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29 July 2022

ASX RELEASE
Company Announcements Platform

Quarterly Activities Report and Appendix 4C

Sezzle Inc. (ASX:**SZL**) (**Sezzle** or **Company**) // Purpose-driven installment payment platform, Sezzle, is pleased to provide the market with an update on key financial metrics for the second quarter ended 30 June 2022 (2Q22).[1]

- **Underlying Merchant Sales (UMS) for 2Q22 increased 1.9% YoY to US$419.1M (A$617.3M[2]).**
- **2Q22 Total Income grew 6.8% YoY to US$29.3M, representing 7.0% of UMS. Merchant Fee Income represented over 80% of Total Income.**
- **As a percentage of UMS, the provision for uncollectible accounts receivable declined to 1.9% in 2Q22 from 3.4% in 2Q21.**
- **Transaction expense as a percentage of UMS improved 20bps QoQ to 2.4%.**
- **Active[3] Merchants rose 19.0% YoY to 47,900[4].**
- **Active Consumers stood at 3.4 million at quarter end (+18.2% YoY).**
  - **The top 10% of Sezzle users (as measured by UMS) remained highly engaged, transacting 46x on average over the trailing twelve-month period ended 30 June 2022.**
  - **Repeat usage improved for the 42nd consecutive month to 93.5%.**
  - **The omnichannel opportunity continued to grow, as in-store UMS for 2Q22 rose 262.8% YoY and almost 9.0% of UMS for the quarter.**
  - **Over 4.6 million consumers have downloaded the Sezzle app as of 30 June 2022.**
- **Sezzle Canada continued its strong performance in 2Q22, as UMS improved 52.9% YoY, Active Consumers increased 68.2% YoY, and Active Merchants rose 58.0% YoY.**
- **In June 2022, the Company launched Sezzle Premium, a subscription service (monthly and annual options) providing consumers a number of additional features and**

[1] 2Q22 results are unaudited.
[2] A$ to US$ exchange rate of $0.6789 as of 30 June 2022.
[3] Active defined as having transacted in the last twelve months.
[4] Rounded to nearest hundred.

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benefits relative to the Company's core pay in four product. As of 27 July 2022, total subscriptions exceed 47,000.

- The Company has taken several actions representing over US$40.0 million in expected annualized revenue and cost savings to improve free cash flow and accelerate its path to profitability: 1) offboarded or renegotiated rates with merchants, 2) improved virtual card network revenue share, 3) workforce reduction, 4) scaled back efforts in Europe and Brazil, 5) ceased payment processing in India, 6) reduced third-party spend and 7) launched its Sezzle Premium subscription product.
- On 12 July 2022, Sezzle and Zip Co Limited (ASX:ZIP) mutually agreed to terminate the proposed merger. As part of the mutual termination, Sezzle received US$11.0 million from Zip to cover Sezzle's legal, accounting, and other costs associated with the transaction.

"In the last few months, we have launched US$40.0 million worth of revenue and cost savings initiatives, as we move towards profitability and positive free cash flow generation, and we believe the results of those actions are starting to show," stated Sezzle's Executive Chairman and CEO Charlie Youakim. *"We expect to see the full benefit of these initiatives on a run-rate basis by year end, and coupled with additional actions we are taking, we anticipate achieving positive monthly net operating income (excluding stock-based compensation and non-recurring charges) by year end. We recognize these initiatives may be at the expense of growth, but believe it is the prudent move for Sezzle at this time."*

Key Activity During the Quarter:

- **UMS and Total Income.** UMS reached US$419.1 million during the quarter, up 1.9% YoY, with in-store up 262.8% YoY. According to Mastercard SpendingPulse, U.S. e-commerce retail sales declined in the low-single digits YoY for the months of April and May before rising 1.1% YoY in June. In-store sales continue to outperform as shoppers are returning, as U.S. retail in-store sales rose 10.0%, 13.7%, and 11.7%, for the months of April, May, and June, respectively, according to Mastercard SpendingPulse[1]. Sezzle had a record quarter for in-store as a percentage of UMS, representing approximately 9.0%.

