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ASX Release

Company Announcements Platform

Sezzle Coronavirus Update

- Sezzle responds quickly to the COVID-19 pandemic by implementing mandatory work-from-home policy and suspending all business travel;
- Sezzle has all the necessary systems to support a fully remote team and serve all of our end customers and merchant partners without any business interruptions;
- Business operations for February ended with a record month for Underlying Merchant Sales (UMS);
- Strong funding position with US\$35.2m in cash and cash equivalents as of Jan 31, 2020 (up from US\$35.0m at Dec 31, 2019);
- Significant capacity available for future growth with only 20% drawn on our US\$100m committed credit facility; and
- Rolling out a COVID-19 hardship plan for shoppers that allows for up to two free reschedules per order.

Sezzle Inc. (ASX: SZL) is providing an update to the market regarding its response plans to coronavirus SARS-CoV-2 and the COVID-19 disease it creates.

The impact of this disease is significant, so we want to do our part to help mitigate the spread of the disease and the problems it can create for our healthcare systems. Starting on the 13th of March, we have implemented a mandatory work-from-home policy. We have also suspended all business travel and promoted the principle of social distancing to our team. We are ready to support a remote work environment for as long as necessary. We do not expect to experience any negative impacts to our daily business operations due to these adjustments.

Additionally, we have allowed for unlimited sick time for anyone experiencing symptoms related to the COVID-19 disease. We believe we all should do our part to slow the spread of the disease, to help researchers and medical professionals catch up.

To support our shoppers, we are expanding our fee forgiveness and payment flexibility programs. We will give every Sezzle shopper the ability to utilize two free reschedules of payments on their orders during this difficult time.

Our business operations have continued through the spread of this disease with relatively no impact. Our Underlying Merchant Sales (UMS) in February was a record high for us, with UMS of US\$40.2m and a



positive Net Transaction Margin. The UMS for February represents a 319% yearly increase over the same month last year. We have seen a small impact on our support systems, in the form of a slight increase in ticket volumes. We believe this is primarily due to the supply chain impacts of the disease.

Our financial position remains strong due to our efficient business operations and our recent IPO in July of 2019, where we raised US\$30.3m. We also have a committed US\$100m credit facility available to support our growing business operations. This facility is only 20% drawn and can support significant UMS payment growth.

The COVID pandemic will enhance our focus on continued operational improvements and efficiencies. Though our business to date has been mostly unaffected by the pandemic, we are taking proactive steps to prepare for the potential impacts a continued disturbance may have.

“The COVID-19 pandemic that is currently unfolding puts everything into perspective. We are in a global health emergency, and our priority is to make sure that we’re doing everything we can to help with the response. Our business is in a strong position, which allows us to help others. We will do our best to support our stakeholders as we all work through these events.” explained Charlie Youakim, Sezzle's CEO.

“We will be working closely with our merchant partners and consumers to work through this situation together. We will continue to focus on promoting merchants that maintain high standards of excellence while mitigating the impact of merchants that may struggle to meet those same standards. We will also continue to monitor early indicators with our Sezzle shoppers to understand what the impact of COVID-19 means for them. Our short-term loan duration limits our risk exposure in scenarios like this. Our digital systems also allow us to make quick changes to our underwriting models to adjust to a fluid economic situation. Additionally, our payment system flexibility and fee forgiveness should help our users get through a potentially difficult time. We will evaluate additional payment flexibility options as events unfold to help our shoppers through this unfortunate time.”

Sezzle’s next financial update will come at our quarterly filings, which we will file on April 27th, 2020.

This announcement was authorised by the full Board of Sezzle Inc.



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ABOUT SEZZLE

"A Next Generation Payments Platform for a New Generation of Consumers"

Sezzle is a technology-enabled payments company based in the United States with operations across the United States and Canada. The company is traded on the Australian ASX under the ticker [SZL](#). The company's mission is to financially empower the next generation of consumers who have been historically locked out of the traditional credit system and support shoppers across the entire demographic spectrum with a flexible, reliable, transparent, and secure alternative to the incumbent payment options traditionally available to average consumers. The company provides an alternative payment platform offering interest-free installment plans at online stores and a select number of on-site retail locations. Sezzle connects end-customers with merchants via a proprietary payments solution that unlocks the purchasing power of the end-customers, allowing them to purchase and receive the items that they need now by paying over time in interest-free installments. Merchants turn to Sezzle to tap into the company's growing network of end-customers, enabling them to increase average basket size, order volume, and revenue, with the guarantee of immediate settlement. Sezzle is a high-growth networked platform that benefits from a symbiotic and mutually accretive relationship between merchants and end-customers. The company also provides an array of ancillary services, budgeting tools, and other products that support both end customers and merchants.

Sezzle's CDIs are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (Securities Act) for offers of securities which are made outside the US. Accordingly, the CDIs, have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. As a result of relying on the Regulation S exemption, the CDIs are 'restricted securities' under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US or to a US person who is not a QIB for the foreseeable future except in very limited circumstances until after the end of the restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a FOR Financial Product designation on the ASX. This designation restricts any CDIs from being sold on ASX to US persons excluding QIBs. However, you are still able to freely transfer your CDIs on ASX to any person other than a US person who is not a QIB. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.