

29 July 2019

## **ASX RELEASE**

Company Announcements Platform

### **Pre-Quotation Disclosure**

*Minneapolis, United States of America and Sydney, Australia.*

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the official quotation, on a deferred settlement basis, of the CHESS Depositary Interests (**CDIs**) over shares of common stock (**Shares**) in Sezzle Inc. (ARBN 633 327 358) (ASX:SZL) (**Sezzle** or **Company**). Each CDI is equivalent to one Share.

Capitalised terms which have not been otherwise defined in this document have the meaning given to them in the replacement prospectus lodged by the Company with the Australian Securities and Investments Commission (**ASIC**) on 8 July 2019 (the **Prospectus**) which replaced the prospectus lodged by the Company with ASIC on 24 June 2019.

### **Basis of allocation and procedures for determining allocation**

The Company's initial public offer of 35,714,286 CDIs at an issue price of A\$1.22 per CDI to raise approximately A\$43.6 million closed on 19 July 2019. The initial public offer (the **Offer**) comprised of the:

- (a) Broker Firm Offer;
- (b) Institutional Offer; and
- (c) Priority Offer.

The basis for allocation for each component of the Offer was determined as follows:

- (a) **Broker Firm Offer:** for participants in the Broker Firm Offer, the relevant broker decided as to how CDIs are allocated among their eligible retail clients. Applicants under the Broker Firm Offer may confirm their allocations by calling their broker;
- (b) **Institutional Offer:** the allocation of CDIs under the Institutional Offer was determined by agreement between the Company and the Lead Manager; and
- (c) **Priority Offer:** the allocation of CDIs under the Priority Offer was determined by agreement between the Company and the Lead Manager. Applicants under the Priority Offer may confirm their allocations by calling the Sezzle IPO Offer Information Line using the contact details provided below.

For more information regarding the Prospectus or the Offer, please call the Sezzle IPO Offer Information Line on 1300 171 784 (within Australia) or +61 3 9415 4068 (outside Australia), from 8.30 am to 5.00 pm (AEST), Monday to Friday (excluding public holidays).

Applicants are responsible for confirming their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.

### **Final Price and Number of CDIs issued under the Offer**

As noted above, the issued price for each CDI issued under the Offer is A\$1.22. The number of CDIs issued to successful Applicants under each component of the Offer is as follows:

- (a) **Broker Firm Offer:** 12,650,779 CDIs;
- (b) **Institutional Offer:** 22,131,136 CDIs; and
- (c) **Priority Offer:** 932,371 CDIs.

The expected date for the dispatch of holdings statements is 31 July 2019.

### **Intended date for issue and transfer of CDIs under the Offer**

The intended date for issuing CDIs to successful Applicants under the Offer is no later than 29 July 2019.

The date specified by ASX for the despatch of:

- (a) in relation to all holdings on the CHESS sub-register, a notice from the Company under ASX Settlement Operating Rule 8.9.1, is 31 July 2019;
- (b) in relation to all other holdings, issuer sponsored holding statements, is 31 July 2019; and
- (c) any refund money, is 31 July 2019.

### **Confirmation of issues of securities**

The Company confirms that on 24 July 2019, the restructuring of the Company's share capital was completed and that each of the Series A Preferred Stock and the Convertible Notes were converted into Shares, in the manner described in the Prospectus.

The Company confirms that the following securities were issued in connection with the restructuring of the Company's share capital:

- (a) 70,446,291 Shares upon the conversion of 70,446,291 Series A Preferred Stock on a 1:1 basis in accordance with the terms of the Series A Preferred Stock;
- (b) 12,064,155 Shares following the conversion of US\$5,812,500 of convertible notes, along with accrued interest, at a conversion price of US\$0.49 per Share; and
- (c) 5,150,000 Options with an exercise price of US\$0.84 and an expiry date of 24 July 2029.

### **The capital structure of the Company**

The below table sets out the Company capital structure following Completion of the Offer:

Type of Security	Number on issue on completion of the Offer	Exercise Price (US\$)	Expiry Date
Shares / CDIs	177,858,064 Shares	N/A	N/A
Options	400,000 Options	\$0.0005	29/05/2026
	152,500 Options	\$0.0005	10/07/2026
	200,000 Options	\$0.0065	29/12/2027
	108,334 Options	\$0.0065	25/08/2028
	4,952,500 Options	\$0.05	25/08/2028

Type of Security	Number on issue on completion of the Offer	Exercise Price (US\$)	Expiry Date
Options	50,000 Options	\$0.05	16/09/2028
	750,000 Options	\$0.05	30/09/2028
	50,000 Options	\$0.05	11/11/2028
	100,000 Options	\$0.05	18/11/2028
	100,000 Options	\$0.05	30/11/2028
	50,000 Options	\$0.05	02/12/2028
	2,435,000 Options	\$0.05	07/01/2029
	25,000 Options	\$0.05	31/01/2029
	75,000 Options	\$0.05	03/03/2029
	350,000 Options	\$0.05	28/03/2029
	5,150,000 Options	\$0.84	23/07/2029
Restricted Stock	350,000 Restricted Stock	N/A	N/A

### **Distribution Schedule**

The distribution schedule of the number of holders of CDIs is set out in **Annexure A** to this announcement.

