disputes arising out of or based upon the Plan or any Award under the Plan or relating to the subject matter hereof or thereof without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

(b) Jurisdiction. Subject to Section 11(a) above, by accepting (or being deemed to have accepted) an Award, each Participant agrees or will be deemed to have agreed to (i) submit irrevocably and unconditionally to the jurisdiction of the federal and state courts located within the geographic boundaries of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon the Plan or any Award; (ii) not commence any suit, action or other proceeding arising out of or based upon the Plan or any Award, except in the federal and state courts located within the geographic boundaries of the United States District Court for the District of Delaware; and (iii) waive, and not assert, by way of motion as a defense or otherwise, in any such suit, action or proceeding, any claim that he or she is not subject personally to the jurisdiction of the above-named courts that his or her property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the Plan or any Award or the subject matter thereof may not be enforced in or by such court.

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EXHIBIT A

Definition of Terms

The following terms, when used in the Plan, have the meanings and are subject to the provisions set forth below:

"Accounting Rules": Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor provision.

"Administrator": The Compensation Committee, except that the Board may at any time act in the capacity of the Administrator (including with respect to such matters that are not delegated to the Compensation Committee by the Board (whether pursuant to committee or charter), if applicable). The Compensation Committee (or the Board) may delegate (i) to one or more of its members (or one or more other members of the Board) such of its duties, powers and responsibilities as it may determine; (ii) to one or more officers of the Company the power to grant Awards to the extent permitted by applicable law; and (iii) to such Employees or other persons as it determines such ministerial tasks as it deems appropriate. For purposes of the Plan, the term "Administrator" will include the Board, the Compensation Committee, and the person or persons delegated authority under the Plan to the extent of such delegation, as applicable.

"Award": Any or a combination of the following:

(i) Stock Options.
(ii) SARs.
(iii) Restricted Stock.
(iv) Unrestricted Stock.
(v) Stock Units, including Restricted Stock Units.
(vi) Performance Awards.
(vii) Awards (other than Awards described in (i) through (vi) above) that are convertible into or otherwise based on Stock.

"Board": The Board of Directors of the Company.

"Cause": In the case of any Participant who is party to an employment, change of control or severance-benefit agreement that contains a

definition of "Cause," the definition set forth in such agreement applies with respect to such Participant for purposes of the Plan for so long as such agreement is in effect. In every other case, "Cause" means, as determined by the Administrator, (i) the Participant's material failure to perform (other than by reason of disability), or substantial negligence in the performance of, the Participant's duties and responsibilities to the Company or any of its affiliates; (ii) the Participant's material breach of the Plan, any Award agreement or any other agreement between the Participant and the Company or any of its affiliates or any policy of the Company or any of its affiliates, including any non-competition, non-solicitation, no-hire, non-disparagement, confidentiality, invention assignment or other restrictive covenant by which he or she is bound; (iii) the Participant's commission of, or plea of nolo contendere to, a felony or other crime involving moral turpitude; or (iv) other conduct by the Participant that is or could reasonably be expected to be materially harmful to the business interests or reputation of the Company or any of its affiliates.

"Code": The U.S. Internal Revenue Code of 1986, as from time to time amended and in effect, or any successor statute as from time to time in effect.

"Company": Sezzle Inc., a Delaware corporation.

"Compensation Committee": The Compensation Committee of the Board.

"Covered Transaction": Any of (i) a consolidation, merger or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert; (ii) a sale or transfer of all or substantially all the Company's assets; (iii) a dissolution or liquidation of the Company or (iv) any other transaction the Administrator determines to be a Covered Transaction. Where a Covered Transaction involves a tender offer that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Administrator), the Covered Transaction will be deemed to have occurred upon consummation of the tender offer.

"Date of Adoption": The date the Plan is approved by the Company's stockholders.

"Director": A member of the Board who is not an Employee.

"Disability": In the case of any Participant who is party to an employment, change of control or severance-benefit agreement that contains a definition of "Disability" (or a corollary term), the definition set forth in such agreement applies with respect to such Participant for purposes of the Plan for so long as such agreement is in effect. In every other case, "Disability" means, as determined by the Administrator, absence from work due to a disability for a period in excess of ninety (90) days in any twelve (12)-month period that would entitle the Participant to receive benefits under the Company's long-term disability program as in effect from time to time (if the Participant were a participant in such program).

"Employee": Any person who is employed by the Company or any of its subsidiaries.

