

ASX ANNOUNCEMENT (ASX: LBY)

25 May 2021

Notice of special shareholder meeting

Laybuy Group Holdings Limited confirms that the special shareholder meeting to approve the second tranche of the placement announced on 19 May 2021 will be held on **Thursday 10 June 2021, at 10.00am AEST/12.00pm NZT** via online platform.

Copies of the notice of meeting and proxy form relating to the meeting are attached.

For more information, please contact:

Jonathan Swain
Company Secretary
Email: investors@laybuy.com

This announcement was approved for release by Jonathan Swain, Company Secretary.

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.





Notice of Special Meeting of Shareholders

Notice is given that the Special Meeting (**Meeting**) of shareholders of Laybuy Group Holdings Limited ARBN 642 138 476 (**Laybuy** or **Company**) will be held as follows:

Date: Thursday, 10 June 2021
Time: 10:00 am (AEST) / 12:00pm (NZT)
Venue: Online at agmlive.link/LBY21

The Meeting will be a virtual meeting, which will be conducted online via an online platform provided by the Company's share registrar, Link Market Services Limited. Details on how to attend, vote your shares and submit questions during the Meeting are contained in this notice.

Letter from the Chair

25 May 2021

Dear Laybuy shareholder

On Wednesday, 19 May 2021, Laybuy Group Holdings Limited (**Laybuy**) announced it is undertaking a capital raising of up to A\$40 million, primarily to accelerate growth in the UK market. The capital raising includes a placement to raise A\$35 million (**Placement**) and a separate share purchase plan (**SPP**) to eligible Laybuy shareholders to raise up to a further A\$5 million.

Aspects of the capital raising require shareholder approvals. Laybuy will therefore hold a special meeting of shareholders at 10:00am (AEST), 12:00pm (NZT) on Thursday, 10 June 2021. The meeting will be held via the online platform outlined on page 6 of this notice.

On behalf of the directors of Laybuy, I am pleased to outline the opportunity and recommend that all shareholders vote in favour of the resolutions to be considered at the special meeting.

Purpose of the capital raising

Laybuy has seen significant growth in the United Kingdom (including growth in its gross merchandise value of 504% over the last financial year). Laybuy has several competitive advantages that will help it expand in this market, including exclusive partnerships, scalable technology and product innovation. Laybuy primarily intends to use the capital raised from the Placement and SPP to accelerate growth in the United Kingdom.

In particular, Laybuy intends to use the proceeds of the Placement and SPP (net of costs and expenses):

- to provide further funding to support the Laybuy's growth strategies in the United Kingdom;
- to invest in marketing and sales professionals to support the growth of the business in the United Kingdom;
- to invest in technology and products to continue the development of Laybuy's product offering for both consumers and merchants; and
- for general working capital.

Structure of the capital raising

The Placement is being conducted in two tranches:

- the issue of 26,169,334 shares at A\$0.50 per share, raising a total of approximately A\$13.1 million before costs and expenses (**First Tranche**); and
- the issue of 43,830,666 shares at A\$0.50 per share, raising a total of approximately A\$21.9 million before costs and expenses (**Second Tranche**).

Under the SPP, eligible shareholders as at the record date of Wednesday, 19 May 2021 and with a registered address in Australia and New Zealand will be offered the opportunity to subscribe for up to A\$30,000 in new fully paid ordinary shares, subject to scale-back in cases of high demand.

The shares under the Placement and SPP will be issued for A\$0.50 in cash per share. This price represents:

- a 26.5% discount to the last closing price of Laybuy's shares on ASX on 17 May 2021 (the last day before the announcement of the Placement and SPP); and

- a 26.0% discount to the 5-day volume weighted average price of Laybuy's shares ended 17 May 2021.

Shareholder approval

The special meeting is being held because the Second Tranche of the Placement and the SPP cannot be implemented without shareholder approval for the purposes of the ASX Listing Rules and the *Companies Act 1993* (NZ), for the reasons explained in this notice. Although the First Tranche of the Placement does not require shareholder approval to be implemented (and is scheduled to complete on Wednesday, 26 May 2021), shareholders at the meeting will also be asked to ratify the First Tranche of the Placement to 'refresh' Laybuy's 15% placement capacity under the ASX Listing Rules.