### **Statement of the 20 largest CDI Holders**

The statement of the 20 largest holders of CDIs, including the number and percentage of CDIs held by those holders, is set out in **Annexure B** to this announcement.

### **Waiver of Listing Rule 14.2.1**

ASX has granted the Company a waiver from Listing Rule 14.2.1 to the extent necessary to permit the Company not to provide in its proxy form an option for holders of CDIs to vote against a resolution to elect a director or to appoint an auditor, on the following conditions:

- (a) the Company complies with relevant US laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor;
- (b) the notice given by the Company to CDI holders under ASX Settlement Operation Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case;
- (c) the Company releases details of the waiver to the market as part of the pre-quotation disclosure, and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs;
- (d) without limiting ASX's right to vary or revoke its decision under Listing Rule 18.3, the waiver from Listing Rule 14.2.1 only applied for so long as the relevant US laws prevent the Company from permitting shareholders to vote against a resolution to elect a director or appoint an auditor.

## **Restricted Securities**

The following table sets out the number of securities subject to escrow and the escrow period applied to those securities:

### *Securities subject to mandatory ASX escrow*

Security	Number of securities subject to escrow	Escrow period
<b>Shares / CDIs</b>	93,975,244	24 months from the date of admission
	4,710,724	12 months from the date of issue until 29 March 2020
	126,550	12 months from the date of issue until 6 June 2020
	226,001	12 months from the date of issue until 23 June 2020
	248,346	12 months from the date of issue until 24 July 2020
<b>Options</b>	2,208,334	24 months from the date of admission
	845,000	12 months from the date of issue until 24 July 2020
	750,000	12 months from the date of issue until 1 October 2019
<b>Restricted Stock Awards</b>	350,000	24 months from the date of admission

### *Securities subject to voluntary escrow*

Security	Number of securities subject to escrow	Escrow period
<b>Shares / CDIs</b>	11,307,418	6 months from the date of admission
	9,553,571	Until the day following the release to ASX of the Company's full year FY2019 financial results

## Annexure A – Distribution Schedule

Computershare

SEZZLE INC.

CHESS DEPOSITARY INTERESTS

Distribution Schedule

Range	Total holders	Units	% of Issued Capital
1 - 1,000	1	3	0.00
1,001 - 5,000	418	1,459,951	0.82
5,001 - 10,000	320	2,597,030	1.46
10,001 - 100,000	377	8,235,679	4.63
100,001 - 9,999,999,999	50	165,565,401	93.09
Total	1,166	177,858,064	100.00

## Annexure B – Statement of the 20 Largest CDI Holders



SEZZLE INC.

CHESSE DEPOSITARY INTERESTS

### TOP 20 CDI HOLDERS

Rank	Name	Units	% of Units
1.	CHARLES G YOUAKIM	88,359,809	49.68
2.	CONTINENTAL INVESTMENT PARTNERS LLC	10,389,407	5.84
3.	PAUL PARADIS	10,000,000	5.62
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,354,284	3.57
5.	NATIONAL NOMINEES LIMITED	5,841,527	3.28
6.	KILLIAN BRACKLEY	5,000,000	2.81
7.	ANGELLIST FUNDS LLC <A-SGC-15-FUND SERIES A/C>	4,380,844	2.46
8.	LEE BRADING	3,460,146	1.95
9.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,049,180	1.15
10.	GREG MCEWEN	1,927,982	1.08
11.	BRYAN KRUG	1,865,412	1.05
12.	CITICORP NOMINEES PTY LIMITED	1,858,527	1.04
13.	JACK ZIEGLER	1,500,000	0.84
14.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,478,373	0.83
15.	CARMELA BERNARD	1,416,666	0.80
16.	ANGELLIST FUNDS LLC <A-SCY-34-FUND SERIES A/C>	1,366,823	0.77
17.	BRYAN HUNT	1,343,575	0.76
18.	UBS NOMINEES PTY LTD	1,199,482	0.67
19.	CHRIS HARDING	1,023,085	0.58
20.	RISHI MUKHERJEE	1,000,000	0.56
<b>Totals: Top 20 holders of CHESSE DEPOSITARY INTERESTS</b>		<b>151,815,122</b>	<b>85.36</b>
<b>Total Remaining Holders Balance</b>		<b>26,042,942</b>	<b>14.64</b>