

## ASX ANNOUNCEMENT (ASX: LBY)

20 April 2021

### Laybuy Quarterly Business Update and Appendix 4C

Laybuy Group Holdings Limited (Laybuy) is pleased to provide its quarterly business update and Appendix 4C for the three months ended 31 March 2021 (Q4 FY21).

All numbers are stated in New Zealand dollars (NZ\$) and relate to the three months ended 31 March 2021 (Q4 FY21). Comparisons relate to the three months ended 31 December 2020 (Q3 FY21 or QoQ) or the three months ended 31 March 2020 (Q4 FY20 or PcP), unless stated otherwise.

#### Q4 FY21 Highlights

- **Annualised Gross Merchandise Value (GMV)<sup>1</sup> increased to NZ\$645m** (up 129% or NZ\$363m on PcP), the second highest trading quarter after Q3 FY21
- **Revenue for the quarter was a record NZ\$9.8m** (up 105% on PcP and annualised NZ\$39.1m), resulting in FY21 revenue of NZ\$32.6m, an increase of 138% on FY20
- **UK GMV growth of 504% in FY21** compared to FY20, increasing to NZ\$296m – Laybuy is already recognised as one of the top three Buy Now Pay Later (BNPL) providers in the UK market
- **March 2021 was the third highest trading month** in all markets after November and December 2020 which included the traditional holiday sales, with annualised GMV of NZ\$704 million
- **Net Transaction Margin (NTM) at 2.5%** of GMV for Q4 FY21, up from -0.3% in PcP and up from 1.3% QoQ, due to significant reduction in customer defaults
- **Active Customers<sup>2</sup> reached 756,000** and increased by 351,000 or 87% on PcP
- **Active Merchants<sup>3</sup> reached over 9,000** and increased by 3,922 or 75% on PcP
- **Laybuy UK saw significant growth** in Active Customers (up 202% on PcP) and Active Merchants (up 433% on PcP)
- **Positive operating cashflow of NZ\$1.0m achieved in Q4 FY21**
- Laybuy's **customer loyalty continues to improve** as share of repeat customers<sup>4</sup> increased to 62% in UK compared to 44% on PcP (and 66% increasing to 73% repeat customers in ANZ)
- Following the end of the quarter, Laybuy is pleased to have further **signed several strong merchants**, some of which include Debenhams and Dorothy Perkins in the UK, and Vodafone and Ezibuy in NZ
- Laybuy remains on track to **exceed annualised GMV of NZ\$1 billion** during FY22
- **FY22 revenue expected to grow between 90% to 100%** on FY21 and NTM expected to continue to improve (12 month rolling average)

<sup>1</sup> Annualised GMV (Gross Merchandise Value) is calculated by multiplying the actual GMV for Q4 FY21 by four and March by twelve. GBP and AUD denominated GMV have been converted to NZD at the average historical exchange rates for Q4 FY21

<sup>2</sup> An 'Active Customer' is a customer who has made a purchase through the Laybuy platform within the 12 months prior to the relevant period

<sup>3</sup> An 'Active Merchant' is a merchant who has received payment for a purchase through the Laybuy platform within the 12 months prior to the relevant period

<sup>4</sup> A customer who has made more than one purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

Managing Director Gary Rohloff says Laybuy is continuing its rapid growth momentum as it increases and solidifies its strong position in the New Zealand, Australian and UK markets. “Laybuy is now recognised as one of the top three BNPL providers in the United Kingdom, which has a retail market estimated at almost £400 billion, and it continues to be a market-leader in New Zealand while holding its market share in Australia,” says Rohloff.

“Since the launch of the IPO, Laybuy has added close to 4,000 merchants, more than 350,000 customers and has grown its Annualised Gross Merchandise (GMV) by 129% to reach NZ\$645 million in FY21. This growth is even more pronounced in the UK, where Laybuy’s GMV has grown by an impressive 504% as increasing numbers of people are using Laybuy to make their purchases.”

“Laybuy continues to aggressively grow its brand and market share and is on track to exceed annualised GMV of NZ\$1 billion during FY22. Revenue is expected to grow between 90% to 100% on FY21 while NTM on a 12-month rolling average is also expected to continue to improve.”

### Key Operational Metrics

The table below presents the Laybuy group’s (the Group’s) key operational metrics for Q4 FY21 as well as Q3 FY21 and Q4 FY20, which have been prepared based on unaudited management information. The growth rates from Q3 FY21 to Q4 FY21 reflect the seasonality in the business, with strong holiday sales occurring in Q3 each year.

