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ASX RELEASE

Company Announcements Platform

Sezzle Raises A\$79.1m via Placement to Accelerate Growth Strategy

Sezzle Raises A\$79.1 million (US\$55.0 million¹) via institutional placement.

Sezzle Inc. (ASX:SZL) (Sezzle or the Company) is pleased to provide this update in relation to its capital raising announced to the ASX on Friday, 10 July.

Summary

- Sezzle has successfully raised A\$79.1 million via a fully underwritten institutional placement (**Placement**);
- The Placement priced at \$5.30 per CHES Depository Interest (**CDI**) and was well supported by existing and new CDI holders;
- A non-underwritten Security Purchase Plan (**SPP**) to raise approximately A\$7.2 million will follow the Placement with eligible Sezzle CDI holders offered the opportunity to acquire additional CDIs at the same price as the Placement; and
- Proceeds will be used to accelerate Sezzle's growth strategy and strengthen its balance sheet.

Placement

Sezzle advises that it has successfully completed a fully underwritten institutional Placement of 14.9 million CDIs at \$5.30 per CDI, to raise A\$79.1 million before costs associated with the Placement.

Pricing for the Placement was determined via a bookbuild process with an underwritten floor price of \$5.00 per CDI. The Placement ultimately priced at \$5.30 (**Placement Price**), with the Placement Price representing a:

- 23.7% discount to the last traded price of \$6.95;
- 4.6% discount to the 5-day VWAP of \$5.56; and
- 3.0% premium to the 10-day VWAP of \$5.14.²

¹ AUD/USD rate of 0.695 assumed.

² The last traded price and the VWAP calculations are as at the halt of trading on Thursday, 9 July 2020.

At the Placement Price, Sezzle is issuing approximately 14.9 million CDIs under the Placement (**Placement Securities**), representing 8.4% of the Company's existing issued capital.

Eligible institutional CDI holders which bid for an amount less than or equal to their pro rata share of the Placement Securities were allocated their full bid, on a best endeavours basis.^{3,4}

The Placement Securities are expected to settle on Wednesday, 15 July 2020, and will be issued and commence trading on the ASX on Thursday, 16 July 2020. All Placement Securities are being issued utilising the Company's available placement capacity under Listing Rule 7.1, as such approval by CDI holders is not required.

Commenting on the success of the Placement, Sezzle's Executive Chairman and CEO Charlie Youakim said, "We appreciate the continued support of our existing institutional investors, particularly those that have remained as CDI holders and supporters since our ASX IPO, around one year ago. It has been a hugely successful period for all Sezzle stakeholders and we thank these investors for the trust placed in the Sezzle management team and Board over that time, and also now for their ongoing endorsement".

"We also recognise the support from the new institutional investors who participated in the Placement and their embracing of Sezzle management's long-term vision and strategy to deliver returns over the coming years".

"As a result of the Placement and the additional capital Sezzle is intending to raise under the SPP, Sezzle is now in an even stronger position for all of its investors, and very well placed to accelerate its growth strategy and undertake investment in initiatives to drive long-term value creation".

Ord Minnett Limited acted as Sole Lead Manager, Bookrunner and Underwriter to the Placement.

Security Purchase Plan

As previously announced, Sezzle will offer existing eligible CDI holders the opportunity to participate in a non-underwritten SPP to raise approximately A\$7.2 million (US\$5.0 million).

Under the SPP, eligible Sezzle CDI holders, being CDI holders with a registered address in Australia or New Zealand on Sezzle's register as at 7.00 pm (Sydney time) on Thursday, 9 July 2020 (**Eligible Holders**), will have the opportunity to apply for up to A\$30,000 of CDIs (**SPP Securities**) without incurring brokerage or other transaction costs.

CDIs under the SPP are to be issued at the Placement Price, namely \$5.30 per new CDI subscribed for in the SPP.

