

Appendix 4E Preliminary Final Report

Under ASX Listing Rule 4.3A

COMPANY DETAILS

Name of Entity: Sezzle Inc.

ARBN: 633 327 358

Reporting Period: For the year ended December 31, 2019

Previous Period: For the year ended December 31, 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Sezzle Inc. (ASX:SZL, Sezzle or Company) is a technology-driven payments company based in the United States with the mission of financially empowering the next generation. The Company is registered as a 'foreign company' in Australia, under the Corporations Act, under the name Sezzle Inc. (ARBN 633 327 358). All amounts are expressed in US dollars unless otherwise stated. The Company's results for announcement to the market are as follows:

	2019 US\$	2018 US\$	% Change	Up/Down
Total income ¹	\$ 16,060,356	\$ 1,632,060	884%	Up
Loss before tax	\$ (16,584,247)	\$ (4,193,553)	295%	Up
Loss after tax	\$ (16,596,228)	\$ (4,193,553)	296%	Up

1. Total income is comprised of Sezzle Income (merchant fees and End-customer reschedule fees, less financing origination costs) and End-customer other income (failed payment fees).

Total income increased by 884% to \$16.1 million in 2019 from \$1.6 million in 2018. The growth is primarily driven by the rapid growth in all of the Company's key performance metrics, including Active Merchants, Active Customers, Underlying Merchant Sales and Merchant Fees. Loss before tax increased by 295% to \$16.6 million, compared to \$4.2 million in the prior year. This increase is driven by additional investments in personnel, marketing expenses to increase market share, and research and development to develop the Company and its product further.

Additionally, included in loss before tax is a one-off noncash expense of \$4.3 million resulting from the beneficial conversion feature included in convertible notes the Company issued as part of its Pre-IPO funding.

NET TANGIBLE ASSETS PER SHARE

	2019 US\$	2018 US\$
Net tangible assets	\$ 26,841,737	\$ 5,060,154
Common shares outstanding	178,931,312	59,416,666
Net tangible assets per share	\$ 0.15	\$ 0.09

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Continued

FINANCIAL SUMMARY

	FOR THE YEARS ENDED		
US\$000's	2019	2018	Change
Sezzle Income	\$ 13,375	\$ 1,415	845%
End-customer other income	2,685	217	1,137%
Total Income	16,060	1,632	884%
Cost of income	(7,660)	(915)	737%
Gross profit	8,400	717	1,072%
Other income	133	(37)	–
Uncollectible accounts	(6,236)	(940)	563%
Other operating expenses	(12,962)	(3,712)	249%
EBITDA²	(10,665)	(3,973)	168%
Depreciation and amortization	(261)	(117)	123%
EBIT³	(10,926)	(4,090)	167%
Net interest expense	(1,460)	(96)	1,421%
Interest expense on beneficial conversion feature	(4,198)	–	–
Fair value adjustment on future equity obligations	–	(7)	–
Loss before tax	(16,584)	(4,194)	295%
Income tax benefit (expense)	(12)	–	–
Net loss after tax	\$ (16,596)	\$ (4,194)	296%

2. Earnings before interest, taxes, depreciation, and amortization.

3. Earnings before interest and taxes.

The Company's operating results are discussed further within pages 28-41 of the Annual Report.

DIVIDENDS

No dividends on common shares were declared or issued during the year ended December 31, 2019.

On June 23, 2019, the Board of Directors declared and issued a 15% stock dividend resulting in 909,451 shares of Series A preferred shares to the existing holders of Series A-1 through A-5 preferred stock, valued at \$763,939. All preferred shares were converted into common shares on July 24, 2019 in conjunction with the Company listing on the Australian Securities Exchange (ASX).

BASIS OF PREPARATION

This preliminary financial report is prepared under accounting principles generally accepted in the United States of America (U.S. GAAP) and is denominated in US dollars. The financial information in this report is based on the Company's Consolidated Financial Statements, which have been audited by Baker Tilly Virchow Krause, LLP.

CHANGES IN CONTROL OVER ENTITIES

The following entities were incorporated during the year ended December 31, 2019. All are wholly owned subsidiaries of Sezzle Inc.

Name	Country of Incorporation	% Equity Interest
Sezzle Canada Corp.	Canada	100%
Sezzle Holdings I, Inc.	United States	100%
Sezzle Holdings II, Inc.	United States	100%

OTHER INFORMATION REQUIRED BY LISTING RULE 4.3A

Other Appendix 4E disclosure requirements under Listing Rule 4.3A, which includes additional information on the results of the Company, is contained in the Company's Consolidated Financial Statements and in the Directors' Report for the year ended December 31, 2019. This document should be read in combination with the Company's 2019 Annual Report and any public announcements made during the period, pursuant to the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.