NZ\$m	Q4 FY21	Q3 FY21 (QoQ)	Q4 FY20 (PcP)	% increase on Q3 FY21 (QoQ)	% increase on Q4 FY20 (PcP)
UK GMV	89	100	27	(11%)	230%
ANZ GMV	72	82	43	(13%)	66%
<b>GMV</b>	<b>161</b>	182	<b>70</b>	(12%)	<b>129%</b>
Annualised UK GMV	358	401	108	(11%)	230%
Annualised ANZ GMV	287	329	173	(13%)	66%
<b>Annualised GMV</b>	<b>645</b>	730	<b>282</b>	(12%)	<b>129%</b>
Revenue	9.8	9.5	4.8	3%	105%
Annualised revenue	39.1	37.9	19.1		
Gross Losses <sup>5</sup>	(3.4)	(5.1)	(3.5)	(33%)	(3%)
Gross Losses as a % of GMV	(2.1%)	(2.8%)	(5.0%)		
Net transaction margin	4.0	2.3	(0.2)	74%	113%
Net transaction margin % of GMV	2.5%	1.3%	(0.3%)		
Active Customers <sup>6</sup>	756,000	687,000	405,000	10%	87%
Active Merchants <sup>7</sup>	9,126	8,007	5,204	14%	75%

<sup>5</sup> Gross losses relate to consumer bad debt, fraud and provisioning for future impairment losses, net of recoveries from debt collections.

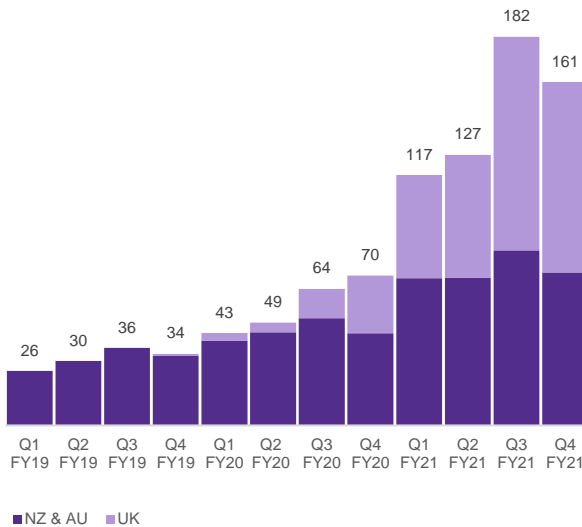
<sup>6</sup> Represents number of Active Customers. An ‘Active Customer’ is a customer who has made a purchase through the Laybuy platform within the 12 months prior to the relevant period

<sup>7</sup> Represents number of Active Merchants. An ‘Active Merchant’ is a merchant who has received payment for a purchase through the Laybuy platform within the 12 months prior to the relevant period

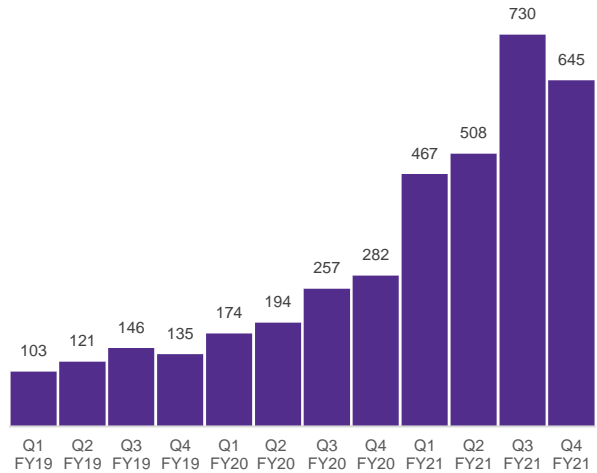
### Gross Merchandise Value (GMV)

The graphs below present the Group's quarterly GMV by region, and annualised GMV<sup>8</sup> for each quarter from Q1 FY19 to Q4 FY21.

Total quarterly GMV by region (NZ\$m)



Group annualised quarterly GMV (NZ\$m)



Laybuy has continued to see growth in its key operational metrics in Q4 FY21 compared to PcP following the traditional peak holiday sales quarter of Q3 FY21. The Group's GMV for Q4 FY21 was NZ\$161 million (increasing by 129% on PcP), with annualised GMV increasing to NZ\$645 million. The UK contributed significantly to this uplift with annualised UK GMV increasing from NZ\$108 million in Q4 FY20 to NZ\$358 million in Q4 FY21 (up 230%), and continues to be the largest market for Laybuy.

January and February are generally quieter retail months following the peak holiday season, however momentum continued strongly with GMV growth of 27% compared to the pre-holiday peak quarter, Q2 FY21. Annualised GMV for the month of March 2021 exceeded NZ\$700m, the third highest month after November and December 2020.

This growth reflects key strategic initiatives undertaken to increase active merchants and a number of Laybuy promotional marketing events. Material merchants added in Q4 FY21 include Mocka (AU), Jucy car rentals (NZ), Melbourne Football Club (AU) and Mix & Match (AU). These brands complement existing partners like Wilko, JD Sports, Boohoo and The Hut Group (UK).

