

10 July 2020

ASX RELEASE

Company Announcements Platform

Sezzle Capital Raising

Sezzle launches A\$86.3 million (US\$60.0 million¹) Capital Raise to accelerate growth strategy

Sezzle Inc. (ASX:SZL) (Sezzle or the Company) // Installment payment platform, Sezzle, is pleased to announce a capital raising of approximately A\$86.3 million (US\$60.0 million¹) to accelerate its growth strategy and strengthen its balance sheet. The Capital Raising includes a fully underwritten institutional placement (**Placement**) to raise A\$79.1 million (US\$55.0 million), followed by a non-underwritten Security Purchase Plan (**SPP**) that aims to raise approximately A\$7.2 million (US\$5.0 million) (together, the **Capital Raising**).

Capital Raising to further accelerate growth

Sezzle's rapid growth has continued and the business has attained material scale since its July 2019 IPO and over the course of 2020. The Company is raising additional capital to accelerate its growth profile and support long-term value creation for all stakeholders.

Priorities for the proceeds raised under the Capital Raise include:

- Sales and marketing – additional business development and marketing personnel, and other related marketing costs;
- Product enhancement and expansion costs – the hiring of additional developers and software engineers for enhancements and development of additional functionality within the Sezzle Platform and systems integrations;
- International expansion opportunities – continued investment to support further market development in Canada and low cost testing in other markets; and
- Strengthening the balance sheet – including the costs of potential debt facility refinancing, cost of the offer and increased cash reserves.

¹ AUD/USD rate of 0.695 assumed.

Commenting on the launch of the Capital Raising and the Company's strong performance in 2020, Sezzle's Executive Chairman and CEO Charlie Youakim said, *"Our strong 1H20 performance, improving consumer profile, and confidence in reaching an annualized run rate for UMS of US\$1 billion (A\$1.4 billion) by the end of 2020 allows us to be uniquely positioned to further expand through a number of near-term growth initiatives. Importantly, this capital raising will give us the ability to invest in these initiatives as well as fortify our balance sheet."*

Placement

Sezzle has launched a A\$79.1 million (US\$55.0 million) fully underwritten Placement.

Pricing will be determined via a bookbuild process with an underwritten floor price of A\$5.00 per CDI (**Underwritten Floor Price**). The Underwritten Floor Price represents a:

- 28.1% discount to the last traded price of A\$6.95 on Thursday, 9 July 2020; and
- 10.0% discount to the 5-day VWAP of A\$5.56 on Thursday, 9 July 2020

At the Underwritten Floor Price, Sezzle will issue approximately 15.8 million CHES Depositary Interests (CDIs) under the Placement (**Placement Securities**), representing 8.9% of the Company's existing issued capital.

It is intended that eligible institutional CDI holders who bid for an amount less than or equal to their pro rata share of the Placement Securities will be allocated their full bid, on a best endeavours basis^{2,3}.

Ord Minnett Limited is acting as Sole Lead Manager, Bookrunner and Underwriter to the Placement (**Lead Manager**).

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.

² For this purpose, an eligible institutional CDI holder's pro rata share under the Placement will be 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 will 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.

³ Eligible institutional CDI holders who bid in excess of their pro rata share as determined by Sezzle and the Lead Manager are expected to be allocated a minimum of their pro rata share on a best endeavours basis as set out in footnote 2 above, and any excess may be subject to scale back.

Security Purchase Plan

Following completion of the Placement, 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 price paid by investors under the Placement.

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.

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 shareholder approval will not be required.

Additional information:

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

Further information is provided in the capital raising presentation lodged with the ASX today by Sezzle. The presentation includes important information including key risks and international offer restrictions in relation to the Capital Raising.

Indicative Timetable

Event	Date / Time
Record Date for the SPP	7:00pm Thursday, 9 July 2020
Trading halt commences	Thursday, 9 July 2020
Announcement of the Placement and SPP	Friday, 10 July 2020
Placement bookbuild	Friday, 10 July 2020
Results of the Placement announced to ASX	Monday, 13 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

Investor and Analyst Conference Call

Sezzle will host a teleconference call at 10:30am (Sydney) today for investors and equity analysts to discuss the Capital Raising, along with a brief opportunity for questions at the end of the call.

Participants can register for the conference by navigating to:

<https://sl.c-conf.com/diamondpass/10008466-invite.html>

Please note that registered participants will receive their dial in number upon registration.

This announcement was approved by the Board of Sezzle Inc.

Contact Information

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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.