Each of Gary Rohloff, Robyn Rohloff and Pioneer Capital Ferdinand Limited (together representing approximately 55% of the shares currently on issue) has indicated to Laybuy that they intend to vote in favour of each of the resolutions set out in this Notice.

Further information about the approvals sought are contained in this notice. The Board encourages you to carefully read the materials in this notice and the other information referred to in it, including Laybuy's announcement and investor presentation released to the ASX on Wednesday, 19 May 2021.

Eligible shareholders will also be sent an offer booklet for the SPP with additional information relevant to their assessment of whether to apply for shares in the SPP.

On behalf of the Board, I encourage you attend the meeting and to vote in favour of each of the resolutions to be considered at it, to enable Laybuy to raise the funds to accelerate growth in the United Kingdom.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steven Fisher', written in a cursive style.

Steven Fisher
Chair

Items of business

- A** Chair's introduction and address
- B** Resolutions
- C** Shareholder questions

Resolutions

Shareholders will be asked to consider, and if thought fit, to pass the following resolutions:

Resolution 1 – Ratification of prior issue of shares under the First Tranche of the Placement

To consider and, if thought fit, pass the following resolution as a separate ordinary resolution:

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify and approve the prior allotment and issue of 26,169,334 fully paid ordinary shares in the Company at an issue price of A\$0.50 per share under the first tranche of the placement to professional and sophisticated investors, on the terms and conditions set out in the accompanying Explanatory Memorandum.

Note: a voting exclusion statement applies to this resolution (see the Explanatory Memorandum for details).

Resolution 2 – Approval of the issue of shares under the Second Tranche of the Placement

To consider and, if thought fit, pass the following resolution as a separate ordinary resolution:

Subject to shareholders approving Resolution 4, that for the purpose of ASX Listing Rule 7.1 and all other purposes, the shareholders approve the allotment and issue of 43,830,666 fully paid ordinary shares in the Company at an issue price of A\$0.50 per share under the second tranche of the placement to professional and sophisticated investors, on the terms and conditions set out in the accompanying Explanatory Memorandum.

Note: a voting exclusion statement applies to this resolution (see the Explanatory Memorandum for details).

Resolution 3 – Approval of the issue of shares under the SPP

To consider and, if thought fit, to pass the following resolution as a separate ordinary resolution:

*Subject to shareholders approving Resolution 4, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders approve the allotment and issue of 10,000,000 fully paid ordinary shares in the Company at an issue price of A\$0.50 per share under a security purchase plan to eligible shareholders in Australia and New Zealand (**SPP**), on the terms and conditions in the accompanying Explanatory Memorandum*

Note: a voting exclusion statement applies to this resolution (see the Explanatory Memorandum for details).

Resolution 4 – Approval of the issue of shares under the Second Tranche of the Placement and the Share Purchase Plan as a 'major transaction'

To consider and, if thought fit, pass the following resolution as a separate special resolution:

That, for the purpose of section 129 of the Companies Act 1993 and all other purposes, the shareholders approve:

- (a) *the allotment and issue of 43,830,666 fully paid ordinary shares in the Company at an issue price of A\$0.50 per share under the second tranche of the placement to professional and sophisticated investors referred to in Resolution 2; and*
 - (b) *the allotment and issue of 10,000,000 fully paid ordinary shares in the Company at an issue price of A\$0.50 per share under the SPP referred to in Resolution 3,*
- on the terms and conditions set out in the accompanying Explanatory Memorandum.*

Note: Shareholders who cast all of the votes attached to shares registered in that shareholder's name and having the same beneficial owner against the resolution may have minority buy-out rights should the resolution pass (see the Explanatory Memorandum for details).

By order of the Board.



Jonathan Swain
Company Secretary

25 May 2021

Important information

Attendance

The Meeting will be held via an online platform provided by Laybuy's share registry, Link Market Services Limited (**Link**) at agmlive.link/LBY21, which will provide a reasonable opportunity for shareholders to participate. Shareholders attending the Meeting via the online platform will be able to hear any discussion, submit written questions and vote. We will endeavour to address appropriate questions at the Meeting.