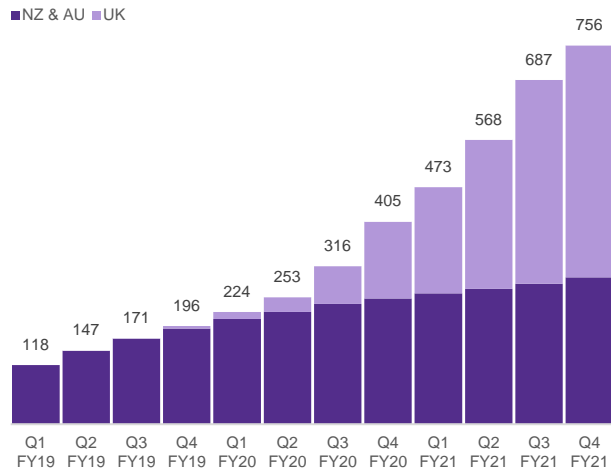
Laybuy expects to gain significant instore traction in the UK with the launch of Laybuy's "Tap to Pay" product in May, as COVID restrictions start easing. In-store contributions in the Australia and New Zealand (ANZ) region increased in the quarter, supported by the "Tap to Pay" in-store solution launch.

<sup>8</sup> Annualised GMV is based on annualising the GMV for the relevant quarter

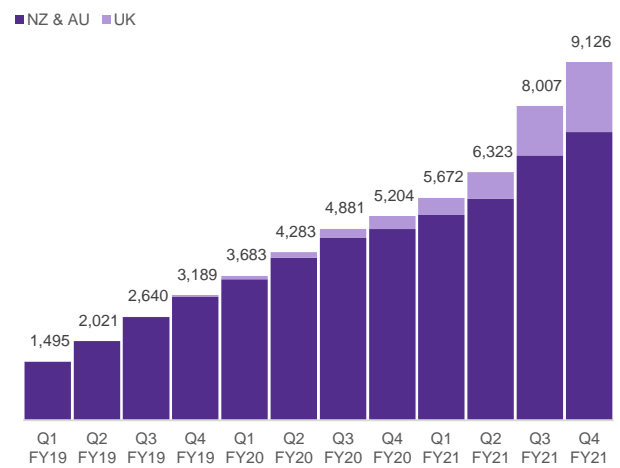
## Active Customers and Merchants

The graphs below present the Group's growth in Active Customers<sup>9</sup> and Active Merchants<sup>10</sup> on a quarterly basis, as well as the percentage of repeat customers<sup>11</sup>.

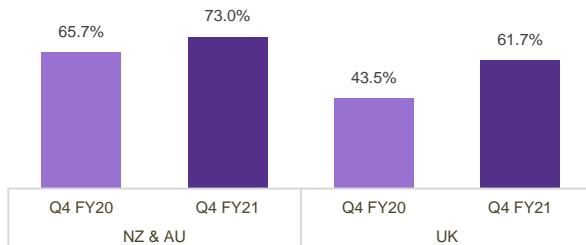
Active Customers by region ('000)



Active Merchants by region



Repeat customers as a % of active customers



The momentum in merchants and customers continued on from a record holiday sales quarter (Q3 FY21), with further onboarding of large merchants and increased smaller merchants through Laybuy's inbound marketing strategies, the latter of which have a lower cost of acquisition, lesser onboarding needs and attract higher merchant fees.

Laybuy's Active Customers increased to 756,000 in Q4 FY21, an uplift of 69,000 (+10%) QoQ and 351,000 (+87%) on PcP. Active Merchants at the end of Q4 FY21 totalled 9,126 (+75% growth compared to PcP), with the UK increasing by 1,450 on PcP (+433%).

In Q4 FY21, increased purchasing frequency was seen across both the ANZ and the UK regions with Repeat Customers increasing from 66% to 73% on PcP in ANZ, and 44% to 62% on PcP in the UK. Purchasing frequency in the UK is ahead of where NZ was at a similar maturity indicating the UK market's growing responsiveness to BNPL. Laybuy is seeing new customers start making their second and subsequent purchases at a faster rate than previously

<sup>9</sup> An 'Active Customer' is a customer who has made a purchase through the Laybuy platform with the 12 months prior to the relevant period

<sup>10</sup> An 'Active Merchant' is a merchant who has received payment for a purchase through the Laybuy platform within the 12 months prior to the relevant period

<sup>11</sup> A customer who has made more than one purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

seen, further indicating the strong affinity consumers have to the Laybuy platform and the increasing range of merchants available.

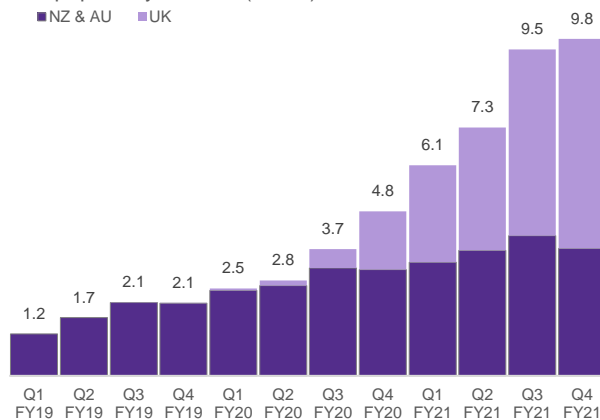
Over the past 6 months, Laybuy has demonstrated a very strong increase in the rate of onboarding of Active Merchants, reflective of its investment in resources for acquiring and onboarding merchants. This strong growth is expected to continue and will drive increased customer acquisitions and increased purchasing frequency, both of which will contribute to substantial GMV growth.