[1] Mastercard SpendingPulse findings are based on aggregate sales activity in the Mastercard payments network, coupled with survey-based estimates for certain other payment forms, such as cash and check.

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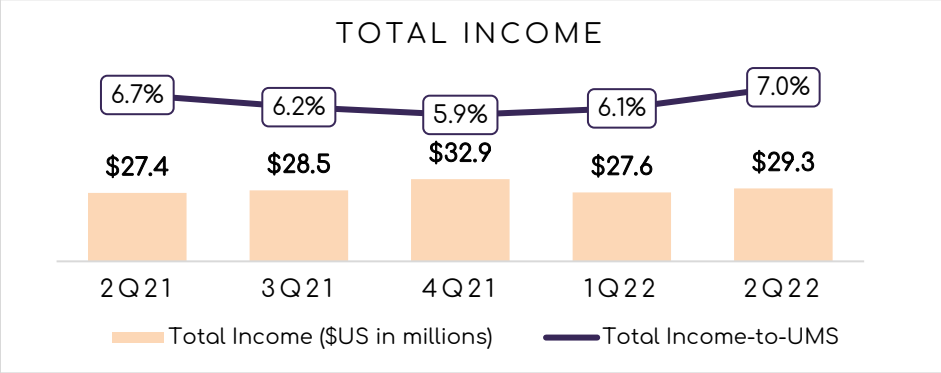
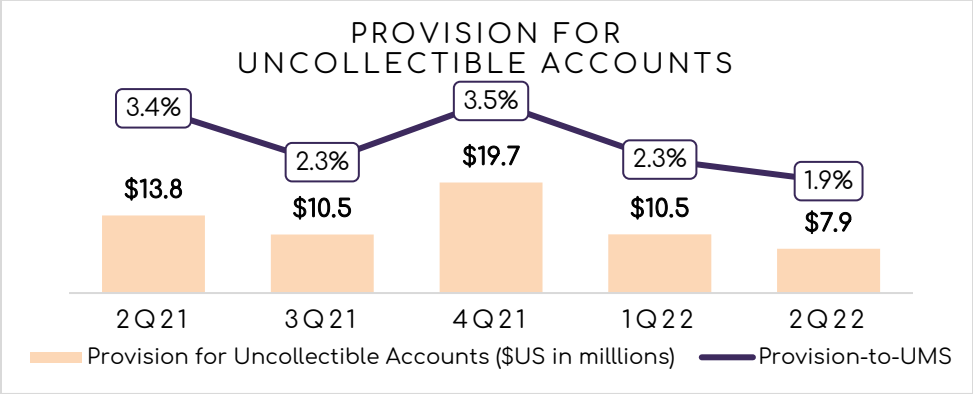
Sezzle's top categories in terms of size are: Everyday Purchases, Women's Clothing and Accessories, Clothing Boutiques, Hunting & Fishing, and Family Clothing. Travel, Hunting and Fishing, and Educational Services showed the largest growth YoY.



Total income grew 6.8% YoY to US$29.3 million for 2Q22, representing 7.0% of UMS compared to 6.7% in 2Q21 and 6.1% in the quarter prior. The increase is due to the Company's recent initiatives on driving toward profitability such as renegotiations with merchant partners and offboarding unprofitable merchants.

- **Provision for Uncollectible Accounts**. Despite the uncertain economic environment, marked by rising interest rates and surging inflation, Sezzle reduced the provision for uncollectible accounts for two consecutive quarters. During the quarter, the provision for uncollectible accounts reached 1.9% of UMS, a 149bps improvement YoY. The Company continues to refine its underwriting strategies and has been willing to sacrifice growth on its path to profitability. The provision for uncollectible accounts for Sezzle's small and mid-sized merchants continues to outperform relative to large enterprise merchants.



