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ASX RELEASE

Company Announcements Platform

Sezzle Reports Record 2Q20 and Provides UMS Outlook

Underlying Merchant Sales (UMS) expected to reach an annualized pace of US$1 Billion (A$1.4B) by the end of 2020

- **UMS surges 58% QoQ to US$188 million (A$272.3M, +349% YoY)**
- **Active Consumers rises 28% QoQ to 1.48 million (+243% YoY)**
- **Active Merchants jumps 27% QoQ to 16,112 (+219% YoY)**
- **Leading loss indicators continue to show improvement**
- **Improving consumer profile reflected by increased repeat usage (87.5%) and purchase frequency of cohorts (~15x per year)**

Sezzle Inc. (ASX:SZL) (**Sezzle** or **Company**) // Installment payment platform, Sezzle, is pleased to release key operating metrics for the quarter ended 30 June 2020 (**2Q20**) and provide annualized UMS guidance. Despite global economic headwinds stemming from COVID-19, Sezzle's results continue to reflect a trajectory of solid growth across all key operating metrics. The utility of the Company's product is apparent in higher repeat usage rates (87.5% compared to 77.2% 2Q19) and purchase frequency by cohorts approaching 15x per annum.

"In these uncertain times, we are fortunate to announce record Q2 results across a number of our key metrics," said Sezzle's Executive Chairman and CEO Charlie Youakim. *"Our performance reaffirms our product's utility to consumers looking for a smarter way to budget their personal finances and the overall market shift to eCommerce."*

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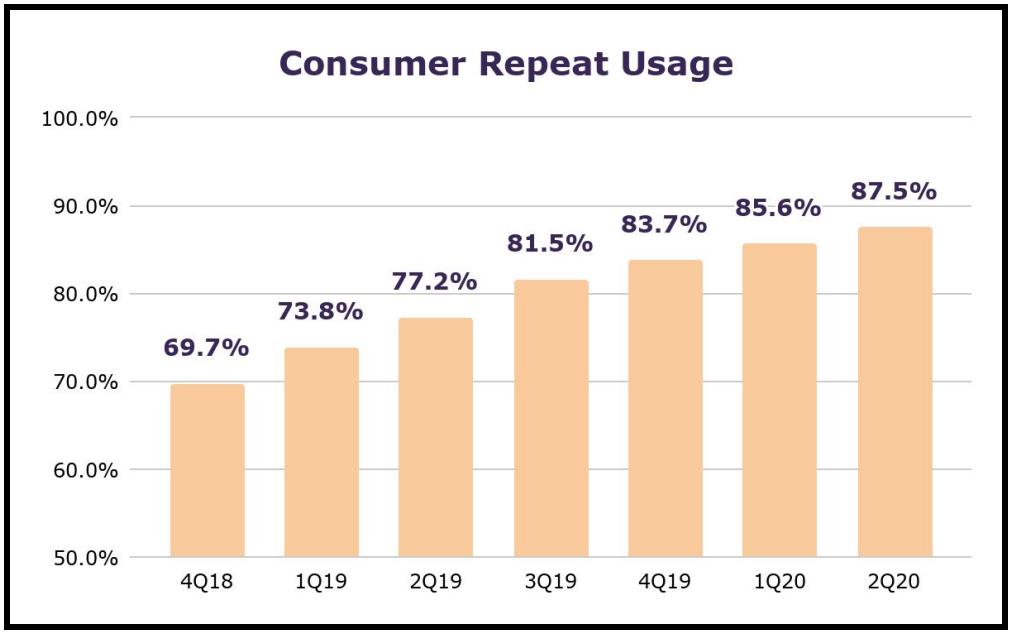
Improving consumer profile

North American consumers and retailers continue to turn to eCommerce for their needs as the COVID-19 pandemic has yet to dissipate. With nearly 100% of Sezzle's transactions via eCommerce, the Company is well-positioned for the ongoing move to online. For example, 2Q20 represented the top 3 months of monthly UMS in the Company's history. Even though growth has been significant, it has been at a responsible pace, as leading loss indicators continue to show YoY and sequential improvement.