We strongly recommend that shareholders who wish to participate log-in to the online portal at least 15 minutes prior to the scheduled start time.

More information regarding virtual attendance at the Meeting (including how to vote and ask questions) is available in the Online Portal Guide on Laybuy Group Holdings Limited's Investor Centre at www.laybuyinvestors.com.

All resolutions will be by poll

Each resolution considered at the Meeting will be conducted by a poll, rather than on a show of hands.

Voting

Shareholders can vote at the Meeting:

- through the online platform; or
- by appointing a proxy (see below).

The Board approves the use of the online platform as a means of participating and voting electronically in this Meeting under clause 16.16 of Laybuy's Constitution and clause 14 of Schedule 1 of the *Companies Act 1993* (NZ) (**Companies Act**).

Voting entitlements

Voting entitlements for the Meeting will be determined as at 9.00pm NZT (7.00pm AEST) on Tuesday, 8 June 2021.

Shareholders registered at that time will be the only persons entitled to vote at the Meeting and only the shares registered in those shareholders' names at that time may be voted at the Meeting.

Proxies

If you are entitled to attend and vote at the Meeting, you may appoint a proxy to attend and vote for you by completing and following the instructions on the accompanying Proxy Form.

In order to complete the validation process to appoint a proxy online, you will need your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode or country of residence. If you need to obtain these details, please contact Link well in advance via the contact details in the Proxy Form.

The person you appoint as proxy is not required to be a Laybuy shareholder. If you are entitled to cast two or more votes at the Meeting, you may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the appointment does not specify the proportion or number of votes, each proxy may exercise half of the votes (any fraction votes will be disregarded).

If you appoint a proxy, you may either direct your proxy how to vote for you (directed proxy) or you may give your proxy discretion to vote as they see fit (undirected proxy). If you wish to give your proxy discretion, then do not tick any box for a resolution. If you have directed your proxy to vote, and they fail

to attend the Meeting or they choose to not vote, then, on a poll, the Chair of the Meeting will become your proxy and vote your proxies as directed by you. If you submit a proxy, you are encouraged to direct your proxy whether to vote for or against or to abstain from voting on each resolution. If you tick more than one box for a resolution, without specifying the portion of voting rights to be voted for or against, your vote on that resolution will be invalid.

If you return a completed and signed Proxy Form, but do not nominate a proxy, the Chair of the Meeting will become your proxy.

The Chair of the Meeting and any director appointed as proxy for a person who is entitled to vote (including where the Chair of the Meeting is appointed as proxy by default) intend to vote all undirected proxies in favour of the relevant resolution.

Your completed Proxy Form must be received by Link no later than 12:00pm NZT (10:00am AEST) on Tuesday, 8 June 2021. Any Proxy Form received after that time will not be valid for the Meeting.

Powers of Attorney

If you have appointed an attorney to attend and vote at the Meeting, or if your Proxy Form is signed by an attorney, you must provide the power of attorney (or a certified copy of the power of attorney) to Link by 12:00pm NZT (9:00am AEST) on Tuesday, 8 June 2021, unless the document has previously been lodged with Link.

Corporate representatives

A corporate shareholder may appoint a person to act as its representative. A Certificate of Appointment of Corporate Representative must be received by Link no later than 12:00pm NZT (10:00am AEST) on Tuesday, 8 June 2021. Any Certificate received after that time will not be valid for the Meeting. A Certificate of Appointment of Corporate Representative may be obtained from Link.

Requisite majorities

Resolutions 1, 2 and 3 are ordinary resolutions requiring the approval of a simple majority of the votes of those shareholders entitled to vote and voting, in order for the resolutions to be passed. Resolutions 1 and 2 are subject to certain voting exclusions, as described in the Explanatory Memorandum.

Resolution 4 is a special resolution requiring the approval by a majority of 75% or more of the votes of those shareholders of the Company entitled to vote and voting on the resolution, in order for the resolution to be passed.