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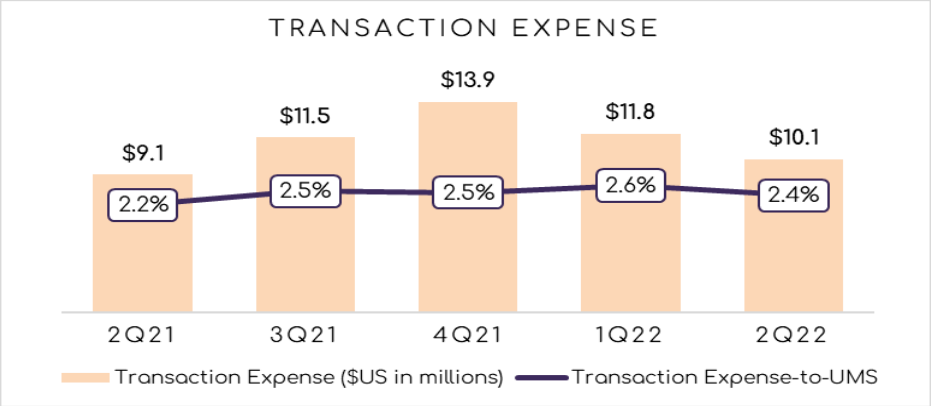
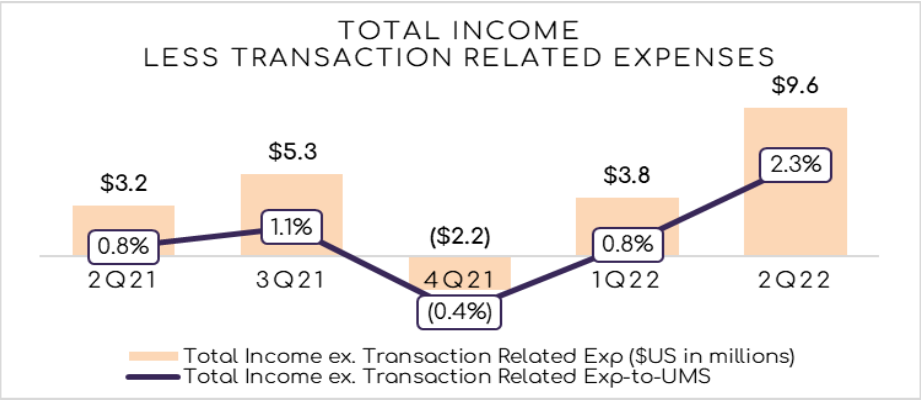
- **Transaction Expense.** Transaction expense[1] for 2Q22 declined compared to 1Q22, approaching a level consistent with 1Q21 as a percentage of UMS. Transaction expense decreased as a percentage of UMS driven by an increase in Automated Clearing House (ACH) expense as a percentage of the Company's payment mix. The shift toward ACH is attributable to Company initiatives, as the cost of processing ACH is lower compared to card (debit or credit). As a risk mitigation measure, Sezzle requires all consumers to pay the first installment by card.



- **Total Income less Transaction Related Costs[2].** Sezzle delivered a record quarter for Total Income less Transaction Related Costs of US$9.6 million. The Company anticipates this to improve further in 3Q22 as contract re-negotiation efforts occurred in the middle of 2Q22 and as transaction expense continues to decrease from a growing shift towards ACH in repayment method.



[1] Comprises processing fees paid to third parties to process debit, credit, and ACH payments received from consumers, merchant affiliate program and partnership fees, and consumer communication costs
[2] Transaction Related Costs is a non-GAAP financial measure equal to the sum of Transaction Expense, Provision for Uncollectible Accounts, and Net Interest Expense.

