

6 April 2020

ASX RELEASE

Company Announcements Platform

Sezzle Reports Record First Quarter Results

COVID-19 pandemic impact not significant through Q1

- Underlying Merchant Sales (UMS) surges to record levels
- Active Merchant growth jumps 27% QoQ to 12,715
- Active Customers rise more than 25% QoQ, surpassing 1.1 million
- Forbes awards Sezzle #29 spot on America's Best Startup Employers
- Sezzle launches "The Way Forward," a new brand identity

Sezzle Inc. (ASX:SZL) (Sezzle or Company) // North American payment platform, Sezzle, is pleased to release key operating metrics for the quarter ended 31 March 2020 (Q120). Despite global economic headwinds stemming from COVID-19, Sezzle's results reflect a trajectory of solid growth across all key operating metrics while maintaining a strong financial position.

"In this unprecedented global health emergency, our thoughts go out to our consumers, customers, and stakeholders who are impacted by these exceptionally challenging times," said Sezzle CEO and co-founder Charlie Youakim. "We have taken the steps necessary to protect our employees, support our consumers, and actively communicate with our merchant partners on how we can help."

“To date, we are fortunate to announce that our business has seen very little negative effects from the pandemic. We are announcing record results that show throughout the first quarter, our company has continued to thrive,” said Mr. Youakim. *“The onset of widespread concerns surrounding the coronavirus in the U.S. and Canada, which have led to work-from-home and shelter-in-place orders, have resulted in a shift away from traditional in-store shopping to eCommerce.”*

“Consumers are looking for a smarter way to budget their personal finances, and merchants are looking to add more flexible payment options to drive sales. Both groups are turning to Sezzle to meet their needs,” added Mr. Youakim.

Sezzle’s operating metrics grew at a rate consistent with the Company’s expectations, as UMS grew 321% YoY in Q120 to US\$119.4m. The Company was able to add more than 2,700 Active Merchants during the quarter compared to 2,500 during Q419. Finally, Active Customers eclipsed the one-million mark midway through Q120.

“Our financial position remains strong, giving us the runway to weather protracted effects from the global pandemic,” added Mr. Youakim. *“We have taken deliberate steps to streamline our business operations by doing even more with less. Additionally, our treasury and cash management of the proceeds stemming from our July 2019 IPO, which raised US\$30.3 million, and our US\$100 million committed credit facility (only 26% drawn at quarter-end) provide ample liquidity to support our growing business operations.”*

COVID-19 Impact

Despite the slowing of overall economic activity in the U.S. and Canada due to COVID-19, North American consumers and retailers are turning to eCommerce for their needs. This shift to online shopping has positioned Sezzle as a key partner for merchants looking to offer more flexible payment options for their customers.

End-customers continue to utilize Sezzle’s payment product to budget through these difficult conditions. Thus far through the pandemic, the Company has not seen any

impacts to its credit quality or repayments. The Company continues to monitor its leading indicators carefully and has taken proactive measures to protect against potential increases in loss rates.

Sezzle anticipates the U.S. government's recently signed Coronavirus Aid, Relief, and Economic Security (CARES) Act will also assist Sezzle, its Merchant Partners, and its End-customers in a number of important ways.

- The Paycheck Protection Program (PPP) portion of the CARES Act has the potential to allow Sezzle and its Merchant Partners to borrow forgivable loans at favorable, low-interest rates.
- The CARES Act also expands unemployment insurance for American workers that lose their jobs, including a US\$600 per-week increase in benefits for up to four months. This federal benefit will add to existing state unemployment programs.
- Provisions in the CARES Act will enable additional refundable tax credits for consumers based on their household income. Given the demographic profile of Sezzle's consumer base, the Company believes that many of its active users will likely be eligible for refundable tax credits. For example, individuals with adjusted gross income up to US\$75,000 will receive the full payment of US\$1,200.