More information

If you have any questions about this notice, please contact the Company at investors@laybuy.com.

EXPLANATORY MEMORANDUM

Introduction

Overview of capital raising

As outlined in the announcement released to the ASX on Wednesday, 19 May 2021, the Company is undertaking a placement to raise approximately A\$35 million (**Placement**) and a separate share purchase plan to retail shareholders in Australia and New Zealand to raise up to a further A\$5 million (**SPP**).

The shares under the Placement and SPP will be issued for A\$0.50 in cash per share. This price represents:

- a 26.5% discount to the last closing price of Laybuy's shares on ASX on 17 May 2021 (the last day before the announcement of the Placement and SPP); and
- a 26.0% discount to the 5-day volume weighted average price of Laybuy's shares ended 17 May 2021.

The Company intends to use the proceeds of the Placement and SPP (net of costs and expenses):

- to provide further funding to support the Company's growth strategies in the United Kingdom;
- to invest in marketing and sales professionals to support the growth of the business in the United Kingdom;
- to invest in technology and products to continue the development of the Company's product offering for both consumers and merchants; and
- for general working capital.

Summary of the Placement

The Placement is being conducted in two tranches:

- the issue of 26,169,334 fully paid ordinary shares to sophisticated and professional investors at A\$0.50 per share, raising a total of A\$13,084,667 before costs and expenses (**First Tranche**) under the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1. The Company expects to issue the shares under the First Tranche on Wednesday, 26 May 2021; and
- the issue of 43,830,666 fully paid ordinary shares to sophisticated and professional investors at A\$0.50 per share, raising a total of A\$21,915,333 before costs and expenses (**Second Tranche**), the completion of which is subject to shareholder approval of Resolutions 2 and 4.

Bell Potter Securities Limited, Canaccord Genuity (Australia) Limited and E&P Corporate Advisory Pty Limited (**JLMs**) are joint lead managers for the Placement and SPP.

Summary of the SPP

In addition to the Placement, the Company is offering shareholders with a registered address in Australia and New Zealand the opportunity to subscribe for up to A\$30,000 in new fully paid ordinary shares under the SPP at a price of A\$0.50 per share (i.e. the same price as under the Placement).

The Company intends to raise a maximum of A\$5 million under the SPP (10,000,000 shares) before costs and expenses, however the Company will have the discretion to reduce this amount. Should any scale back be necessary, it is the Company's intention that any scale back arrangements will be made

having regard to the pro rata holdings of shareholders who apply for shares. The SPP will not be underwritten.

Participation in the SPP will be optional. To be eligible to participate, a person must have been a registered holder of the Company's shares at 9pm NZT (7pm AEST) on Tuesday 18 May 2021 and have their registered address in Australia or New Zealand. Persons will not be entitled to participate in the SPP if they hold shares on behalf of persons residing outside Australia or New Zealand, if they are in the United States, or if they are acting for the account or benefit of a person in the United States.

The SPP is currently expected to open on Wednesday, 26 May 2021 and close on Wednesday, 16 June 2021; however the Company retains the right to change these dates or withdraw the SPP entirely (including if Resolutions 3 or 4 are not passed).

Although the SPP is expected to open for applications before the Meeting, the SPP is contingent on Resolution 3 being approved by ordinary resolution and Resolution 4 being approved by special resolution. Accordingly, the SPP will not proceed, and no shares will be issued under the SPP, unless shareholders approve Resolutions 3 and 4. If Shareholders do not approve Resolutions 3 and 4, or if the SPP is withdrawn or applications scaled back, the relevant funds received from any shareholder in connection with the SPP will be returned to the shareholder.

The Company expects to send an offer booklet to eligible shareholders by Wednesday, 26 May 2021. It will contain additional information on the SPP, including as to how applications may be made. Copies of the offer booklet will also be available from www.asx.com.au and www.laybuyinvestors.com once released.

Resolution 1 – Ratification of prior issue of shares under the First Tranche of the Placement

As noted above, the Company has received commitments to raise A\$13,084,667 under the First Tranche of the Placement and the shares under the First Tranche are expected to be issued on Wednesday, 26 May 2021 (i.e. before the Meeting).