### Revenue and net transaction margin

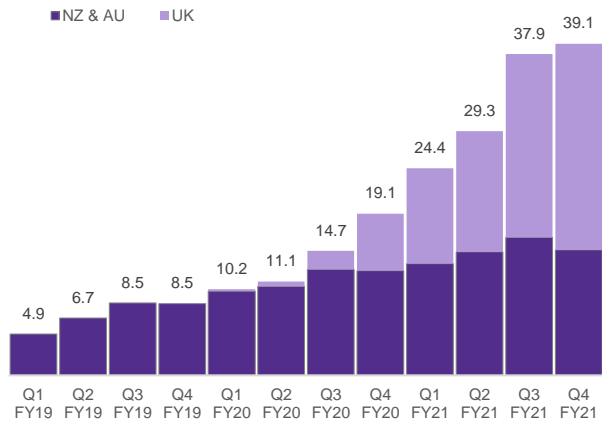
The graphs below represent the Group's quarterly revenue from Q1 FY19 to Q4 FY21, as well as annualised revenue.

Revenue of NZ\$9.8 million for Q4 FY21 increased across the group by 105% compared to PcP (3% QoQ) as a result of GMV growth. Revenue for the year ended 31 March 2021 reached NZ\$32.6 million (an increase of 138% on the prior year).

Group quarterly revenue (NZ\$m)

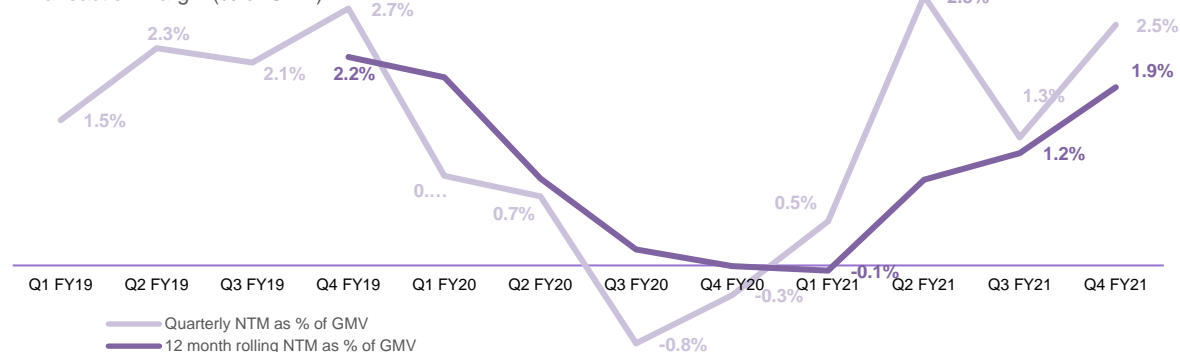


Group annualised quarterly revenue (NZ\$m)



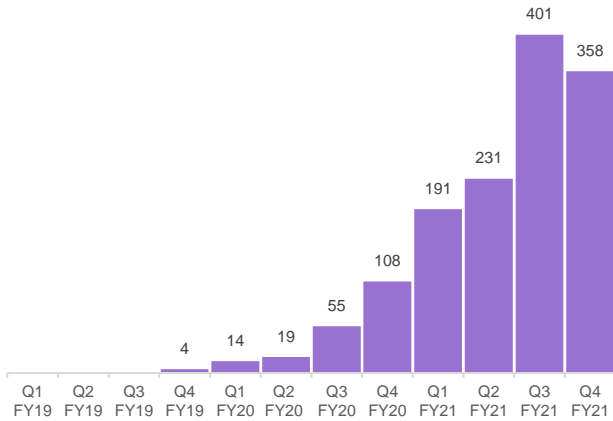
Net Transaction Margin (NTM) improved to 2.5% of GMV, up from -0.3% in Q4 FY21 and 1.3% Q3 FY21. Credit performance (as reflected by Gross Losses as a % of GMV) across the group improved from 2.8% to 2.1% QoQ.

Transaction Margin (% of GMV)

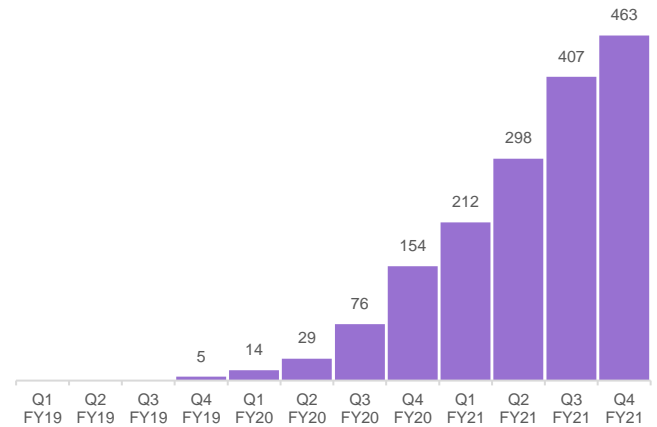


## Laybuy UK

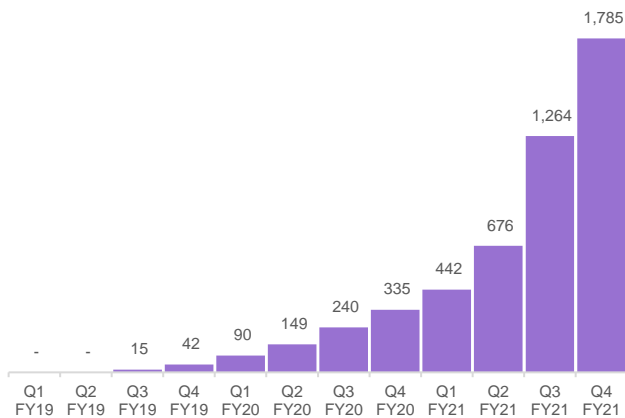
UK annualised GMV (\$NZm)



