



sezzle

The way forward.

2020 ANNUAL INVESTOR  
PRESENTATION

This presentation is authorised for  
release on ASX by the Board  
26 February 2021

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Sezzle Inc.'s FY2020 Financial Statements are in the process of being audited in accordance with the standards of the U.S. Public Company Accounting Oversight Board (PCAOB). The results presented herein are based on the unaudited results of the Company as presented in the Company's Appendix 4E filed herewith. This presentation should be read in conjunction with the Company's FY2020 audited accounts when released to the ASX."

This Presentation contains summary information about the current activities of Sezzle as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete and the information in the Presentation remains subject to change without notice. Also, it is not intended that it be relied upon as advice to investors or potential investors. This Presentation has been prepared without taking into account the objectives, financial situation or needs of any particular investor. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. The material contained in this Presentation may include information derived from publicly available sources that have not been independently verified.

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



# Agenda

1. HIGHLIGHTS AND OUR MISSION

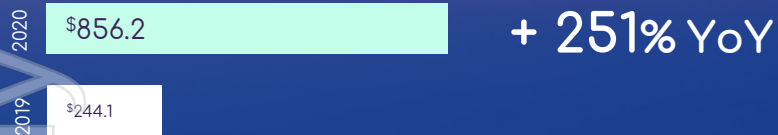
2. EXPANSION, INNOVATION, EMPOWERMENT

3. PRELIMINARY FINANCIAL PERFORMANCE

4. APPENDIX: PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS

# 2020 Financial Scorecard

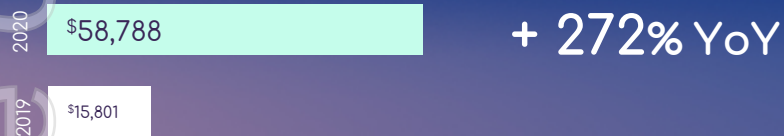
## UNDERLYING MERCHANT SALES (UMS) (US\$M's)



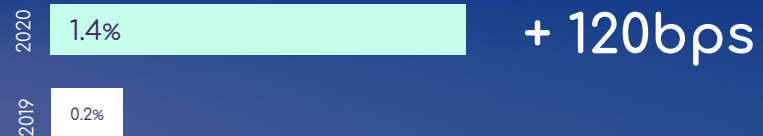
## MERCHANT FEES AS A % OF TOTAL INCOME



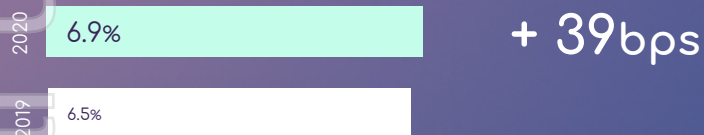
## TOTAL INCOME (US\$000's)



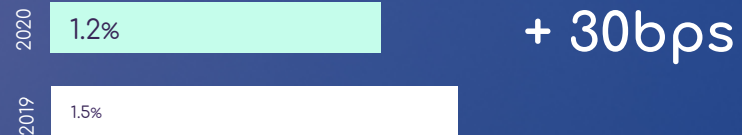
## NET TRANSACTION MARGIN (NTM) AS A PERCENTAGE OF UMS



## TOTAL INCOME AS PERCENTAGE OF UMS

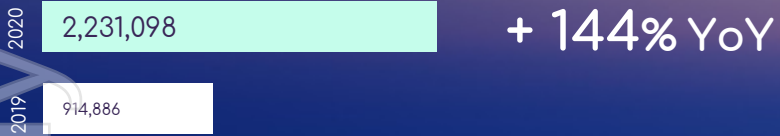


## NET TRANSACTION LOSSES AS A PERCENTAGE OF UMS

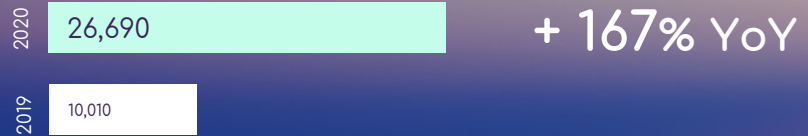


# 2020 Performance Scorecard

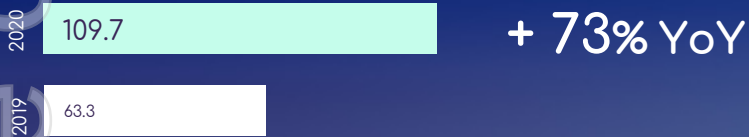
## ACTIVE CONSUMERS



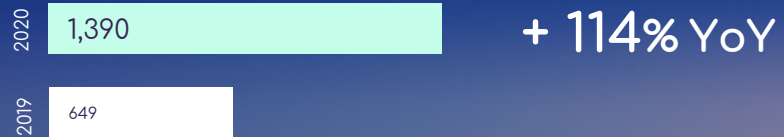
## ACTIVE MERCHANTS



## TOTAL AVERAGE MONTHLY ACTIVE CONSUMER ADDITIONS (000'S)



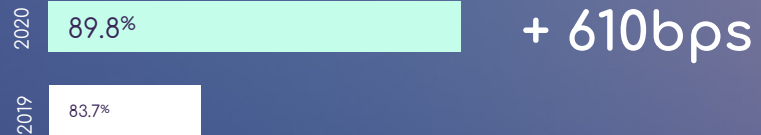
## AVERAGE MONTHLY MERCHANT ADDITIONS



## AGGREGATE CONSUMER ORDER FREQUENCY AT YEAR END



## REPEAT USAGE



OUR MISSION

Financially  
empowering  
the next  
generation.

OUR MANTRA

The way  
forward.

“We see change as  
an opportunity to  
shape the future.”