"Employment": A Participant's employment or other service relationship with the Company or any of its subsidiaries. Employment will be deemed to continue, unless the Administrator otherwise determines, so long as the Participant is employed by, or otherwise is providing services in a capacity described in Section 5 of the Plan to, the Company or any of its subsidiaries. If a Participant's employment or other service relationship is with any subsidiary of the Company and that entity ceases to be a subsidiary of the Company, the Participant's Employment will be deemed to have terminated when the entity ceases to be a subsidiary of the Company unless the Participant transfers Employment to the Company or one of its remaining subsidiaries. Notwithstanding the foregoing, in construing the provisions of any Award relating to the payment of "nonqualified deferred compensation" (subject to Section 409A) upon a termination or cessation of Employment, references to termination or cessation of employment, separation from service, retirement or similar or correlative terms will be construed to require a "separation from service" (as that term is defined in Section 1.409A-1(h) of the Treasury Regulations, after giving effect to the presumptions contained therein) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single "service recipient" with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations. The Company may, but need not, elect in writing, subject to the applicable limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(h) of the Treasury Regulations for purposes of determining whether a "separation from service" has occurred. Any such written election will be deemed a part of the Plan.

"Exchange Act": The Securities Exchange Act of 1934, as amended.

"Fair Market Value": As of a particular date, (i) the closing price for a share of Stock reported on the national securities exchange on which the Stock is then listed for that date or, if no closing price is reported for that date, the closing price on the immediately preceding date on which a closing price was reported or (ii) in the event that the Stock is not traded on a national securities exchange, the fair market value of a share of Stock determined by the Administrator consistent with the rules of Section 422 and Section 409A to the extent applicable.

"ISO": A Stock Option intended to be an "incentive stock option" within the meaning of Section 422. Each Stock Option granted pursuant to the Plan will be treated as providing by its terms that it is to be an NSO unless, as of the date of grant, it is expressly designated as an ISO in the applicable Award agreement.

"NSO": A Stock Option that is not intended to be an "incentive stock option" within the meaning of Section 422.

"Participant": A person who is granted an Award under the Plan.

"Performance Award": An Award subject to performance vesting conditions, which may include Performance Criteria.

"Performance Criteria": Specified criteria, other than the mere continuation of Employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award. A Performance Criterion and any targets with respect thereto need not be based upon an increase, a positive or improved result or avoidance of loss and may be applied to a Participant individually, or to a business unit or division of the Company or to the Company as a whole. A Performance Criterion may also be based on individual performance and/or subjective performance criteria. The Administrator may provide that one or more of the Performance Criteria applicable to such Award will be adjusted in a manner to reflect events (for example, but without limitation, acquisitions or dispositions) occurring during the performance period that affect the applicable Performance Criterion or Criteria.

"Plan": This Sezzle Inc. 2021 Equity Incentive Plan, as from time to time amended and in effect.

"Prior Plan": The Sezzle Inc. 2019 Equity Incentive Plan.

"Restricted Stock": Stock subject to restrictions requiring that it be forfeited, redelivered or offered for sale to the Company if specified performance or other vesting conditions are not satisfied.

"Restricted Stock Unit": A Stock Unit that is, or as to which the delivery of Stock or of cash in lieu of Stock is, subject to the satisfaction

of specified performance or other vesting conditions.

"SAR": A right entitling the holder upon exercise to receive an amount (payable in cash or in shares of Stock of equivalent value) equal to the excess of the Fair Market Value of the shares of Stock subject to the right over the base value from which appreciation under the SAR is to be measured.

"Section 409A": Section 409A of the Code and the regulations thereunder.

"Section 422": Section 422 of the Code and the regulations thereunder.

"Stock": Common stock of the Company, par value $0.00001 per share.

"Stock Option": An option entitling the holder to acquire shares of Stock upon payment of the exercise price.

"Stock Unit": An unfunded and unsecured promise, denominated in shares of Stock, to deliver Stock or cash measured by the value of Stock in the future.

"Substitute Award": An Award granted under the Plan in substitution for one or more equity awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition.

"Unrestricted Stock": Stock not subject to any restrictions under the terms of the Award.

Exhibit 10.1

SEZZLE INC.

AMENDMENT TO
SEZZLE 2021 EQUITY INCENTIVE PLAN

This Amendment, dated effective July 31, 2025 (this "**Amendment**"), amends the Sezzle 2021 Equity Incentive Plan (as amended from time to time, the "**Plan**") of Sezzle Inc., a Delaware corporation (the "**Company**"). Except as otherwise explicitly set forth herein, all provisions of the Plan shall remain in full force and effect. Capitalized terms used in this Amendment without definition shall have the meanings set forth in the Plan.