"Our strong performance in Q2 is reflective of an improving consumer profile combined with an accelerated adoption of eCommerce due to the pandemic," noted Mr. Youakim. "The undercurrent of organic growth that we are experiencing is exciting to see as our business matures. The gains in repeat customer usage and frequency of purchases by cohorts are key drivers to lower loss rates and greater net transaction margin (NTM)."

- Repeat usage improved over 10 points YoY to 87.5% for June 2020 compared to 77.2% in June 2019. The performance in June 2020 also represented the 18th straight month of sequential improvement.



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- Purchase frequency by cohort reveals that older cohorts continue to use Sezzle at an increasing rate over time. The brand loyalty is reflected in the 2018 cohort, as the group is now at a pace of approximately 15 transactions per year. The 2019 (9x per year) and 2020 (5x per year) cohorts, while not as mature, show greater activity than the 2018 cohort at related points in time. Similarly, the 2020 cohort is showing a better pace than the 2019 cohort.

Purchase Frequency per Year by Cohort

Cohort	As of 31 May 2020
2018 Cohort	~15x
2019 Cohort	~9x
2020 Cohort	~5x

Key operating metrics

Sezzle's operating metrics grew at a record-setting pace during 2Q20, as UMS increased 348.6% YoY to US$188.0 million. The growth in Active Consumers in 2Q20 (325,990 additions) exceeded the Company's previous record of 270,377 set in 4Q19. Active Merchant additions of 3,397 were well ahead of the Company's prior record of 2,705 in 1Q20.

Key Metrics	Qtr Ended 30 June 2020 (A$ in M's)[1]	(US$ in M's)	QoQ change	YoY change
UMS	$272.3	$188.0	57.5%	348.6%
Merchant Fees	$15.3	$10.6	54.8%	397.1%
Active Consumers	1,475,235	1,475,235	28.4%	243.2%
Active Merchants	16,112	16,112	26.7%	219.2%

[1] A$ to US$ exchange rate of $0.6904.

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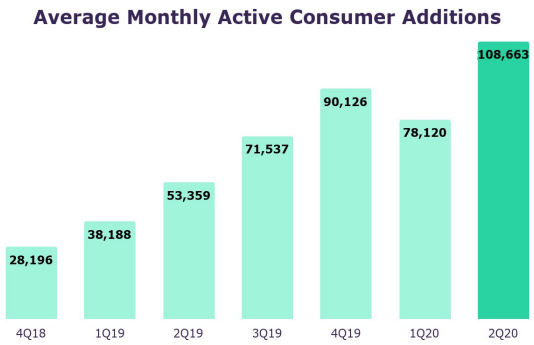
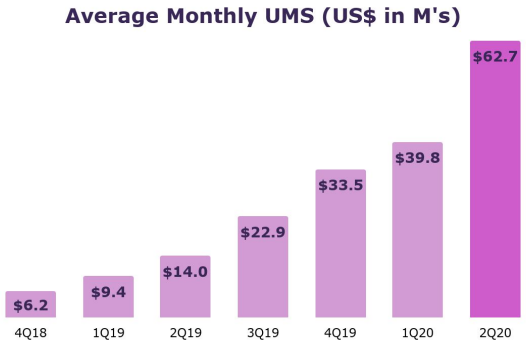
Other operating metric highlights:

- UMS increased by 57.5% QoQ and improved by 348.6% YoY, led by an average monthly UMS rate of US$62.7 million, which is well above the Company's previous high of US$39.8 million recorded in 1Q20.
- Merchant Fees rose 397.1% YoY to US$10.6 million for 2Q20. As a percentage of UMS, Merchant Fees improved 55bps YoY to 5.6% for 2Q20. 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 consumer funding.





Outlook

The Company anticipates that by the end of 2020, it will have achieved an annualized run rate for UMS exceeding US$1.0 billion per annum.

Quarterly Filing

In accordance with ASX requirements, the Company plans to release its Appendix 4C Quarterly filing on July 27, 2020.

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

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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 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.