Shareholder approval of the First Tranche was not required for the agreements in relation to the First Tranche to be entered into. The shares agreed to be issued under the First Tranche fall within the Company's existing placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of the 12 month period (or at the time of listing on the ASX, if earlier).

ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Resolution 1 seeks shareholder ratification and approval under ASX Listing Rule 7.4 for the issue by the Company of 26,169,334 shares under the First Tranche. If Resolution 1 is approved, the Company's 15% placement capacity under ASX Listing Rule 7.1 will be refreshed from the date of the Meeting.

Consequences if Resolution 1 is approved

If Resolution 1 is approved, the 26,169,334 shares issued under the First Tranche will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the issue date under the First Tranche.

Consequences if Resolution 1 is not approved

If Resolution 1 is not approved, the 26,169,334 shares issued under the First Tranche will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the issue date under the First Tranche.

Specific disclosure of information

ASX Listing Rule 7.5 and ASX Guidance Note 21 require that the following information be provided to shareholders in relation to the shares to be issued under the First Tranche:

- (a) The total number of shares to be issued by the Company under the First Tranche is 26,169,334 shares.
- (b) The shares will be issued at A\$0.50 per share.
- (c) The shares will be fully paid ordinary shares, issued on the same terms as, and ranking equally in all respects with, the Company's existing fully paid ordinary shares on issue.
- (d) The shares will be issued to sophisticated and professional investors identified by the JLMs and the Company.
- (e) The shares are expected to be issued on Wednesday, 26 May 2021 (i.e. before the Meeting).

- (f) The Company intends to use the net proceeds of the First Tranche for the purposes described under the heading 'Overview of capital raising' above.

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who participated in the First Tranche or any of their associates. However, the Company need not disregard a vote cast in favour of Resolution 1 if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on Resolution 1 in that way; or
- the person chairing the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and
 - the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

Directors' recommendation

The directors unanimously recommend that shareholders vote in favour of this resolution.

Chair's voting intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of this resolution.

Resolution 2 – Approval of the issue of shares under the Second Tranche of the Placement

As noted above, the Company has received commitments to raise A\$21,915,333 under the Second Tranche of the Placement.

Resolution 2 seeks shareholder approval under ASX Listing Rule 7.1 for the issue of the shares under the Second Tranche. Resolution 2 is conditional on Resolution 4 also being approved. If Resolution 4 is not approved, the Second Tranche will not proceed even if Resolution 2 is approved.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of the 12 month period (or at the time of listing on the ASX, if earlier). Unless ASX Listing Rule 7.1A applies or an exception applies, issues of equity securities exceeding this 15% limit require shareholder approval.

Consequences if Resolution 2 is approved

If shareholders approve Resolutions 2 and 4, the Company will complete the Second Tranche shortly following the Meeting. The shares issued under the Second Tranche will then be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the issue date under the Second Tranche.

Consequences if Resolution 2 is not approved

If shareholders do not approve Resolutions 2 and 4, the Second Tranche will not proceed and the Company will need to seek funding through other, and at this time unidentified, sources. There is no assurance that additional funding will be available or can be secured on acceptable terms.

Specific disclosure of information

ASX Listing Rule 7.3 and ASX Guidance Note 21 require that the following information be provided to shareholders in relation to the shares proposed to be issued under the Second Tranche:

- (a) The total number of shares to be issued by the Company under the Second Tranche is 43,830,666 shares.
- (b) The shares will be issued at A\$0.50 per share.
- (c) The shares will be fully paid ordinary shares, issued on the same terms as, and ranking equally in all respects with, the Company's existing fully paid ordinary shares on issue.
- (d) The shares will be issued to sophisticated and professional investors identified by the JLMs and the Company.
- (e) The shares are expected to be issued on Thursday, 17 June 2021, and in any case, within 3 months after the date of the Meeting.
- (f) The Company intends to use the net proceeds of the Second Tranche for the purposes described under the heading 'Overview of capital raising' above.