WHEREAS, the Company adopted the Plan on June 15, 2021;

WHEREAS, Section 9 of the Plan provides that, subject to certain exceptions, the Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by applicable law; and

WHEREAS, the Company's Board of Directors, acting in its capacity as the Administrator of the Plan for purposes of Section 9 of the Plan, has approved the terms and conditions of this Amendment;

NOW, THEREFORE, the Plan is hereby amended upon the following terms and conditions.

1. **Taxes**. Section 6(a)(6) of the Plan is hereby deleted in its entirety and replaced as follows:

> **(6) Taxes.** The grant of an Award and the issuance, delivery, vesting and retention of Stock, cash or other property under an Award are conditioned upon the full satisfaction by the Participant of all tax and other withholding requirements with respect to the Award. The Administrator will prescribe such rules for the withholding of taxes and other amounts with respect to any Award as it deems necessary. Without limitation to the foregoing, the Company or any affiliate of the Company will have the authority and the right to deduct or withhold (by any means set forth herein or in an Award agreement), or require a Participant to remit to the Company or an affiliate of the Company, an amount sufficient to satisfy all U.S. and non-U.S. federal, state and local income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to participation in the Plan and any Award hereunder and legally applicable to the Participant and required by law to be withheld (including, any amount deemed by the Company, in its discretion, to be an appropriate charge to the Participant even if legally applicable to the Company or any affiliate of the Company) (collectively, the "**Withholding Amount**"). The Administrator, in its sole discretion, may (i) hold back shares of Stock from an Award, (ii) ~~or~~ permit a Participant to tender previously-owned shares of Stock, or (iii) facilitate a sale by a third-party administrator of shares of Stock issuable upon settlement of an Award (a "**Sell-to-Cover Transaction**"), in each case in satisfaction of a Participant's obligation to pay the Withholding Amount ~~tax or other withholding requirements~~ (but not in excess of the maximum ~~withholding~~ amount

Withholding Amount consistent with the Award being subject to equity accounting treatment under the Accounting Rules). Any amounts withheld by the Company or any of its affiliates or paid to the Company in connection with any Sell-to-Cover Transaction pursuant to this Section 6(a)(6) will be treated as though such amounts had been paid directly to the applicable Participant. In addition, the Company or any of its affiliates may, to the extent permitted by law, deduct any Withholding Amount ~~such tax and other withholding amounts~~ from any payment of any kind otherwise due to a Participant from the Company or any of its affiliates, as applicable.

2. **Compliance with Trading Policy**. Section 6(a)(11) of the Plan is hereby added as follows:

(11) Trading Compliance. If the date on which an Award is to be settled in shares of Stock occurs when the sale of Stock by a Participant in a Sell-to-Cover Transaction would violate the provisions of the Trading Policy, then, unless the Participant pays the entire Withholding Amount in cash to the Company on such date, the Company may delay such settlement until the next trading day on which the sale of such Stock in a Sell-to-Cover Transaction would not violate the Trading Policy, but in any event, no later than the fifteenth (15th) day of the third (3rd) calendar month following the year in which such settlement was otherwise scheduled to occur.

3. 3. **Sell-to-Cover Transactions**. Section 6(a)(12) of the Plan is hereby added as follows:

(12) Sell-to-Cover Transactions. If the Administrator determines to facilitate a Sell-to-Cover Transaction pursuant to Section 6(a)(6) above, then the Participant shall use its good faith, reasonable efforts to provide the Company, its legal counsel and third-party administrator with any and all information to facilitate such Sell-to-Cover Transaction.

4. **Definitions**. Exhibit A of the Plan is amended to include the following definition:

"**Trading Policy**" means the Company's Securities Trading Policy, as may be in effect from time to time.

5. 5. **Effective Date**. This Amendment shall be effective as of the date hereof.

6. **No Other Changes**. Except as explicitly amended by this Amendment, all of the terms and conditions of the Plan shall remain in full force and effect.

7. **References**. All references in the Plan and all Awards to the "Plan" shall hereafter refer to the Plan, as amended hereby.

* * * * * * *

In Witness Whereof, the undersigned have executed this Amendment as of the date first written above.

SEZZLE INC.

By:

Name: Charles Youakim

Title: Executive Chairman and Chief Executive Officer

PUBLIC EXHIBIT 6

Form of Oaths of Bank Directors

Form of Oath of Bank Director

Bank Name **Sezzle Bank, National Association** Charter No. _____

Date _____

City **Las Vegas** County **Clark County** State **Nevada**

I, the undersigned, a (proposed) director of the above-named bank do solemnly swear (affirm) that:

As a director, I have a legal responsibility and a fiduciary duty to shareholders to administer the depository institution's affairs faithfully and to oversee its management. In carrying out my duties and responsibilities, I shall exercise reasonable care and place the interests of the depository institution before my own interests. I shall fulfill my duties of loyalty and care to the above-named depository institution.