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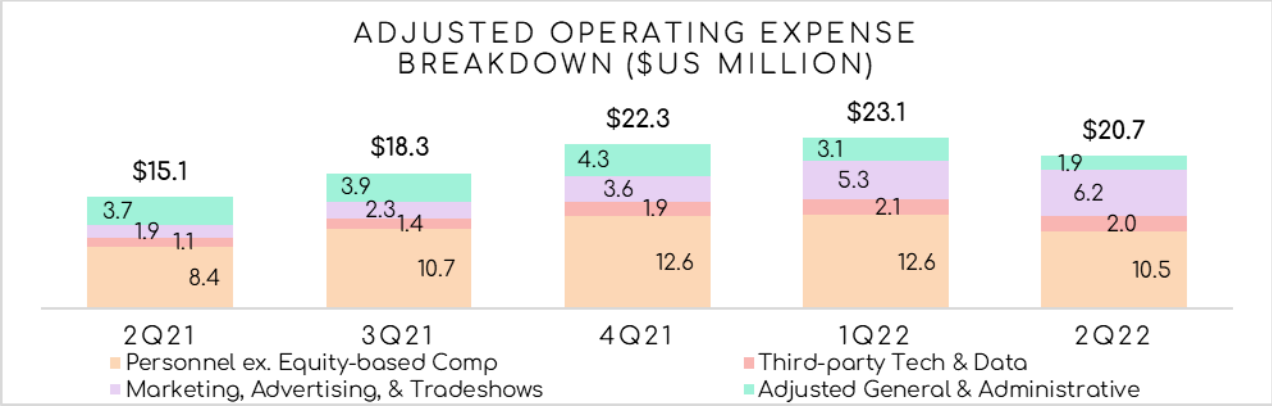
- **Adjusted Operating Expense[1].** In 2Q22, the Company reduced its adjusted operating expense by 10.7% to US$20.7 million, compared to the previous quarter. As a percentage of Total Income, adjusted operating expense represented 70.6%, compared to 83.7% in 1Q22. The US$2.5 million sequential improvement in adjusted operating expense was driven by the Company's workforce reduction at the end of 1Q22 and lower recurring legal and professional fees.



- **Company Initiatives Resulting in US$40.0 Million in Expected Annualized Improvements.** In its 1Q22 release, the Company noted several initiatives that were expected to result in at least US$17.0 million in annual cash-cost savings. The Company continues to proactively take actions toward profitability and free cash flow. The following efforts are now expected to result in US$40.0 million in annual revenue improvement or cash-cost savings:
  - *Off-boarding/re-negotiating rates with merchants.* During 2Q22, the Company either offboarded or successfully renegotiated with approximately 50 merchants.
  - *Virtual card network.* In 2Q22, Sezzle successfully updated its revenue share with its card issuing partner to properly reflect the Company's size and scale.
  - *Workforce Reduction*. On 10 March 2022, the Company announced a workforce reduction in the U.S. and Canada.

[1] Adjusted operating expense is a non-GAAP measure equal to the sum of Personnel excluding equity-based compensation, third-party tech & data, marketing & tradeshows, and adjusted general & administrative expense.
Note: Adjusted General & Administrative expense excludes depreciation, amortization, impairments, and M&A related expenses.

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- *Scaling back European and Brazilian Operations.* The Company continues to evaluate strategic alternatives for Europe and Brazil. Europe and Brazil together represented 0.1% of the Company's UMS in 2021.
- *Ceasing Payment Processing in India.* The Company ceased payment processing activities in India at the end of 1Q22. Sezzle's India operations represented 0.2% of UMS in 2021.
- *Reducing third-party spend.* In 2Q22, the Company re-evaluated spend with third-party vendors and service providers to identify, downgrade, or terminate non-critical contracts.
- *Sezzle Premium.* A paid subscription service for consumers to access large, non-integrated merchants for a monthly or yearly fee.

- **New Product Launches**
  - *Sezzle Premium Subscription.* Sezzle continues to innovate and offer value to consumers through new product launches. The Company recently introduced Sezzle Premium Subscription, an elevated version of Sezzle with:
    - access to more than 200 non-integrated merchant brands (e.g., Amazon, Walmart, DoorDash, Instacart, and Lowe's),
    - exclusive deals and discounts,
    - priority consumer support,
    - an extra free payment reschedule per order, and
    - 2x the points for Sezzle Rewards on all Sezzle payments.