UK Active customers ('000)



UK Active merchants



Key merchants

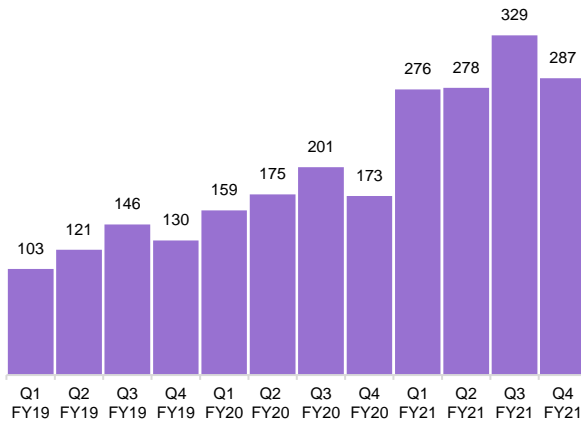


Laybuy UK experienced strong growth in Active Customers and Active Merchants in Q4 FY21, with GMV momentum continuing following the seasonally strong Q3 FY21. Annualised GMV reached NZ\$ 358 million, a significant increase of 230% on Pcp. GMV was higher in the latter part of the quarter, with March 2021 Annualised GMV reaching NZ\$384 million (the third highest GMV recorded, after the seasonal peaks in November and December 2020).

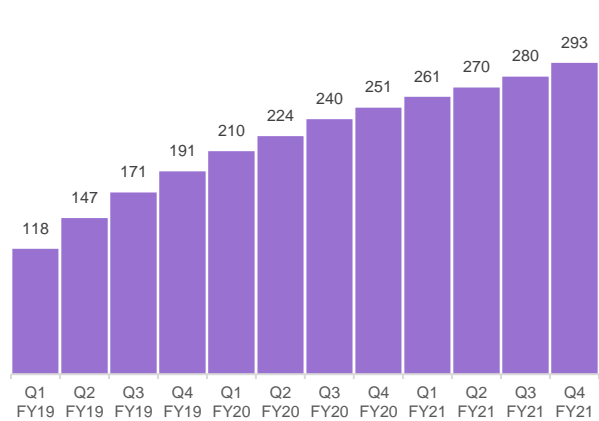
An additional 521 Active Merchants were onboarded in Q4 FY21 as a part of Laybuy's strategy to target smaller merchants through partners and outbound marketing.

## Laybuy ANZ

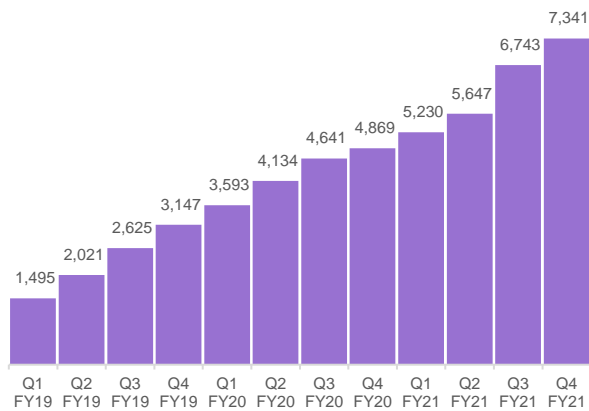
ANZ annualised GMV (NZ\$m)



ANZ active customers ('000)



ANZ active merchants



Key merchants



Laybuy's ANZ business continues to see sustained growth with increased purchasing frequency, repeat customers and merchant acquisition. Annualised GMV reached NZ\$287 million, representing a 66% increase on PcP.

Laybuy anticipates that the next stage of growth in the ANZ market will come from new verticals e.g. health and ticketing, increasing in-store purchasing through the "Tap to Pay" product and increased frequency of purchasing by existing customers. In-store shopping increased from 18% of GMV in Q2 to 20% in Q3 and Q4, compared to online. Average order value increased 6% QoQ to NZ\$155 (+17% on PcP), while quarterly average customers grew by 4.7%.

### Investing for growth ambitions

Laybuy continues to invest for future growth through marketing, people, product development and partnerships.

Ensuring Laybuy has the right team and expertise is critical to its future success. Over the last year, key appointments have been made in Laybuy's risk & compliance, finance and technology teams to support business growth and new product development. Laybuy will continue to invest in growing its team with a focus on sales and business development in the UK.