# Driving value by delivering on our mission.



Reviews 5,660 • Excellent

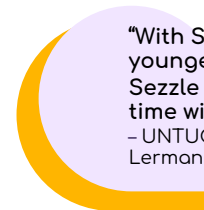


4.8



"Awesome app best pay later app available."

– Joshua



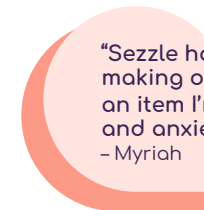
"With Sezzle, we are able to attract a younger demographic who loves the Sezzle experience and paying over time with installments."

– UNTUCKit Director of Operations, Jason Lerman



"I am so happy I have the opportunity to split my payment up so that I don't have the stress of spending one lump sum of money during these uncertain times."

– Kaylee



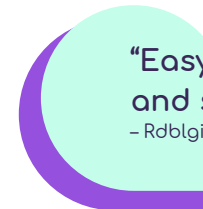
"Sezzle has allowed me to 'soften the blow' of making one large payment... In my case, it is an item I'm hoping further eases my stress and anxiety caused by current events."

– Myriah



"In finding an installment payments partner, Altitude Sports set a very high bar and Sezzle stepped up to the challenge. We were pleased with Sezzle's technology and people."

– Altitude Sports, Co-CEO Alexandre Guimond



"Easy to use and safe."

– Rdblgirl30





# Doing good for the good of all.

- Core value pillars include transparency, inclusivity, and diversity.
- First BNPL company to achieve Public Benefit status.
- Leaving the world better than we found it: going beyond Carbon Neutral efforts.
  - Implementing carbon offset program with Climate Neutral.
  - Planting a tree for every new, active user in coordination with Trees for the Future.
- Collaborating with purpose-driven merchant partners
  - Partnered with Ministry of Supply to gift protective masks and professional clothing to those preparing for job interviews, pursuing fresh starts or simply in need of new, quality clothing.



# Success through focus and achievement.

Our focus on three key areas has succeeded in laying a solid infrastructure to support explosive growth.

## 1. EXPANSION

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## 2. INNOVATION

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## 3. EMPOWERMENT



# Expansion

FROM STARTUP TO ENTERPRISE.

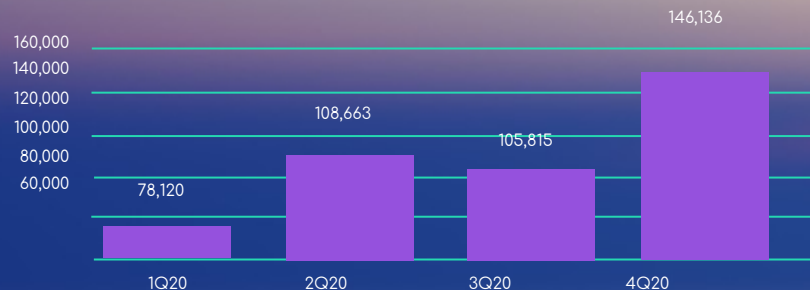




# Enhancing our consumer connectivity.

- In 4Q, we expanded our marketing efforts with growing the consumer base in mind.
- 'Save the Holiday' US\$20K Giveaway.
  - Company's first large scale marketing campaign.
  - More than doubled the pace of daily app downloads and social network followers across Instagram, LinkedIn, Facebook, and Twitter.
- 4Q Average Monthly Active Consumer additions of 146K were 34.5% higher than previous record pace set in 2Q20.

AVERAGE MONTHLY ACTIVE CONSUMER ADDITIONS

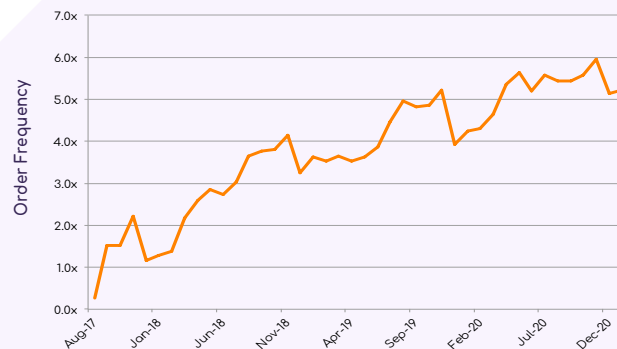




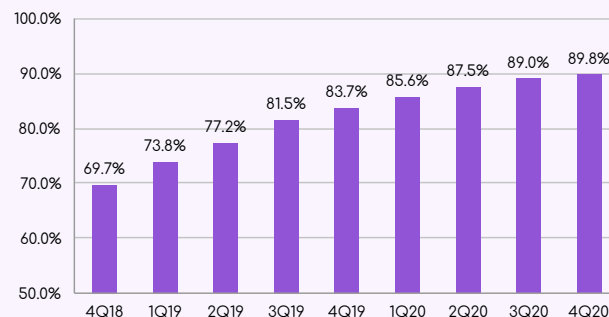
# Highly engaged consumers.

- Aggregate Active Consumer order frequency continues to trend higher with peak frequency in November/December holiday season.
  - Improved 1.3x from the end of 2019 to the end of 2020.
  - November was the best month in 2020 at 6.0x.
- Best Monthly Cohort performance in 2020:
  - 2018 Active Consumers: March 2018 Cohort hit an annualized purchase frequency of 15.1x in August 2020.
  - 2019 Active Consumers: June 2019 Cohort hit an annualized purchase frequency of 17.1x in November 2020.
  - 2020 Active Consumers: March 2020 Cohort hit an annualized purchase frequency of 5.7x in May 2020.
- December 2020 represented the 24<sup>th</sup> straight month of sequential improvement in repeat usage, reaching 89.8%.

Aggregate Consumer Order Frequency  
(weighted average of Monthly Cohorts Annualized)



Active Consumer Repeat Usage



Note: Repeat Usage defined as cumulative orders made by returning end-customers to date relative to total cumulative orders to date.