    The subscription payment options are an $89.99 annual package or a $9.99 monthly payment. Launched in June 2022, the Company's service now exceeds over 47,000 subscribers on limited app and email marketing efforts. The Company intends to onboard more brands to its Premium merchant base, allowing consumers to use Sezzle "*anywhere*", as their preferred checkout option.
  - *Loyalty Program.* The Company officially launched Sezzle Rewards. The loyalty program awards shoppers 1x point for every dollar paid using Sezzle, which can be redeemed at any merchant partner through Sezzle Spend. Through the program,

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the Company plans to incentivize good behaviors such as early repayments, timely repayments, and setting their bank account as a primary payment option.

- *Sezzle Up in Canada.* Sezzle Up, an opt-in service that enables consumers to report their payment behavior to credit unions and help build their credit, is soon to be available for Sezzle Canada consumers. The launch will make Sezzle the first Buy Now, Pay Later in Canada to offer free credit-building to users. The Company expects Sezzle Up's Canadian launch to go live in early Q3.

- **Launch of New Long-Term Loan Partner.** The Company launched its partnership with Bread Financial Holdings Inc. (NYSE: BFH; formerly known as Alliance Data Systems Corp.) in 2Q22, expanding the Company's long-term installment loan offering. Early results indicate the value of the long-term installment option and a promising partnership. The Company plans to broaden consumer financing options by adding Oportun (end of 3Q22) and Genesis (1Q23). These partnerships enable the Company's merchant partners to offer more payment options to their prime and sub-prime consumers, while Sezzle does not to incur any balance sheet or credit risk.

- **Merchant Growth**. Active Merchants increased 19.0% YoY in 2Q22, resulting in 47,900 merchants in which Sezzle's consumers have transacted with in the last 12 months through the Sezzle platform.

- **Active Consumers**. Active Consumers rose 18.2% YoY reaching 3.4 million. The Company's growth in Active Consumers slowed relative to historical levels, as initiatives were undertaken to focus on profitability and free cash flow instead of negative consumer acquisition costs. The continued increase in consumer engagement drove Active Consumer repeat usage to 93.5%. Sezzle's Active Consumer base remains a key growth driver for both the Company and its partners as Sezzle enhances its marketplace.

- **Sezzle Canada Continues Strong Pace.** Sezzle Canada surpassed 4,200 Active Merchants in the quarter (up 58.0% YoY) with an Active Consumer count of approximately 270,000 at quarter end (up 68.2% YoY). Sezzle Canada's 2Q22 UMS improved 52.9% YoY and represented almost 9% of the Company's UMS. During the quarter, Sezzle Canada received the Buy Now, Pay Later of the Year Award from The

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Canadian Lenders Association's 2022 Leaders in Lending Awards, reiterating Sezzle's consumer-first and financially empowering solution. The achievement reflects Sezzle's strong Canadian team and the rapid adoption of Buy Now, Pay Later in the Canadian market.

- **Recent Accolades.** Sezzle's commitment to providing value to consumers and merchants, innovation, and social good has been widely recognized in 2022. The Company has been named as the most trusted BNPL app in North America by the Fintech Awards 2022, the best BNPL app for socially conscious shoppers by NerdWallet, and one of the top software companies in Midwest by Forbes.

- **Termination of the Zip Merger.** On 12 July 2022, Sezzle and Zip mutually agreed to terminate the proposed merger. As part of the mutual termination, Sezzle received US$11.0 million from Zip to cover Sezzle's legal, accounting, and other costs associated with the transaction. Sezzle remains dedicated to driving toward profitability and free cash flow and believes this is the best outcome for shareholders.

- **GameStop Lawsuit.** On 21 July 2022, the Company reported that it has initiated a lawsuit against GameStop, Inc. (NYSE: GME) for the violation of its contract. The Company alleges GameStop violated its two-year merchant agreement with the Company when it prematurely removed Sezzle's functionality from its cart page and product detail pages without notifying Sezzle in direct breach of the contract. As a result of the breach of the merchant agreement, Sezzle is seeking US$1.4 million in damages and related service fees that GameStop has failed to pay, as well as marketing costs spent on GameStop's behalf.