Two key appointments were made following the end of the quarter. In May, Paul Shingles will join the company as COO and Mathew Hayward will join as CMO. Both Paul and Mat are accomplished executives who will bring a wealth of experience to Laybuy.

Following the launch of the digital card "Tap to Pay" in Australia and New Zealand in Q3 FY21, the product will go live in UK stores in May 2021 following the easing of COVID19 restrictions and is expected to substantially contribute to the growth of the instore contribution to GMV.

As announced previously, Laybuy commenced a beta launch in the United States in late Q3 FY21. The purpose of this launch was to enable UK, New Zealand and Australia merchants to access US based customers. Laybuy expects beta testing to continue into Q2 FY22. While the US remains an attractive long-term growth option, Laybuy is firmly focused on growing the UK market and is not expected to spend significant capital in the US market in the short and medium term.

### Capital Management

Laybuy has two debt facilities in place which are used to support the customer loan book – a NZ\$20 million debt facility with Kiwibank to fund the New Zealand and Australian business, and a £80 million (~NZ\$151 million) debt facility with Victory Park Capital (VPC) to fund the UK business.

Facility	Facility Limit	Drawn as at 31 Mar 2021	Capacity <sup>12</sup>	Maturity
Kiwibank	NZ\$20.0m	NZ\$9.2m	NZ\$10.8m	Dec-21
Victory Park <sup>13</sup>	NZ\$151.0m	NZ\$6.4m	NZ\$144.6m	Aug-25
<b>Total</b>			NZ\$155.4m	

The receivables ledger reduced by NZ\$3 million QoQ to NZ\$34 million following the seasonally strong GMV growth in Q3 FY21. NZ\$18 million of the receivables book as at 31 March 2021 was funded by cash reserves of the company. Based on the receivables book as at 31 March 2021, NZ\$3.4 million was available to be drawn down. As the receivables book increases, additional debt funds are available to support that growth, with the maximum subject to

<sup>12</sup> Capacity is the difference between the facility limit and the drawn amount, and its availability is linked to the size of the receivables book

<sup>13</sup> Using 0.5298 NZD / GBP FX rate



the respective facility limits. If the value of the receivables book reduces, the funds available under the respective facilities also reduce.

Based on average customer loan balances, Laybuy's loan book turned 5.2 times in Q4 FY21, which is equivalent to 20.1 times per annum (prior quarter was 6.1 and 24.4 times respectively).

### **Cashflows**

As at 31 March 2021, Laybuy had cash and cash equivalents of NZ\$15.5 million as well as debt facilities of NZ\$3.4 million available to be drawn down based on the receivables ledger at this date.

### ***Operating Activities***

Q4 FY21 saw higher cash inflows as the receivables balance from the traditional holiday sales period in Q3 FY21 repaid through the period. This resulted in positive operating cash flow of NZ\$1.0m for the quarter.

Payment outflows to merchants were NZ\$124 million in Q4 FY21, a reduction of 12% QoQ, compared to NZ\$136 million of receipts from customers, an increase of 6% QoQ, reflecting the seasonality and unwind of strong holiday sales GMV in Q3 FY21.

Research and development costs totalled NZ\$0.7 million in Q4 FY21 compared to NZ\$0.5 million in Q3 FY21, representing both external and internal costs relating to the development of the core Laybuy platform. Expenditure includes salary and contractor costs as well as related technology costs. This does not include costs in respect of the Mastercard product which is being capitalised as an intangible asset and classified as Investing Activities.

Product manufacturing and operating costs includes all the variable transaction costs for Laybuy which were NZ\$1.0 million for Q4 FY21, down from NZ\$3.8 million in Q3 FY21 as a result of timing of payments and lower activity in January.

Advertising and marketing spend totalled NZ\$5.2 million for Q4 FY21, up from NZ\$2.3m in Q3 FY21, and includes merchant onboarding cost.

Staffing costs were NZ\$2.1 million for Q4 FY21, down from NZ\$3.2 million in Q3 FY21. A total of NZ\$0.3 million was paid to related parties and their associates comprising NZ\$0.1 million by way of salary and wages and any variable compensation payable under their terms of employment and a further NZ\$0.2 million by way of fees payable to non-executive directors.

Administrative and corporate costs were NZ\$1.3 million for Q4 FY21, down from NZ\$2.8 million in Q3 FY21. These include legal and accounting fees, recruitment costs, insurance fees, audit fees and timing of GST.

### **Investing Activities**

Investing Activities relates predominately to the development of the Mastercard “Tap to Pay” solution. The value of total payments capitalised in Q4 FY21 was NZ\$ 0.4 million, compared to NZ\$0.5 million in Q3 FY21.

### **Financing Activities**

Financing activities increased by NZ\$1 million as a result of drawdowns on both debt facilities, taking the total drawn down amount to NZ\$15.6 million. An additional NZ\$3.4 million is available to be drawn based on the current receivables book as at 31 March 2021. The total facility size of NZ\$155.4 million becomes available as the receivables book increases.