# Fast growing network of diverse merchants.

- Over 90% of merchant signups are in-bound.
- Creating new categories to serve new trends in our consumers' spending habits, not just apparel and accessories:
  - Vitamins and supplements
  - Health and wellness
  - Electronics
  - Themed verticals such as: Black-owned, sustainable, location-specific

16,680 Active Merchants<sup>1</sup> added in 2020.

In excess of 26,600 total Active Merchants<sup>1</sup> at 31 December 2020.

<sup>1</sup>Active Merchants are defined as those that have transacted with Sezzle in the past 12 months.





# From start-ups to enterprise.





# Building network of omnichannel solutions.

Strategic networking through collaborations and partnerships enhance value for all stakeholders.

## E-COMMERCE PLATFORMS



## PAYMENT RELATED



## OTHER INSTITUTIONS



- In 4Q20, Sezzle's omnichannel offering became available at Fortune 500 company, GameStop, and the largest hockey retailer in the US – Pure Hockey.
- A broader push to our SMB network is planned for 2021, led by our virtual card solution.





# Tapping into a global market.

## 2020 FOR CANADA

- Launched in Spring 2019.
- UMS increased more than 1,500% YoY.
- Active Consumers up > 800% YoY.
- Active Merchants increased > 400% YoY to approximately 1,500.

## INDIA AND EUROPE

- Pilot/Market Development testing is ongoing.
- India started testing in July 2020.
- Europe testing is just getting under way.





# Growing and diversifying our key pieces of capital.

## FINANCIAL CAPITAL

Supports growth and expansion throughout the Company.

- Equity capital raise. US\$60.0 million raised in July 2020 to support the growth strategy and strengthen the balance sheet.
- New debt facility. US\$250 million receivables funding facility led by Goldman Sachs. Transaction closed on 11 February 2021.
  - New facility lowers funding costs, increases funding capacity, and extends maturity.

## HUMAN CAPITAL

Our most important asset more than doubled in 2020.

- Brought in senior executives with large enterprise experience to build on our momentum and execute strategic initiatives.
- Significant additions in product development, sales, and marketing.

US\$60,000,000



*Follow-on Equity Offering*

**ORD MINNETT**

*Sole Lead Manager,  
Bookrunner  
& Underwriter*

US\$250,000,000



*28-Month Receivables  
Funding Facility*



*Underwriters*



# Innovation

ENGINEERING THE MOST  
CONSUMER-FRIENDLY  
PRODUCT ON THE MARKET.

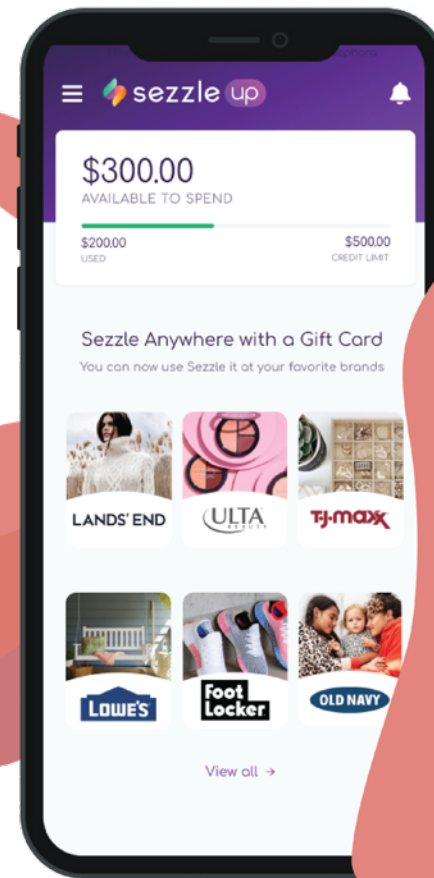




# Co-pilot to financial empowerment.

Sezzle Up is an “upgraded” version of the Sezzle experience:

- Allows consumers to build their credit scores. No other Buy Now Pay Later company offers this solution.
- Provides access to Sezzle Anywhere.
- Consumers can see their credit limit and unlock additional purchasing power.
- Primary payment processing method is ACH.



Build credit for your future with Sezzle Up.





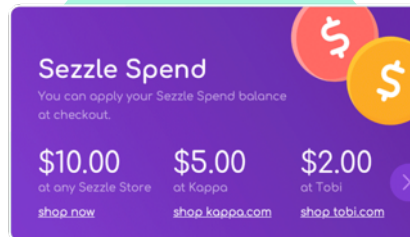
# Tooling for the Merchant.

## SEZZLE SPEND

- Rewards program used to enhance a merchant marketing campaign.
- Can be leveraged as exclusive for the merchant or open to all our retail partners.

## VIRTUAL CARD, IN-STORE

- Seamlessly integrating in-store with our virtual card allows for rapid installations.
- SMB's have the most to gain with our expansion into brick-and-mortar retail.
- A frictionless, touch-free payment method available in Apple Pay and Google Pay.



sezzle

Boot Now, Pay Later.

in partnership with THURSDAY BOOT CO.