Quarterly Cash Flows

As of 30 June 2022, the Company had total cash on hand of US$63.3 million, consisting of US$62.1 million of bank balances and US$1.2 million of restricted cash. Total cash on hand increased US$2.7 million during the second quarter, driven by net cash from financing activities of US$5.3 million, which was partially offset by net cash used in operating activities of US$1.7 million.

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Select Balance Sheet Data

US$000's	Unaudited 31-Mar-2022	Unaudited 30-Jun-2022
Cash and cash equivalents	$58,371	$62,076
Restricted cash	$2,209	$1,220
Total cash	**$60,580**	**$63,296**
Drawn on line of credit	**$52,800**	**$57,800**
Availability on line of credit	**$39,718**	**$10,053**

At quarter end, the Company had US$10.1 million of availability under its credit facility, with US$57.8 million drawn on the facility. After quarter end, the Company received US$11.0 million from Zip to cover Sezzle's legal, accounting, and other costs associated with the transaction.

Notes receivable (net) and merchant accounts payable amounted to US$89.4 million and US$85.3 million, respectively, as of 30 June 2022. Within merchants accounts payable, US$70.0 million was attributed to the merchant interest program. Interest expense associated with the program for the quarter ended 30 June 2022 totaled US$0.6 million. Deferred payments in the merchant interest program are due on demand, up to US$250,000 during any seven-day period, at the request of the merchant. Any request larger than US$250,000 is honored after 7 days. Sezzle reserves the right to impose additional limits on the program and make changes to the program without notice or limits. These limits and changes to the program can include, but are not limited to, maximum balances, withdrawal amount limits, interest payment rate, and withdrawal frequency.

Operating Cash Flows. Net operating cash outflows for 2Q22 were US$1.7 million as payments for operating activities slightly outpaced cash receipts from customers. Receipts from customers in 2Q22 (US$420.9 million, up 10.0% YoY) outpaced the payments to merchants (US$389.8 million, up 8.7% YoY) in 2Q22 by US$31.1 million.

Other key components of operating cash flows:

- Product manufacturing and operating costs (primarily payment processing fees) totaled US$10.4 million in 2Q22 compared to US$8.9 million in 2Q21. As a percentage of receipts from consumers, product manufacturing and operating costs decreased 29 bps QoQ and increased 13 bps YoY to 2.5%.

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- Staff costs, inclusive of wages, salaries, commissions, and other employee benefits increased 45.7% YoY to US$10.5 million in 2Q22. Staff costs as a percentage of cash receipts from customers were 2.5% in 2Q22 compared to 1.9% in 2Q21. On 10 March 2022, the Company announced a workforce reduction in the U.S. and Canada.

- Payments for advertising and marketing increased 5.1% QoQ to US$4.5 million, representing 1.1% of receipts from customers, which was 12 bps higher compared to 1Q22 and 45 bps more YoY compared to 2Q21.

- Administrative and corporate costs were US$5.5 million in 2Q22, an increase of 106.9% QoQ. The increase is attributable to costs incurred relative to the merger process with Zip, which was terminated on 12 July 2022. As a percentage of customer receipts, administrative and corporate costs were 1.3% compared to 0.59% in 1Q22 and 0.57% in 2Q21.

- Payments for research and development decreased 56.4% QoQ to US$0.4 million in 2Q22.

As noted in Section 6 of the Appendix 4C, payments of US$0.3 million were made to the Directors of Sezzle during the quarter comprising salaries and fees for Executive and Non-executive Directors. No other payments were made to any related parties or their associates of Sezzle.

U.S. Filings

In accordance with the provisions of the U.S. Securities Act, Sezzle is a reporting company for U.S. Securities and Exchange Commission (SEC) purposes. As such, the Company will be filing its quarterly Form 10-Q for the period ended 30 June 2022 by 15 August 2022 (U.S. time) with a copy of the Form 10-Q to be lodged on the ASX platform at a similar time by 16 August 2022 (Australian time).