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- a person who is expected to participate in the Second Tranche; or
- a person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of shares,

or any of their associates. However, the Company need not disregard a vote cast in favour of Resolution 2 if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with directions given to the proxy or attorney to vote on Resolution 2 in that way; or
- the person chairing the meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction given to the Chair to vote on Resolution 2 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 2; and
 - the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

Directors' recommendation

The directors unanimously recommend that shareholders vote in favour of this resolution.

Chair's voting intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of this resolution.

Resolution 3 – Approval of the issue of shares under the SPP

Under the SPP, each Eligible Holder (as defined below) will have the opportunity to subscribe for up to A\$30,000 worth of shares at an issue price of A\$0.50 per share, the same price as under the Placement.

The SPP offer is being made to registered holders of the Company's shares with a registered address in Australia and New Zealand (**Eligible Holders**).

The Company is seeking to raise A\$5 million under the SPP (before costs) by the issue of 10,000,000 shares. The SPP is not underwritten.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of the 12 month period (or at the time of listing on the ASX, if earlier). Unless ASX Listing Rule 7.1A applies or an exception applies, issues of equity securities exceeding this 15% limit require shareholder approval.

Consequences if Resolution 3 is approved

If shareholders approve Resolutions 3 and 4, shares will be issued under the SPP on or about Friday, 25 June 2021 (subject to the Company's discretion to change the timetable and to withdraw the SPP). The shares issued under the SPP will then be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the issue date under the SPP.

Consequences if Resolution 3 is not approved

If shareholders do not approve Resolutions 3 and 4, the SPP will not proceed and the Company will need to seek funding through other, and at this time unidentified, sources. There is no assurance that additional funding will be available or can be secured on acceptable terms.

Specific disclosure of information

ASX Listing Rule 7.3 and ASX Guidance Note 21 require that the following information be provided to shareholders in relation to the shares proposed to be issued under the SPP:

- (a) The total number of shares to be issued by the Company under the SPP is 10,000,000 shares.
- (b) The shares will be issued at A\$0.50 per share.
- (c) The shares will be fully paid ordinary shares, issued on the same terms as, and ranking equally in all respects with, the Company's existing fully paid ordinary shares on issue.
- (d) The shares will be issued to Eligible Holders.
- (e) The shares are expected to be issued on Friday, 25 June 2021, and in any case, within 3 months after the date of the Meeting.
- (f) The Company intends to use the net proceeds of the SPP for the purposes described under the heading 'Overview of capital raising' above.

ASX Waivers

The Company has applied for a waiver from the requirement to include a voting exclusion statement under ASX Listing Rule 7.3.9. Without the waiver, Eligible Holders who intend to participate in the SPP will be prohibited from voting on Resolution 3.

The Company has also applied for a waiver from ASX Listing Rule 10.11 to allow the directors of the Company, their associates and other persons specified in ASX Listing Rule 10.11 to participate in the SPP. If the waiver is not granted, the Company will not permit such persons to participate in the SPP.

Voting exclusion

If ASX does not grant the requested waiver from ASX Listing Rule 7.3.9, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a person who is expected to participate in the SPP; or
- a person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of shares,

or any of their associates. However, the Company need not disregard a vote cast in favour of Resolution 3 if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- the person chairing the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on Resolution 3 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and
 - the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

Directors' recommendation

The directors unanimously recommend that shareholders vote in favour of this resolution.

Chair's voting intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of this resolution.

Resolution 4 – Approval of the issue of shares under the Second Tranche of the Placement and the Share Purchase Plan as a ‘major transaction’

Special resolution

Resolution 4 is a “special resolution”. A special resolution means a resolution approved by a majority of 75% or more of the votes of those shareholders of the Company entitled to vote and voting on the resolution.

Major transaction

Under section 129 of the Companies Act 1993 (**Companies Act**), a company must not enter into a “major transaction” unless the transaction is approved, or contingent on approval by, a special resolution of shareholders. A major transaction includes the acquisition of, or agreement to acquire, assets the value of which is more than half the value of the company’s assets before the acquisition. A major transaction also includes a transaction that has, or is likely to have, the effect of the company incurring obligations or liabilities, including contingent liabilities, the value of which is more than half the value of the company’s assets before the transaction.