Shop Thursday Boot Co.  
Get \$25 Sezzle Spend

The best buy now, pay later experience is now available at Thursday Boot Co! We snagged a never before seen offer just for you! Now through January 17th, make purchase with Thursday Boot Co. (\$150 or more) receive \$25 in Sezzle Spend towards their next purchase, while supplies last.\*

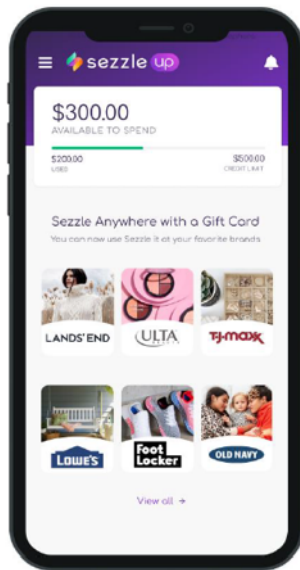
[shop Thursday Boot Co.](#)



# Pioneering strong partnerships.

## GIFT CARD

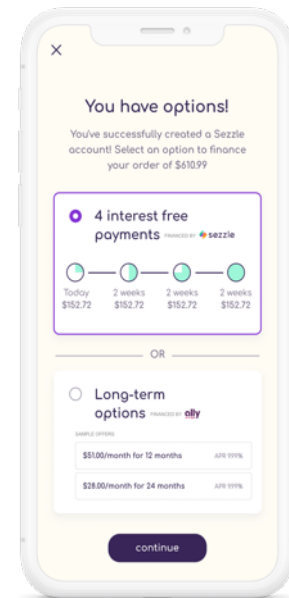
- Partnership with InComm.
- Allows Sezzle Up users to shop at ~ 75 top brands without Sezzle having a direct partnership.



## LONG-TERM INSTALLMENTS

- Partnership with Ally Lending, subsidiary of Ally Financial (NYSE: ALLY).
- Ally Financial is a leading digital financial services company in the US with over US\$180B in assets.
- Potential to expand our relationship with merchants and consumers without adding balance sheet risk to Sezzle.
- Expected to launch in the 1H21.

**ally** do it right.





# Empowerment

CREATING SOCIAL IMPACT FOR THE GOOD OF  
ALL STAKEHOLDERS.





# For the good of all stakeholders.

## SUPPORTING A CULTURE OF PURPOSE

- As a Public Benefit Corporation (PBC), we are committed to making a positive, social impact.
- Goal to become a Certified B Corporation.

## CONNECTING THE COMMUNITY THROUGH SOCIAL GOOD

- Our dollar-for-dollar charitable match program encourages employees to contribute.
- Launched Sezzle Scholars program for minority students in technology.
- Minimizing our carbon footprint.
  - Will be certified carbon neutral by Climate Neutral.
  - In coordination with Trees for the Future, we have committed to planting one tree for every new, active user.

1st PBC  
In the BNPL  
space





# People are our greatest asset.

- Diversity, Equity and Inclusion (DEI) Committee formed to ensure three key areas for Sezzle: (1) representation and retention, (2) inclusive experience, and (3) external impact.
  - Broadened applicant pool by partnering with Diversity Jobs Board, AchieveMPLS, Black Virtual Career Fair, and local colleges.
  - Established a number of Employee Resource Groups such as, Sezzle Pride and the Women of Sezzle.
- Sezzle averaged a 95% overall happiness rating by its employees during 2020 (survey conducted monthly).
- In 2020, introduced a new short-term incentive plan for employees so that all may become shareholders.



glassdoor  
4.9 ★★★★★





# Quickly adapted to Covid-19.

## EMPLOYEES

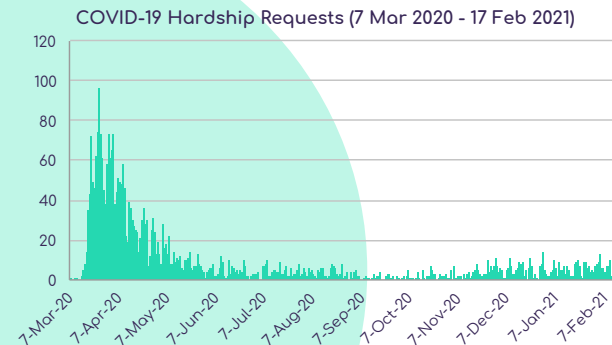
- Mandatory work-from-home policy and suspended all business travel.
- All necessary systems to support a fully remote team.
- Unlimited sick time for anyone experiencing symptoms.

## MERCHANT PARTNERS

- Increased support and communication.
- Raised the bar for our merchant partners.
- Collaborating with purpose-driven merchant partners.
  - Partnered with Ministry of Supply to gift protective masks and professional clothing to those preparing for job interviews, pursuing fresh starts or simply in need of new, quality clothing.

## CONSUMERS

- Expanded fee forgiveness and payment flexibility programs.
- Allow Sezzle shoppers up to two free reschedules per order.
- Continue to evaluate additional payment flexibility to support our shoppers.





# Doing good through governance.

## REGULATION

- Proactive outreach by most senior levels of management with regulators at the federal, state, and provincial levels.
- Discussions have been well received because of Sezzle's consumer-friendly product.

## RISK AND DATA MANAGEMENT

- In-house Sezzle engineers built and continue to maintain Sezzle platform systems in order to mitigate risks.
- Risk and data management are extremely important for reputation, customer confidence, financial stability, and safety.
- Sezzle's Fraud Detection System is a proprietary system developed to identify fraudulent attempts. The success of this system allows us to have one of the highest approval rates in the industry.

Balancing purpose with financial performance.

Creating sustainable value for all stakeholders, requires a steadfast commitment to transparency and good corporate governance.