I shall, commensurate with my duties, diligently and honestly administer the affairs of the depository institution, and I shall not knowingly violate, or willingly permit to be violated, any applicable statute or regulation. I shall ensure that I learn of changes in statutes, regulations, and policies of the Office of Comptroller of the Currency, the Federal Deposit Insurance Corporation, or any state to whose jurisdiction my association is subject, which affect my duties, responsibilities, or obligations as a director and affiliated person of the association.

I am the owner, in good faith and in my own right, of the number of shares of stock that the law requires. I have either subscribed for this stock or it is issued and outstanding, and it is not hypothecated, or in any way pledged, as security for any loan or debt.

I shall attend meetings of the board of directors and participate fully on all committees of the board to which I am appointed.

Signature _____
Typed Name _____
Mailing Address_____
City _____ State _____ ZIP Code _____

Notary's Affirmation

Sworn to before me and subscribed in my presence, this ___ day of _____, 2027.

Notary Public _____

My Commission Expires _____

PUBLIC EXHIBIT 7

Memorandum Proposal to Develop a Community Reinvestment Act Strategic Plan Pursuant to 12 C.F.R. § 25.27

Memorandum Proposal to Develop a CRA Strategic Plan

This memorandum accompanies the national bank charter application of Sezzle Bank, National Association (the "Bank") and sets forth the Bank's proposal to satisfy its Community Reinvestment Act ("CRA") obligations through an OCC-approved Strategic Plan pursuant to 12 C.F.R. § 25.27. The Bank's organizers believe that the election of the Bank's Strategic Plan option is appropriate given its de novo status, nationwide digital delivery model, and projected balance sheet growth.

A. Rationale for Strategic Plan Election

The Bank will be a national bank with its main office in Las Vegas, Nevada. The Bank will serve customers nationwide through digital channels without traditional retail branch locations. Given this operating structure, the Strategic Plan option provides a clear, transparent, and measurable framework for CRA performance that aligns with the Bank's delivery model.

The Strategic Plan approach will allow the Bank to establish asset-based performance metrics for community development lending, qualified investments, and community development services that scale proportionately with growth. It also provides appropriate flexibility to respond to evolving community development needs within the Bank's Primary Assessment Area and Broader Assessment Area.

B. Overview of Proposed Strategic Plan Framework

Consistent with regulatory requirements, the Bank's Strategic Plan will:

- Define a Facility-Based Assessment Area in Clark County, Las Vegas-Henderson-North Las Vegas, NV MSA (29820), consistent with 12 C.F.R. § 25.16.
- Establish a Broader Assessment Area reflecting the Bank's nationwide operating model.
- Include a comprehensive performance context analysis addressing demographic, economic, and competitive factors.
- Document outreach to community development organizations and relevant stakeholders.
- Establish annual measurable goals for Satisfactory and Outstanding performance ratings.
- Provide for required public notice and opportunity for comment pursuant to 12 C.F.R. § 25.27.

Performance goals will emphasize community development lending and qualified investments, supplemented by community development services, and will be expressed using objective, asset-based metrics.

C. Governance, Controls, and Oversight

The Bank will designate a CRA Officer responsible for administering the CRA program. The CRA Officer will coordinate with compliance, risk management, finance, and senior leadership to ensure appropriate monitoring, documentation, and reporting of CRA activities.

The Board of Directors, or a designated committee thereof, will receive reports on CRA performance and will oversee the implementation of the Strategic Plan. The Bank will maintain internal controls and compliance monitoring processes to ensure activities are conducted consistent with safe and sound banking practices and applicable consumer protection laws, including fair lending requirements.

D. Community Needs Assessment Process

Prior to finalizing the Strategic Plan, the Bank will conduct outreach to community development organizations, housing and economic development intermediaries, and other relevant stakeholders. The Bank will also review publicly available demographic data, economic indicators, and CRA Performance Evaluations of institutions operating within its Assessment Areas to inform the development of measurable goals.

E. Commitment to Collaboration

The Bank's organizers are committed to working collaboratively with OCC supervisory staff throughout the development and approval process. The Bank welcomes supervisory feedback and intends to refine the Strategic Plan framework as appropriate to ensure full alignment with regulatory expectations.

* * *

The Bank's organizers respectfully submit this proposal to develop and implement the Strategic Plan and looks forward to continued engagement with the OCC during the application process. The Bank believes that the Strategic Plan option provides a structured, transparent, and scalable approach to meeting its CRA obligations as a de novo national bank.