### **FY22 Outlook**

Laybuy continues to remain confident of very strong growth across all its markets as it continues to deliver on key strategic initiatives. Laybuy remains firmly focused on accelerating growth in the significant UK market where it is already recognised as one of the leading BNPL providers, while also increasing its market share in New Zealand and Australia.

Laybuy has added and will be adding a strong list of new merchants over the course of Q1 and Q2 FY22 that includes (but not limited to) well-known brands such as

#### *UK*

- Debenhams
- Dorothy Perkins
- Burton
- Wallis
- Fanatics (subject to final documentation)

#### *Australia*

- Stateside Sport
- Bailey Nelson
- Tony Bianco
- Black Swallow

#### *New Zealand*

- Vodafone
- Future Fashion Brands
- Overland Footwear
- EziBuy
- Blue Illusion

This strong pipeline of merchants, combined with the easing of COVID restrictions in the UK and subsequent launch of the UK “Tap to Pay” digital card product in May, will support strong growth into FY22.

Laybuy remains on track to exceed annualised GMV of NZ\$1 billion during FY22. Year on year revenue growth is expected to deliver growth between 90% to 100% on FY21, driven by ongoing GMV growth across all regions led by the UK and continued growth in new merchants and active customers. The 12-month rolling average NTM is also expected to continue to improve, driven by lower defaults and increase repeat customers.

**Zoom webinar**

A Zoom webinar will be held **20 April 2021 at 13:00 (AEST)/ 15:00 (NZT)** by Gary Rohloff (CEO and Managing Director) and Katrina Kirkcaldie (Chief Financial Officer) to discuss the Q4 Business Update. Please click this URL to join <https://laybuy.zoom.us/j/86194688237>. Or join by phone using meeting ID 86194688237. International numbers available at the following link: <https://laybuy.zoom.us/j/86194688237>

**For more information, please contact:**

Gary Rohloff

Managing Director

Email: [investors@laybuy.com](mailto:investors@laybuy.com)

Katrina Kirkcaldie

Chief Financial Officer

Email: [investors@laybuy.com](mailto:investors@laybuy.com)

**This announcement was approved for release by the Board of Directors of Laybuy Group Holdings Limited.**

**About Laybuy**

Launched in 2017, Laybuy is a rapidly growing fintech company providing buy now, pay later services partnering with over 9,000 retail merchants. Laybuy is available in New Zealand, Australia, the UK and the USA. The unique, fully integrated payment platform is helping to revolutionise the way consumers spend. Laybuy is simple. Customers can shop now, receive their purchase straight away, and pay it off over six weekly payments without paying interest. For more information visit [laybuyinvestors.com](http://laybuyinvestors.com).

## Use of Funds

In accordance with ASX Listing Rule 4.7C Laybuy Group Holdings Limited provides the following information:

The 205 days ended 31 March 2021 is covered by the “Use of Funds Statement” in the Laybuy Prospectus, dated 10 August 2020. As Laybuy listed on the ASX on 7 September 2020, Laybuy has reflected the cashflows since 7 September 2020 to satisfy ASX Listing Rule 4.7C, including the costs of the initial public offering transactions which have been captured from the date of listing.

A summary of the expenditure for the cumulative period ended 31 March 2021 is outlined below:

Sources of proceeds	(A\$ '000)	(NZ\$ '000)	% of funds raised
Cash proceeds received from issue of Shares by the Company under the Offer	40,000	42,621	50%
Cash proceeds received from sale of Shares by SaleCo under the Offer	40,000	42,621	50%
<b>Total</b>	<b>80,000</b>	<b>85,242</b>	<b>100%</b>

The proposed uses of the funds associated with the Offer are as follows:

Use of proceeds	As per the Prospectus		Period ended 31 March 2021 (NZ\$ '000)
	(A\$ '000)	(NZ\$ '000)	
1. Payment of proceeds by SaleCo to Selling Shareholders	40,000	42,621	43,436
2. Funding and support for growth in the UK receivables book	18,200	19,393	14,017
3. Sales and marketing in the UK (for merchant and consumers)	7,700	8,205	7,540
4. Staffing to support the growth of the business in the UK	3,300	3,516	1,495
5. Costs of the Offer	5,258	5,603	5,974
6. Other working capital	5,542	5,904	4,317
<b>Total</b>	<b>80,000</b>	<b>85,242</b>	<b>76,778</b>

- (1) Proceeds from the sell down at a foreign exchange (fx) rate NZ\$1.00 =A\$0.9209. The sell down was AUD40 million and the variance between the prospectus and actual payment relates to variances in fx rates.
- (2) Funding for the UK receivables book, NZ\$994k of costs incurred in legal and due diligence costs in respect of the VPC Facility for the UK business as well as NZ\$13 million in cash reserves used to fund the receivables book in the UK.
- (3) UK sales and marketing in the UK (for merchant and consumers) payments of NZ\$7.5 million have been made in respect of the UK market.