# Preliminary Financial Performance



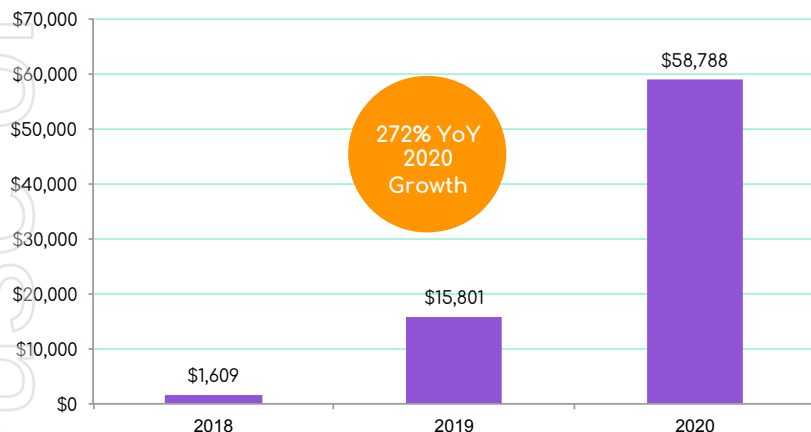


# Rapid growth and margin improvement.

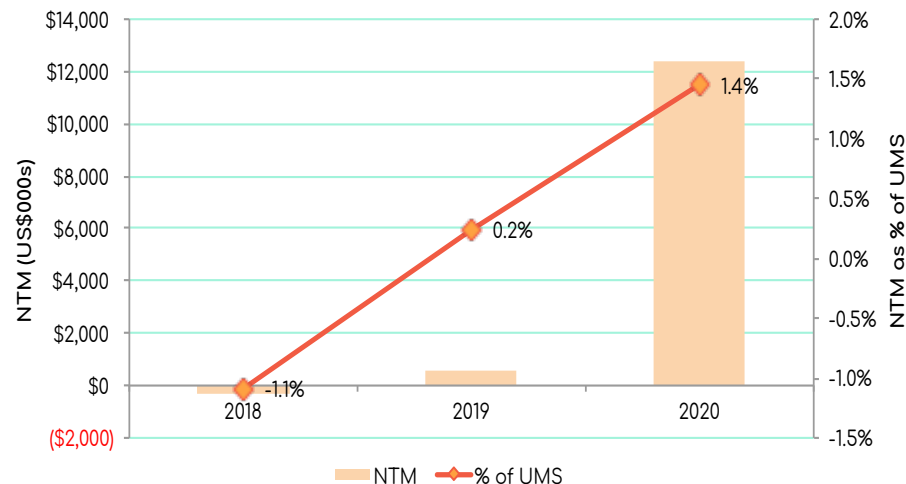
- Merchant fees represented 81% of Total Income for 2020.
- Total Income for 2020 increased 272% YoY.

- NTM rose 1,975% YoY to US\$12.4M in 2020.
- NTM as % of UMS increased 120bps in 2020 compare to 2019.

## Total Income (US\$000's)



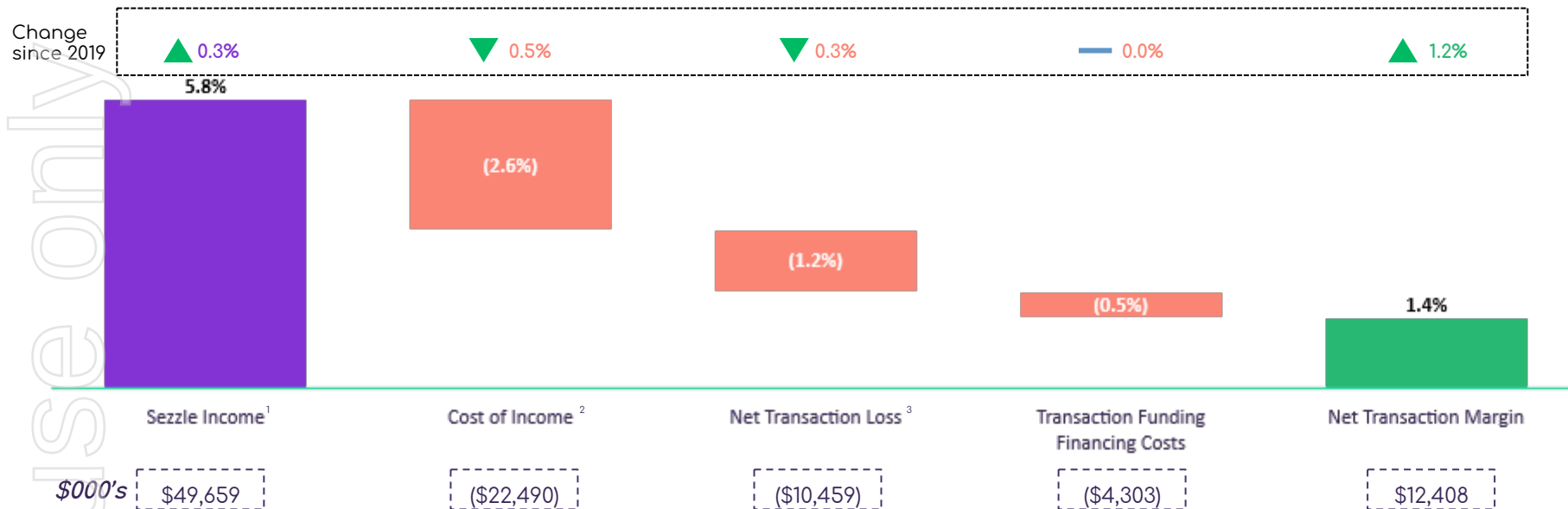
## NTM and as % of UMS





# Positive trends in NTM.

FY2020



<sup>1</sup> Sezzle Income includes all Merchant Fees and Reschedule Fees and is net of Loan Origination Costs, recognized in the consolidated historical statement of operations over the average duration of the underlying installment payments receivables using the effective interest rate method.

<sup>2</sup> Cost of Income primarily comprises payment-processing fees paid to third-party payments processors (2.0% of UMS in 2020 compared to 2.4% in 2019), customer communications costs and merchant affiliate program and partnership fees.

<sup>3</sup> Net Transaction Loss is calculated as the expected provision and actual losses against installment payments receivables and Reschedule Fee losses to be incurred, less consumer fees collected. Consumer fees comprise non-waived Account Reactivation Fees, net of the expected cost of uncollectible accounts attributable to Reactivation Payment Fees. Per the consolidated historical statements of operations, this is the net of consumer Other income and Uncollectible accounts. In 2020, the provision for uncollectible accounts was 2.3% of UMS, which was offset by account reactivation fee income (1.1% of UMS).