Quarterly Earnings Conference Call

The management team will host a conference call to discuss the quarterly earnings with investors on 29 July 2022, at 10:30 am (Sydney).

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Participants can register for the conference call by navigating to:
https://s1.c-conf.com/diamondpass/10024010-sdmffs22.html

Please note that registered participants will receive their dial in number upon registration. Investors are encouraged to submit any questions in advance of the call by emailing them to: Investorrelations@sezzle.com.

This Quarterly Activities Report and accompanying Appendix 4C have been approved by the Company's Executive Chairman and CEO, Charlie Youakim, on behalf of the Sezzle Inc. Board.

Contact Information

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About Sezzle Inc.

Sezzle is a fintech company on a mission to financially empower the next generation. Sezzle's payment platform increases the purchasing power for millions of 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 their spending, be more responsible, and gain access to financial freedom.

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, unless the re-sale of the CDIs is registered under the Securities Act or another 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.

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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.

Cautionary Note Regarding Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of the federal securities laws with respect to: statements regarding our anticipated new products, our ability to gain future market share, our timeline and intentions relating to operations in international markets, our strategy, our future operations, our financial position, our estimated revenues and losses, our projected costs, our prospects, and the plans and objectives of management. These forward-looking statements are generally identified by the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" or similar expressions. These forward-looking statements are subject to a number of risks and uncertainties, including those set out in this Presentation, but not limited to: (i) the potential impact of the termination of our merger agreement with Zip Co Limited, including any impact on our stock price, business, financial condition and results of operations, and the potential negative impact to our business and employee relationships(ii) impact of the "buy-now, pay-later" ("BNPL") industry becoming subject to increased regulatory scrutiny; (iii) impact of operating in a highly competitive industry; (iv) impact of macro-economic conditions on consumer spending; (v) our ability to increase our merchant network, our base of consumers and Underlying Merchant Sales ("UMS"); (vi) our ability to effectively manage growth, sustain our growth rate and maintain our market share; (vii) our ability to meet additional capital requirements; (vii) impact of exposure to consumer bad debts and insolvency of merchants; (ix) impact of the integration, support and prominent presentation of our platform by our merchants; (x) impact of any data security breaches, cyberattacks, employee or other internal misconduct, malware, phishing or ransomware, physical security breaches, natural disasters, or similar disruptions; (xi) impact of key vendors or merchants failing to comply with legal or regulatory requirements or to provide various services that are important to our operations; (xii) impact of the loss of key partners and merchant relationships; (xiii) impact of exchange rate fluctuations in the international markets in which we operate; (xiv) our ability to protect our intellectual property rights; (xv) our ability to retain employees and recruit additional employees; (xvi) impact of the costs of complying with various laws and regulations applicable to the BNPL industry in the United States and the international markets in which we operate; (xvii) our ability to achieve our public benefit purpose and maintain our B Corporation certification; and (xviii) the other factors identified in the "Risk Factors" section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 30, 2022 and subsequent quarterly reports on Form 10-Q. The foregoing list of factors is not exhaustive.

These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Nevertheless, and despite the fact that management's expectations and estimates are based on assumptions management believes to be reasonable and data management believes to be reliable, our actual results, performance or achievements are subject to future risks and uncertainties, any of which

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could materially affect our actual performance. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements to reflect events or circumstances after the date of this release.

This release has been prepared in good faith, but no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness, reliability or adequacy of any statements, estimates, opinions or other information, or the reasonableness of any assumption or other statement, contained in the presentation (any of which may change without notice).