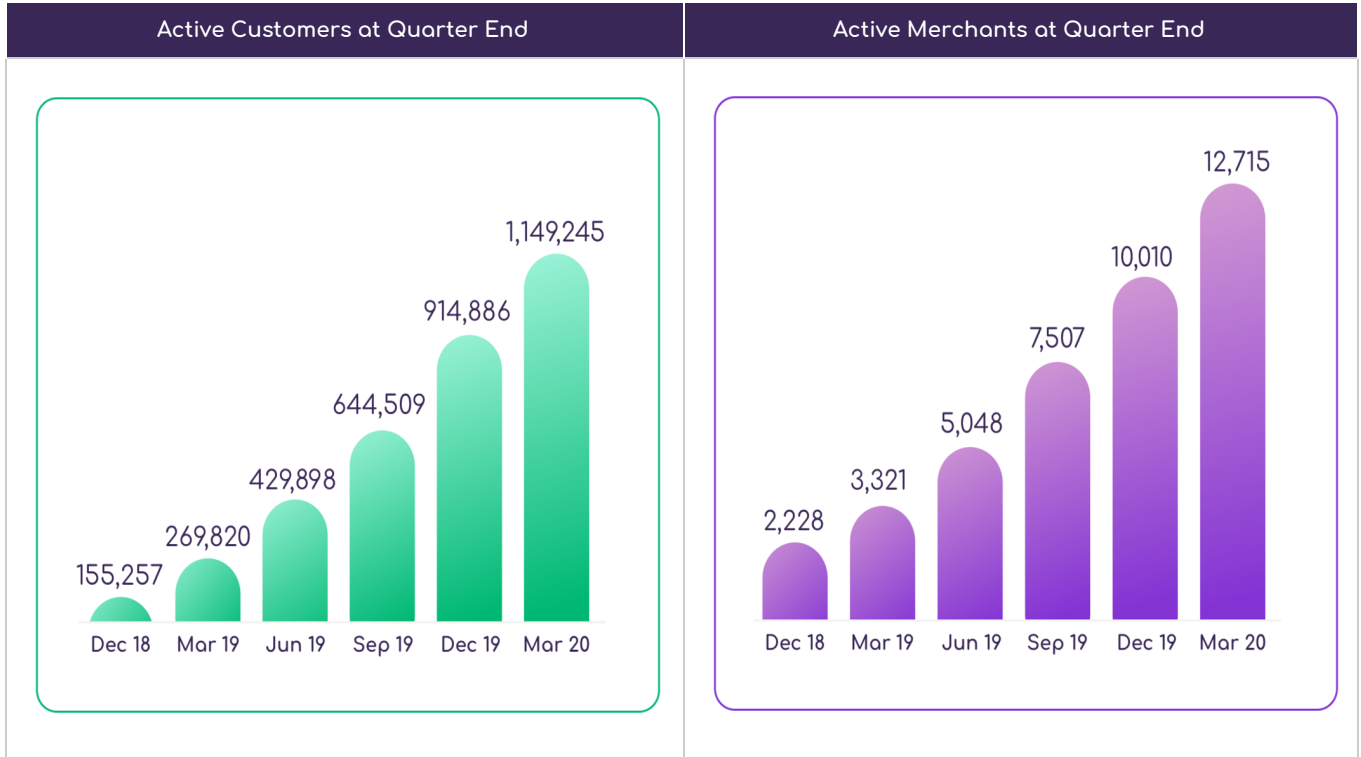
Key Operating Metrics

Sezzle's key operating metrics showed continued growth during Q120. Notably, the Company passed the one million Active Customers mark in early February. Overall, the Company's Active Merchants increased by 2,705 QoQ, the single largest increase in this metric in the Company's history, bringing its total number of Active Merchants to 12,715 at the end of Q120.

Key Operating Metric Summary

- Underlying Merchant Sales (UMS) increased by 13.6% QoQ, and improved by more than 321% YoY.
- Merchant Fees totaled US\$6.8m at the end of Q120. As a percentage of UMS, Merchant Fees totaled 5.7% for Q120, compared to 5.5% in Q419. Merchant Fees are a key component in the calculation of Sezzle Income, calculated as Merchant Fees and rescheduled payment fees, less loan origination costs on approved End-customer funding.
- Repeat Usage, calculated as the percentage of orders made by returning End-customers to date relative to total cumulative orders to date, improved to 85.6% for Q120, an improvement of nearly two percentage points compared to 83.7% in Q419.