Source : Sezzle's unaudited financials as at 31 December 2020.



# Positive Net Transaction Margin.

|                                     | For the years ended December 31, |          |            |          |
|-------------------------------------|----------------------------------|----------|------------|----------|
|                                     | 2020                             |          | 2019       |          |
|                                     | US\$000s                         | % of UMS | US\$000s   | % of UMS |
| Net Transaction Margin (NTM)        |                                  |          |            |          |
| Underlying Merchant Sales (UMS)     | \$ 856,382                       | — %      | \$ 244,126 | — %      |
| Sezzle income                       | 49,659                           | 5.8 %    | 13,319     | 5.5 %    |
| Cost of income                      | (22,490)                         | (2.6)%   | (7,660)    | (3.1)%   |
| Net Transaction Loss                | (10,459)                         | (1.2)%   | (3,754)    | (1.5)%   |
| Transaction funding financing costs | (4,303)                          | (0.5)%   | (1,307)    | (0.5)%   |
| Net Transaction Margin              | \$ 12,408                        | 1.4 %    | \$ 598     | 0.2 %    |

<sup>1</sup> Sezzle Income includes all Merchant Fees and Reschedule Fees and is net of Loan Origination Costs, recognized in the consolidated historical statement of operations over the average duration of the underlying installment payments receivables using the effective interest rate method.

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# Capitalized for the future.

- Raised US\$58.0M (net of costs) via an equity raise in July and August of 2020.
- In February 2021, refinanced receivables funding facility with a new 28-month US\$250M facility.
  - Lowers borrowing costs,
  - Extends maturity, and
  - Increases capacity.
- Each additional dollar of capital supports US\$14 of UMS.

| Select Balance Sheet Data<br>(US\$000's) | 31 Dec 2020     |
|------------------------------------------|-----------------|
| Cash and cash equivalents                | \$84,285        |
| Restricted cash                          | \$4,819         |
| <b>Total cash</b>                        | <b>\$89,104</b> |
| Line of credit (\$100M)                  | \$40,000        |



# UMS Outlook.

January's UMS totalled US\$117.8M - the Company's best month ever and 65% above the average monthly UMS for 2020.

Continued investment in key near-term growth initiatives:

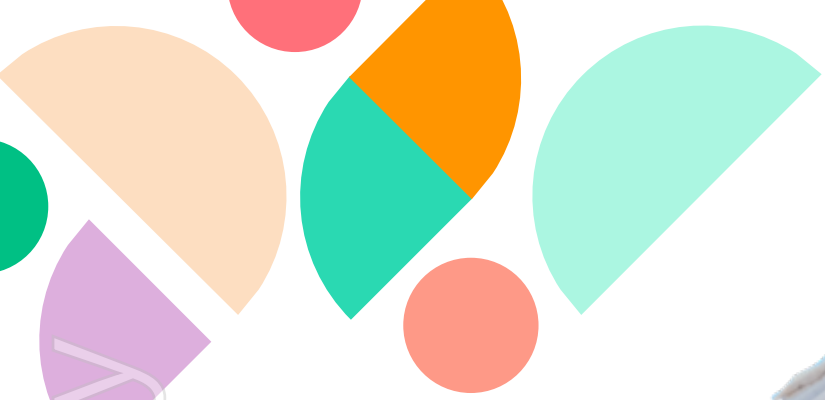
- Large enterprise merchants
- Sales and marketing
- R&D and product enhancement

2021 UMS OUTLOOK  
ANNUALIZED RUN-RATE OF

**US\$2.5B**  
**BY END OF 2021**  
(A\$3.2B<sup>1</sup>)



Notes: 1) A\$ to US\$ exchange rate of \$0.7913



Internal use only

# Questions & Answers





# Appendix

PRELIMINARY  
CONSOLIDATED FINANCIAL  
STATEMENTS



Thank You



original use only



# Consolidated Balance Sheets

## Preliminary

| US\$                                        | As of                 |                      |
|---------------------------------------------|-----------------------|----------------------|
|                                             | December 31, 2020     | December 31, 2019    |
| <b>Assets</b>                               |                       |                      |
| <b>Current Assets</b>                       |                       |                      |
| Cash and cash equivalents                   | \$ 84,285,383         | \$ 34,965,069        |
| Restricted cash, current                    | 4,798,520             | 1,639,549            |
| Notes receivable, net                       | 80,807,300            | 25,189,135           |
| Other receivables, net                      | 1,403,306             | 315,502              |
| Prepaid expenses and other current assets   | 1,705,919             | 882,939              |
| Total current assets                        | 173,000,428           | 62,992,194           |
| <b>Non-Current Assets</b>                   |                       |                      |
| Internally developed intangible assets, net | 537,046               | 480,098              |
| Property and equipment, net                 | 375,186               | 134,400              |
| Right-of-use assets                         | 145,576               | 867,272              |
| Restricted cash                             | 20,000                | 20,000               |
| Other assets                                | 32,537                | 49,171               |
| <b>Total Assets</b>                         | <b>\$ 174,110,773</b> | <b>\$ 64,543,135</b> |