No Offer or Solicitation

This report shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended, or pursuant to another available exemption.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
Sezzle Inc.	
ABN	**Quarter ended ("current quarter")**
633 327 358 (ARBN)	30 June 2022

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (6 months) $US'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	$ 420,948	$ 872,076
1.2	Payments for		
	research and development	(421)	(1,387)
	product manufacturing and operating costs	(10,366)	(22,768)
	advertising and marketing	(4,520)	(8,821)
	leased assets	(80)	(197)
	staff costs	(10,532)	(22,688)
	administration and corporate costs	(5,484)	(8,135)
1.3	Dividends received (see note 3)	—	—
1.4	Interest received	61	80
1.5	Interest and other costs of finance paid	(1,428)	(2,999)
1.6	Income taxes paid	(19)	(19)
1.7	Government grants and tax incentives	—	—
1.8	Other (payments to merchants)	(389,847)	(799,021)
1.9	**Net cash from / (used in) operating activities**	**$ (1,688)**	**$ 6,121**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	entities	$ —	$ —
	businesses	—	—
	property, plant and equipment	(195)	(569)
	investments	—	—
	intellectual property	—	—
	other non-current assets	—	—
2.2	Proceeds from disposal of:		
	entities	—	—
	businesses	—	—
	property, plant and equipment	—	—
	investments	—	—
	intellectual property	—	—
	other non-current assets	—	—
2.3	Cash flows from loans to other entities	—	—
2.4	Dividends received (see note 3)	—	—

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2.5	Other (provide details if material)	—	—
2.6	**Net cash from / (used in) investing activities**	**$ (195)**	**$ (569)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	$ 305	$ 324
3.2	Proceeds from issue of convertible debt securities	—	—
3.3	Proceeds from exercise of options	16	98
3.4	Transaction costs related to issues of equity securities or convertible debt securities	—	—
3.5	Proceeds from borrowings	5,000	5,000
3.6	Repayment of borrowings	—	(26,000)
3.7	Transaction costs related to loans and borrowings	—	—
3.8	Dividends paid	—	—
3.9	Other (repurchase of shares)	(22)	(325)
3.10	**Net cash from / (used in) financing activities**	**$ 5,299**	**$ (20,903)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	$ 60,580	$ 78,890
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,688)	6,121
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(195)	(569)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,299	(20,903)
4.5	Effect of movement in exchange rates on cash held	(700)	(243)
4.6	**Cash and cash equivalents at end of period**	**$ 63,296**	**$ 63,296**

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5.	**Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts**	**Current quarter $US'000**	**Previous quarter $US'000**
5.1	Bank balances	$ 62,076	$ 58,371
5.2	Call deposits	—	—
5.3	Bank overdrafts	—	—
5.4	Other (restricted cash)	1,220	2,209
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**$ 63,296**	**$ 60,580**

6.	Payments to related parties of the entity and their associates	Current quarter $US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	$ 271
6.2	Aggregate amount of payments to related parties and their associates included in item 2	—

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities ***Note: the term "facility' includes all forms of financing arrangements available to the entity.*** ***Add notes as necessary for an understanding of the sources of finance available to the entity.***	Total facility amount at quarter end $US'000	Amount drawn at quarter end $US'000
7.1	Loan facilities	$ 250,000	$ 57,800
7.2	Credit standby arrangements	—	—
7.3	Other (please specify)	—	—
7.4	**Total financing facilities**	**$ 250,000**	**$ 57,800**

7.5	**Unused financing facilities available at quarter end**	**$ 10,053**
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

Loan facilities consist of a revolving line of credit with three members, Goldman Sachs Bank USA, Bastion Consumer Funding II LLC, and Bastion Funding IV LLC, for a credit facility of up to US$250 million, with a committed amount of US$125 million. Borrowings on the line of credit carry a weighted average interest rate of 6.70% as of 30 June 2022. The line of credit is secured by consumer receivables and offers an available borrowing base of US$67.9 million, of which US$57.8 million is drawn as of 30 June 2022.

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8.	Estimated cash available for future operating activities	$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	$ (1,688)
8.2	Cash and cash equivalents at quarter end (item 4.6)	63,296
8.3	Unused finance facilities available at quarter end (item 7.5)	10,053
8.4	Total available funding (item 8.2 + item 8.3)	$ 73,349
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	43.5

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: The Company's CEO and Executive Chairman
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here:

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"By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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