The issue of the Second Tranche of the Placement and the SPP requires approval of the shareholders of the Company, by way of a special resolution, as a “major transaction” under section 129 of the Companies Act as the aggregate of the cash proceeds to be received by the Company from the issue of the First Tranche of the Placement, the Second Tranche of the Placement and the SPP is expected to be more than half of the Company’s gross assets.¹

Resolution 4 will only be effective if approved by a special resolution at the Meeting.

Consequences if Resolution 4 is approved

If shareholders approve Resolution 4, the Company will complete the Second Tranche of the Placement shortly following the Meeting and shares will be issued under the SPP on or about Friday 25 June 2021 (subject to the Company’s discretion to change the timetable and to withdraw the SPP).

Minority buy-out rights detailed below will apply if Resolution 4 is passed.

Consequences if Resolution 4 is not approved

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Second Tranche of the Placement or the SPP.

Minority buy-out rights detailed below will not apply if Resolution 4 is not passed.

Minority buy-out rights

Minority buy-out rights may apply to Resolution 4. If a Shareholder casts all the votes attached to the shares in the Company registered in that shareholder’s name and having the same beneficial owner against Resolution 4, and Resolution 4 passes, then that shareholder is entitled to require the Company to purchase those shares if the shareholder elects to do so under and in accordance with section 111 of the Companies Act.

The Companies Act prescribes specific procedures in relation to the exercise of such minority buy-out rights, including that a Shareholder who is entitled, and wishes, to exercise such rights must give written

¹ The total consolidated assets of the Company and its subsidiaries had a book value of approximately NZ\$60.06 million as at 31 March 2021 (unaudited).

notice to the Company within 10 working days of the passing of Resolution 4 (currently expected to be approximately 12:00 pm (New Zealand time) on Thursday, 24 June 2021).

Within 20 working days of receipt of a written notice from a shareholder, the Board must:

- agree to the purchase of the shares by the Company; or
- arrange for some other person to agree to purchase the shares; or
- apply to the court for an order exempting the Company from the obligation to purchase the shares on grounds specified in sections 114 and 115 of the Companies Act; or
- arrange for the relevant special resolution to be rescinded by special resolution of shareholders (in accordance with section 106 of the Companies Act), or decide in the appropriate manner not to proceed with the Second Tranche of the Placement and the SPP.

The Board's decision must be provided to the shareholder in a written notice within that specified 20 working day period.

If the Board agrees to purchase the shares, the Board must offer a price for the shares that the Board considers to be fair and reasonable as at the close of business on the day before the Meeting. Shareholders are entitled to object to the price offered in accordance with the process set out in the Companies Act, in which case a fair and reasonable price will be determined by arbitration.

Any Shareholder wishing to exercise these buy-out rights should seek independent legal and financial advice.

Directors' recommendation

The directors unanimously recommend that shareholders vote in favour of this resolution.

Chair's voting intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of this resolution.

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Laybuy Group Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Laybuy Group Holdings Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Special Meeting of Shareholders to be held at **10:00am (Sydney time) on Thursday, 10 June 2021 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/LBY21> (refer to details in the Virtual Meeting Online Guide).

The Chair of the Meeting intends to vote undirected proxies in favour of each Resolution.

STEP 1

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Ratification of prior issue of shares under the First Tranche of the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of the issue of shares under the Second Tranche of the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of the issue of shares under the Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of the issue of shares under the Second Tranche of the Placement and the Share Purchase Plan as a 'major transaction'	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular resolution, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously provided to the registry, or a certified copy attached to this form, and a signed certificate of non-revocation should accompany this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

LBY PRX2101N

STEP 2

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON RESOLUTIONS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each resolution. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark a box opposite each resolution, your proxy may vote as he or she chooses on that resolution. If you mark more than one box on a resolution without specifying the portion of voting rights to be voted for or against, your vote on that resolution will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry together with a signed certificate of non-revocation. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Special Meeting of Shareholders. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Sydney time) on Tuesday, 8 June 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Laybuy Group Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)