Global Metrics	Qtr Ended 31 Mar 2020	Qtr Ended 31 Dec 2019	QoQ change
Active Merchants	12,715	10,010	27.0%
Active Customers	1,149,245	914,886	25.6%
Underlying Merchant Sales (US\$)	\$119.4m	\$105.1m	13.6%
Merchant Fees (US\$)	\$6.8m	\$5.8m	17.5%



Continued Investment in Stakeholder Value

Sezzle’s commitment to stakeholder value continues to shape its business and operating decisions. In this time of economic uncertainty, the Company is working tirelessly to ensure that its employees, all of whom are now working remotely due to the impacts of COVID-19, are not only equipped with the tools they need to do their jobs while they maintain social distancing and shelter-in-place, but also ensuring that Company human resource staff are especially attuned to employee emotional health. As a result, the Company has offered a number of tools and resources to support its employees and contractors.

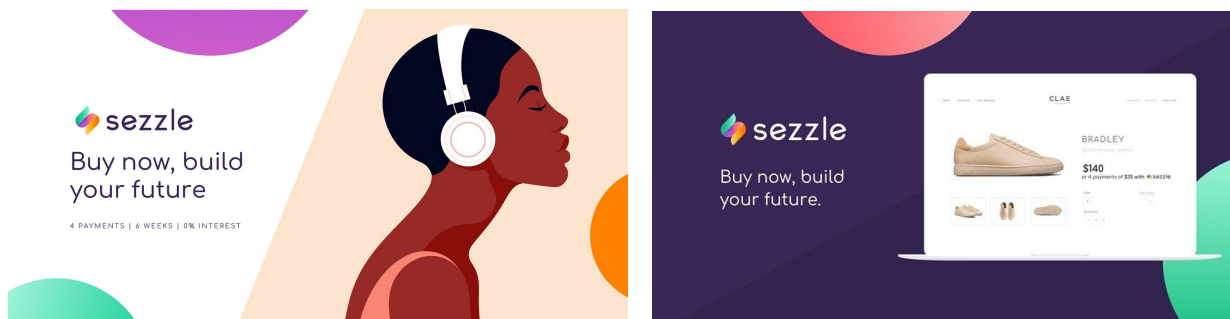
This commitment ensures that the Company can continue to cultivate a vibrant, healthy workforce. Recognition of our commitment to stakeholder value was highlighted by

Forbes Magazine, when they named Sezzle #29 on their list of [America's Best Startup Employers for 2020](#). Forbes analyzed over 10,000 qualified start-ups utilizing three main attributes (employer reputation, employee satisfaction, and company growth) in order to arrive at their final rankings.

The Forbes distinction is an important validation to Sezzle's ongoing commitment to employee engagement, corporate culture, and the stakeholder value system of organizational management.

Sezzle Gets a New Look

In February, [Sezzle unveiled its new brand](#) with the publication of Sezzle's first-ever Annual Report in February. The brand's new appearance highlights the Company's values of empowerment, inclusion, and transparency. The brand's new image was accompanied with a new tagline, "The Way Forward," and campaign messaging empowering End-customers to "Buy Now, Build Your Future." The rebranding effort was a six-month-long project aimed at aligning Sezzle's identity and messaging with the Company's Merchant-friendly business model and efforts to provide building blocks for all of its End-customers with a path towards building their financial futures in a responsible manner.





Quarterly Filing

In accordance with ASX requirements, we plan to release our Appendix 4C Quarterly filing on April 27, 2020.

This announcement was approved by the Company's CEO and Executive Chairman, Charlie Youakim, on behalf of the Sezzle Inc. Board.

Contact Information

For more information about this announcement:

Investor Relations

+61 391 112 670

InvestorRelations@sezzle.com

Justin Clyne

Company Secretary

+61 407 123 143

jclyne@clynecorporate.com.au

Media Enquiries

Mel Hamilton - M&C

Partners

+61 417 750 274

melissa.hamilton@mcpartners.com.au

About Sezzle Inc.

Sezzle is a rapidly growing fintech company on a mission to financially empower the next generation. Sezzle's payment platform increases the purchasing power for more than one million Active Customers across the U.S. and Canada by offering interest-free installment plans at online stores and select in-store locations. Sezzle's transparent, inclusive, and seamless payment option allows consumers to take control over the spending, be more responsible, and gain access to financial freedom. When End-customers apply, approval is instant, and their credit scores are not negatively impacted.

This increase in purchasing power for End-customers leads to increased sales and basket sizes for the more than 12,000 Active Merchants that offer Sezzle in the U.S. and Canada.

For more information visit sezzle.com.

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.