| US\$                                                                                                                                                                                    | As of                 |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|                                                                                                                                                                                         | December 31, 2020     | December 31, 2019    |
| <b>Liabilities and Stockholders' Equity</b>                                                                                                                                             |                       |                      |
| <b>Current Liabilities</b>                                                                                                                                                              |                       |                      |
| Merchant accounts payable                                                                                                                                                               | \$ 60,933,272         | \$ 13,284,544        |
| Lease liabilities                                                                                                                                                                       | 142,743               | 389,257              |
| Accrued liabilities                                                                                                                                                                     | 6,680,870             | 1,677,780            |
| Other payables                                                                                                                                                                          | 615,839               | 267,934              |
| Total current liabilities                                                                                                                                                               | 68,372,724            | 15,619,515           |
| <b>Long Term Liabilities</b>                                                                                                                                                            |                       |                      |
| Long term debt                                                                                                                                                                          | 1,470,332             | 250,000              |
| Lease liabilities                                                                                                                                                                       | —                     | 500,131              |
| Line of credit, net of unamortized debt issuance costs of \$173,773 and \$590,827, respectively                                                                                         | 39,826,227            | 20,859,173           |
| Other non-current liabilities                                                                                                                                                           | 4,483,073             | —                    |
| <b>Total Liabilities</b>                                                                                                                                                                | <b>114,152,356</b>    | <b>37,228,819</b>    |
| <b>Stockholders' Equity</b>                                                                                                                                                             |                       |                      |
| Common stock, \$0.00001 par value; 300,000,000 shares authorized; 197,078,709 and 178,931,312 shares issued, respectively; 196,926,674 and 178,931,312 shares outstanding, respectively | 1,970                 | 1,789                |
| Additional paid-in capital                                                                                                                                                              | 112,640,974           | 47,154,147           |
| Stock subscriptions; 64,000 and no shares subscribed, respectively                                                                                                                      | (69,440)              | —                    |
| Treasury stock, at cost; 152,035 and no shares, respectively                                                                                                                            | (875,232)             | —                    |
| Accumulated deficit                                                                                                                                                                     | (51,739,855)          | (19,841,620)         |
| <b>Total Stockholders' Equity</b>                                                                                                                                                       | <b>59,958,417</b>     | <b>27,314,316</b>    |
| <b>Total Liabilities and Stockholders' Equity</b>                                                                                                                                       | <b>\$ 174,110,773</b> | <b>\$ 64,543,135</b> |



# Consolidated Statements of Operations

Preliminary

| US\$                                          | For the years ended |                   |
|-----------------------------------------------|---------------------|-------------------|
|                                               | December 31, 2020   | December 31, 2019 |
| <b>Income</b>                                 |                     |                   |
| Sezzle income                                 | \$ 49,659,042       | \$ 13,319,218     |
| Account reactivation fee income               | 9,129,231           | 2,481,893         |
| Total income                                  | 58,788,273          | 15,801,111        |
| Cost of Income                                | 22,489,626          | 7,660,276         |
| Gross Profit                                  | 36,298,647          | 8,140,835         |
| <b>Operating Expenses</b>                     |                     |                   |
| Selling, general, and administrative expenses | 44,643,039          | 13,156,891        |
| Provision for uncollectible accounts          | 19,587,918          | 6,235,820         |
| Total operating expenses                      | 64,230,957          | 19,392,711        |
| Operating Loss                                | (27,932,310)        | (11,251,876)      |

| US\$                                                  | For the years ended |                   |
|-------------------------------------------------------|---------------------|-------------------|
|                                                       | December 31, 2020   | December 31, 2019 |
| Operating Loss                                        | (27,932,310)        | (11,251,876)      |
| <b>Other Income (Expense)</b>                         |                     |                   |
| Interest expense                                      | (4,369,397)         | (1,459,782)       |
| Interest expense on beneficial conversion feature     | —                   | (470,268)         |
| Other income and expense, net                         | 434,436             | 132,554           |
| Loss before taxes                                     | (31,867,271)        | (13,049,372)      |
| Income tax expense                                    | 30,964              | 11,981            |
| Net Loss                                              | \$ (31,898,235)     | \$ (13,061,353)   |
| <b>Losses per share:</b>                              |                     |                   |
| Basic and diluted loss per common share               | \$ (0.17)           | \$ (0.12)         |
| Basic and diluted weighted average shares outstanding | 186,842,646         | 111,576,824       |



# Consolidated Statements of Cash Flows

## Preliminary

| US\$                                                                                | For the years ended |                     |
|-------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                     | December 31, 2020   | December 31, 2019   |
| <b>Operating Activities:</b>                                                        |                     |                     |
| Net loss                                                                            | \$ (31,898,235)     | \$ (13,061,353)     |
| <b>Adjustments to reconcile net loss to net cash used for operating activities:</b> |                     |                     |
| Depreciation and amortization                                                       | 428,374             | 245,496             |
| Provision for uncollectible accounts                                                | 19,587,918          | 6,235,820           |
| Provision for other uncollectible receivables                                       | 2,723,853           | 1,188,201           |
| Equity based compensation and restricted stock vested                               | 7,010,844           | 1,167,265           |
| Amortization of debt issuance costs                                                 | 417,054             | 72,379              |
| Impairment losses on long-lived assets                                              | 7,850               | 15,623              |
| Loss and accrued interest on conversion of convertible notes                        | —                   | 579,216             |
| <b>Changes in operating assets and liabilities:</b>                                 |                     |                     |
| Notes receivable                                                                    | (75,206,083)        | (26,494,339)        |
| Other receivables                                                                   | (3,811,657)         | (1,470,923)         |
| Prepaid expenses and other assets                                                   | (806,346)           | (788,428)           |
| Merchant accounts payable                                                           | 47,648,728          | 11,007,664          |
| Other payables                                                                      | 116,323             | 171,682             |
| Accrued liabilities                                                                 | 9,486,163           | 1,190,018           |
| Operating leases                                                                    | (24,949)            | 22,116              |
| <b>Net Cash Used for Operating Activities</b>                                       | <b>(24,320,163)</b> | <b>(19,979,563)</b> |
| <b>Investing Activities:</b>                                                        |                     |                     |
| Purchase of property and equipment                                                  | (411,735)           | (125,885)           |
| Internally developed intangible asset additions                                     | (322,223)           | (406,333)           |
| <b>Net Cash Used for Investing Activities</b>                                       | <b>(733,958)</b>    | <b>(532,218)</b>    |