The SPP offer period is expected to open on Friday, 17 July 2020 and is expected to close at 5.00pm (Sydney time) on Tuesday, 4 August 2020.

³ For this purpose, an eligible institutional CDI holder's pro rata share under the Placement was estimated by reference to Sezzle's beneficial register of holdings as at 30 June 2020, but without undertaking any reconciliation processes and ignoring SPP Securities that may be issued under the SPP. Unlike in a rights issue, this may not truly reflect the participating CDI holder's actual pro rata share of the Placement Securities under the Placement. Nothing in this announcement gives a CDI holder a right or entitlement to participate in the Placement and Sezzle has no obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining a CDI holder's pro rata share under the Placement. Institutional investors who do not reside in Australia or other eligible jurisdictions were not be able to participate in the Placement. Sezzle and the Lead Manager disclaim any duty or liability (including for negligence) in respect of the determination of a CDI holder's pro rata share under the Placement.

⁴ Eligible institutional CDI holders who bid in excess of their pro rata share as determined by Sezzle and the Lead Manager were allocated a minimum of their pro rata share on a best endeavours basis as set out in footnote 2 above, and any excess was subject to scale back.

The Sezzle Board has determined the size of the SPP at approximately A\$7.2 million (US\$5.0 million) and in determining the size of the SPP has taken into account the size of the Capital Raising, the allocation between the Placement and the SPP within the Capital Raising and Sezzle's requirement for new capital. The SPP of approximately A\$7.2 million (US\$5.0 million) is intended to allow Eligible Holders an opportunity to participate in the Company's requirement for new capital at this time. As the SPP is not underwritten, the SPP may raise more or less than this amount. Sezzle may decide in its absolute discretion to accept applications (in whole or in part) that result in the SPP raising more than A\$7.2 million (US\$5.0 million). If Sezzle decides to conduct any scale back of applications, for example because the aggregate amount applied for under the SPP exceeds Sezzle's requirements, the scale back will be applied on a pro rata basis, either based on the size of the CDI holdings of the Eligible Holder or based on the number of new CDIs being applied for by the Eligible Holder.

The terms and conditions of the SPP will be set out in the SPP Offer Booklet, which is expected to be released to the ASX and dispatched to eligible CDI holders on Friday, 17 July 2020. All SPP Securities are intended to be issued pursuant to a waiver granted by the ASX as an exception to Listing Rule 7.1, as such CDI holder approval will not be required.

Additional information:

Placement Securities and SPP Securities will rank equally with existing Sezzle CDIs from their date of issue.

Event	Date/Time
Record Date for the SPP	7:00pm Thursday, 9 July 2020
Trading halt lifted	Monday, 13 July 2020
Settlement of Placement Securities	Wednesday, 15 July 2020
Allotment and normal trading of Placement Securities	Thursday, 16 July 2020
SPP Offer opens	Friday, 17 July 2020
SPP booklet despatched to eligible CDI holders	Friday, 17 July 2020
SPP closing date	Tuesday, 4 August 2020
Announcement of SPP Offer results	Friday, 7 August 2020
Issue date for SPP Securities	Tuesday, 11 August 2020
Commencement of trading of SPP Securities and despatch of holding statements	Wednesday, 12 August 2020

This timetable is indicative only and is subject to change. Sezzle may alter the dates above, withdraw or vary the Placement and/or the SPP, or accept applications for SPP Securities that are received after the SPP closing date, in each case in Sezzle's absolute discretion, subject to the ASX Listing Rules and the Corporations Act. All references to time are to Sydney time.

This announcement was approved by the Board of Sezzle Inc.

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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 1.4 million Active Consumers 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 consumers apply, approval is instant, and their credit scores are not impacted, unless the consumer elects to opt-in to a credit building feature, called Sezzle Up.

This increase in purchasing power for consumers leads to increased sales and basket sizes for the more than 16,000 Active Merchants that offer Sezzle.

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.