- (4) Staffing to support the growth of the business in the UK, during the period since listing additional resourcing have been employed in the areas of sales, marketing as well as additional support staff in the head office to support the growing UK business (HR, software development, customer support and merchant onboarding).
- (5) Costs of the offer paid after the listing were NZ\$5.9 million. This is NZ\$371k in additional costs than those anticipated at the time of writing the prospectus, which is slightly less than as reported in the September 2020 quarterly report.
- (6) Other working capital costs relate to the increased cash investment in the receivables book in ANZ (NZ\$1.3 million), other costs include accounting, professional fees incurred derived from be a listed company and recruitment costs (NZ\$1million), in respect of merchant marketing incentives paid to Australasian merchants (NZ\$0.3 million). Timing of indirect tax filings (NZ\$1.5million)

**Appendix 4C**
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**
**Name of entity:**

Laybuy Group Holdings Limited

**ABN**

ARBN 642 138 476

**Quarter ended ("current quarter")**

31 March 2021

<b>Consolidated statement of cash flows</b>		<b>Current quarter NZ\$'000</b>	<b>Year to date (12 months) NZ\$'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	135,566	449,874
1.2	Payments for		
	(a) research and development	(663)	(2,089)
	(b) product manufacturing and operating costs	(969)	(10,175)
	(c) advertising and marketing	(5,253)	(13,527)
	(d) leased assets	(221)	(668)
	(e) staff costs	(2,130)	(8,985)
	(f) administration and corporate costs	(1,346)	(7,838)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(362)	(813)
1.6	Income taxes paid	7	(300)
1.7	Government grants and tax incentives	-	107
1.8	Other (payments to merchants)	(123,676)	(450,710)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>953</b>	<b>(45,124)</b>

<b>Consolidated statement of cash flows (continued)</b>	<b>Current quarter NZ\$'000</b>	<b>Year to date (12 months) NZ\$'000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(26)	(118)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets (payments for development of intangible assets)	(388)	(2,031)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(414)</b>	<b>(2,149)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	86,872
3.2 Proceeds from issue of convertible debt securities	-	11,343
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(7,816)
3.5 Proceeds from borrowings	2,121	24,882

<b>Consolidated statement of cash flows (continued)</b>		<b>Current quarter NZ\$'000</b>	<b>Year to date (12 months) NZ\$'000</b>
3.6	Repayment of borrowings	(1,000)	(15,525)
3.7	Transaction costs related to loans and borrowings	-	(1,984)
3.8	Dividends paid	-	-
3.9a	Other (payment to original shareholders from sell down of shares)	-	(43,436)
3.9b	Other (payments for lease liabilities)	(57)	(217)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,064</b>	<b>54,119</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	13,420	9,856
4.2	Net cash from / (used in) operating activities (item 1.9 above)	953	(45,124)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(414)	(2,149)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,064	54,119
4.5	Effect of movement in exchange rates on cash held	464	(1,215)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>15,487</b>	<b>15,487</b>

<b>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</b>		<b>Current quarter NZ\$'000</b>	<b>Previous quarter NZ\$'000</b>
5.1	Bank balances	15,487	13,420
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-



<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>15,487</b>	<b>13,420</b>
------------	--	---------------	---------------

			<b>Current quarter NZ\$'000</b>
<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>		
6.1	Aggregate amount of payments to related parties and their associates included in item 1		339
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.*

		<b>Total facility amount at quarter end NZ\$'000</b>	<b>Amount drawn at quarter end NZ\$'000</b>
<b>7.</b>	<b>Financing facilities</b>		
	<i>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.</i>		
7.1	Loan facilities	177,387	15,633
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>177,387</b>	<b>15,633</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>3,436</b>

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.

Laybuy has in place two debt facilities which are used to support the customer loan book. A NZ\$20 million debt facility with Kiwibank to fund Laybuy New Zealand and Australia and a £80 million (~NZ\$157 million) debt facility with Victory Park Capital (VPC) to fund the UK business.

The Kiwibank facility is secured against the New Zealand and Australian receivables ledgers. The interest rate for the quarter was between 3.39%-3.50% and YTD was 3.39%-5.50%. The facility matures in December 2021, however Laybuy is currently working with Kiwibank for an extension to be granted. The drawn down balance at 31 March 2021 was NZ\$9.2 million.

The VPC facility is secured against the UK receivables ledger. The interest rate for the quarter was 12.25%. The initial draw down of £2.5 million was made on 28 August 2020, with additional drawdowns occurring during December 2020 totalling £750,000. There have not been any drawdowns during the March 2021 quarter.

The total drawn facility at 31 March was NZ\$6.4 million. The facility matures 5 years from the initial draw, on 28 August 2025.

As of 31 March, the total unused facilities available to be drawn down was NZ\$3.4 million, based on the consumer receivables balances. As the business grows and the receivable book increases, additional funding becomes available, subject to the total financing facility limits.

8. Estimated cash available for future operating activities	\$NZ\$'000
8.1 Net cash from / (used in) operating activities (item 1.9)	953
8.2 Cash and cash equivalents at quarter end (item 4.6)	15,487
8.3 Unused finance facilities available at quarter end (item 7.5)	3,436
8.4 Total available funding (item 8.2 + item 8.3)	18,923
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A as cash from operating activities in item 8.1 is positive

*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:

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: NA

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: NA

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

Answer: NA

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: 20 April 2021

Authorised by: Authorised by the Board of Directors  
(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: "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.