| US\$                                                                    | For the years ended  |                      |
|-------------------------------------------------------------------------|----------------------|----------------------|
|                                                                         | December 31, 2020    | December 31, 2019    |
| <b>Financing Activities:</b>                                            |                      |                      |
| Proceeds from issuance of long term debt                                | 1,220,332            | 5,812,500            |
| Costs incurred for convertible note issuance                            | —                    | (25,000)             |
| Proceeds from line of credit                                            | 85,650,000           | 24,200,000           |
| Payments to line of credit                                              | (67,100,000)         | (6,950,000)          |
| Proceeds from stock option exercises                                    | 436,206              | 37,107               |
| Payments of debt issuance costs                                         | —                    | (592,750)            |
| Proceeds from initial public offering                                   | —                    | 30,286,785           |
| Costs incurred for initial public offering                              | —                    | (2,777,097)          |
| Retirement of common stock                                              | (2,234)              | —                    |
| Proceeds from insurance of common stock                                 | 60,457,256           | —                    |
| Costs incurred from insurance of common stock                           | (2,484,504)          | —                    |
| Repurchase of common stock                                              | (643,650)            | —                    |
| <b>Net Cash Provided from Financing Activities</b>                      | <b>77,533,406</b>    | <b>49,991,545</b>    |
| <b>Net increase in cash, cash equivalents, and restricted cash</b>      | <b>52,479,285</b>    | <b>29,539,764</b>    |
| Cash, cash equivalents, and restricted cash, beginning of year          | 36,624,618           | 7,084,854            |
| <b>Cash, cash equivalents, and restricted cash, end of year</b>         | <b>\$ 89,103,903</b> | <b>\$ 36,624,618</b> |
| <b>Noncash investing and financing activities:</b>                      |                      |                      |
| Withholding of restricted stock units to cover employee tax withholding | \$ 231,582           | \$ —                 |
| Conversion of notes to common stock                                     | —                    | 6,370,998            |
| Conversion of preferred stock to common stock                           | —                    | 11,926,571           |
| Issuance of preferred stock dividend                                    | —                    | 763,939              |
| Noncash lease liabilities arising from obtaining right-of-use assets    | —                    | 872,210              |
| <b>Supplementary disclosures:</b>                                       |                      |                      |
| Interest paid                                                           | 3,770,838            | 1,153,730            |



# Consolidated Statements of Stockholders' Equity (Deficit)

Preliminary

| US\$                                                       | Common Stock |          | Additional<br>Paid-in<br>Capital | Stock<br>Subscriptions | Treasury<br>Stock, At<br>Cost | Accumulated<br>Deficit | Total          |
|------------------------------------------------------------|--------------|----------|----------------------------------|------------------------|-------------------------------|------------------------|----------------|
|                                                            | Shares       | Amount   |                                  |                        |                               |                        |                |
| Balance at January 1, 2019                                 | 59,416,666   | \$ 594   | \$ 143,713                       | \$ —                   | \$ —                          | \$ (6,016,328)         | \$ (5,872,021) |
| Equity based compensation                                  | —            | —        | 1,034,578                        | —                      | —                             | —                      | 1,034,578      |
| Stock option exercises                                     | 882,914      | 8        | 37,099                           | —                      | —                             | —                      | 37,107         |
| Restricted stock issuances and vesting of awards           | 407,000      | 4        | 132,683                          | —                      | —                             | —                      | 132,687        |
| Preferred stock dividend                                   | —            | —        | —                                | —                      | —                             | (763,939)              | (763,939)      |
| Conversion of preferred stock to common stock              | 70,446,291   | 705      | 11,925,866                       | —                      | —                             | —                      | 11,926,571     |
| Conversion of notes to common stock                        | 12,064,155   | 121      | 6,370,877                        | —                      | —                             | —                      | 6,370,998      |
| Proceeds of initial public offering, net of issuance costs | 35,714,286   | 357      | 27,509,331                       | —                      | —                             | —                      | 27,509,688     |
| Net loss                                                   | —            | —        | —                                | —                      | —                             | (13,061,353)           | (13,061,353)   |
| Balance at December 31, 2019                               | 178,931,312  | 1,789    | \$ 47,154,147                    | —                      | —                             | (19,841,620)           | 27,314,316     |
| Equity based compensation                                  | —            | —        | 6,528,356                        | —                      | —                             | —                      | 6,528,356      |
| Stock option exercises                                     | 1,672,476    | 16       | 436,190                          | —                      | —                             | —                      | 436,206        |
| Restricted stock issuances and vesting of awards           | 464,736      | 5        | 482,483                          | —                      | —                             | —                      | 482,488        |
| Stock subscriptions receivable                             | 64,000       | 1        | 69,439                           | (69,440)               | —                             | —                      | —              |
| Repurchase of common stock                                 | (152,035)    | —        | —                                | —                      | (875,232)                     | —                      | (875,232)      |
| Retirement of common stock                                 | (343,750)    | (3)      | (2,231)                          | —                      | —                             | —                      | (2,234)        |
| Proceeds of fundraise, net of issuance costs               | 16,289,935   | 162      | 57,972,590                       | —                      | —                             | —                      | 57,972,752     |
| Net loss                                                   | —            | —        | —                                | —                      | —                             | (31,898,235)           | (31,898,235)   |
| Balance at December 31, 2020                               | 196,926,674  | \$ 1,970 | \$112,640,974                    | \$ (69,440)            | \$ (875,232)                  | \$ (51,739,855)        | \$ 59,958,417  |