

ASX ANNOUNCEMENT (ASX: LBY)

14 January 2021

Laybuy delivers record quarter for Q3 FY21

Laybuy Group Holdings Limited (Laybuy) is pleased to provide an update on trading for the three months ended 31 December 2020 (Q3 FY21). Laybuy plans to release its Appendix 4C on 28 January 2021.

All numbers are stated in New Zealand dollars (NZ\$) and relate to the three months ended 31 December 2020 (Q3 FY21) and comparisons relate to the three months ended 31 December 2019 (Q3 FY20 or PcP) or the three months ended 30 September 2020 (Q2 FY21 or QoQ), unless stated otherwise.

Q3 FY21 Highlights

- Gross Merchandise Value (GMV) achieved a record of NZ\$182m in Q3 FY21 (an increase of 184% on PcP and 44% on Q2 FY21), and represents Annualised¹ GMV of NZ\$730m
- GMV records were set in all markets, with November a new record reporting GMV of NZ\$71m, up 220% on PcP, driven by key strategic initiatives as well as strong Black Friday and holiday sales
- Momentum from the Black Friday week continued into December, with GMV of NZ\$67m, up 168% on PcP and the second highest trading month across all regions
- Online sales continued to dominate in December during the UK COVID-19 restrictions, while in-store contributions in the Australia and New Zealand (ANZ) region increased, supported by the “Tap to Pay” in-store solution launch
- Active Customers² reached 687,000 and increased by a record 119,000 during the quarter (+371,000 or 117% growth on PcP)
- Active Merchants³ reached over 8,000 and increased by a record 1,684 during the quarter (+3,126 or 64% growth on PcP)
- Laybuy UK saw significant growth in Active Customers (up 439% on PcP) and Active Merchants (up 427% on PcP)
- Laybuy’s customer loyalty continues to improve as share of repeat customers increased to 59% in UK compared to 37% on PcP
- Laybuy US was beta launched late in the quarter, with UK and ANZ merchants which ship to the US, making Laybuy US accessible to US customers as part of the soft launch

Managing Director Gary Rohloff said “Laybuy experienced a highly successful trading quarter with exceptional GMV growth across all existing regions. We delivered new records for the number of active customers and merchants, highest trading day, trading week and trading month driven by key initiatives (including the launch of “Tap to Pay” for in-store purchases in partnership with Mastercard) and record Black Friday and holiday sales.”

1. Annualised GMV is calculated by multiplying the actual GMV for Q3 FY21 by four. GBP and AUD denominated GMV have been converted to NZD at the average historical exchange rates for the Q3 FY21 quarter.
2. An ‘Active Customer’ is a customer who has made a purchase through the Laybuy platform with the 12 months prior to the relevant period.
3. 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



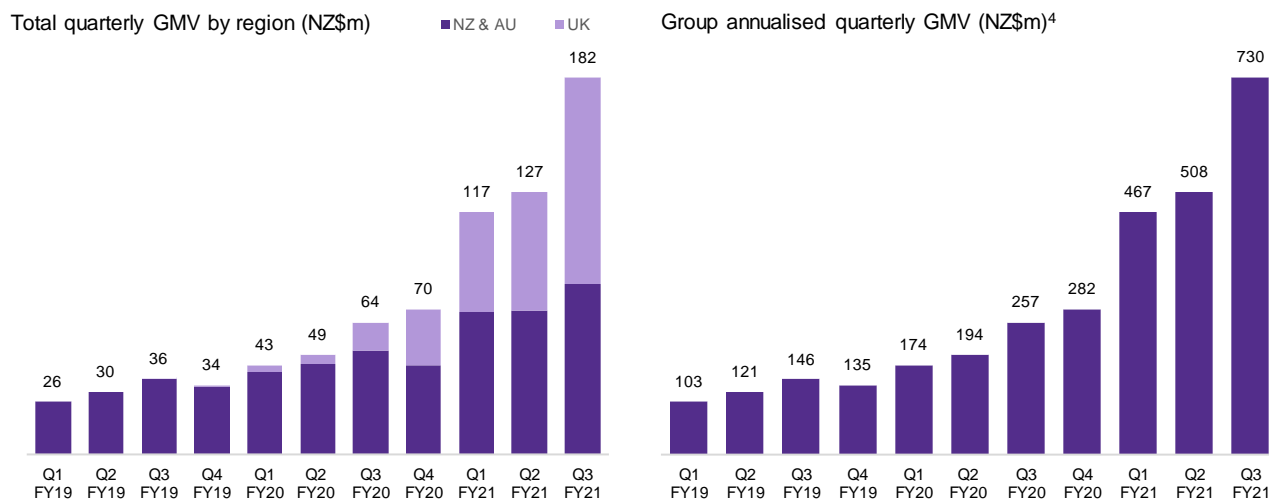
Key Operational Metrics

The table below presents the Laybuy group's (the Group's) key operational metrics for Q3 FY21 as well as Q2 FY21 and Q3 FY20, which have been prepared based on unaudited management information. Revenue, Gross Losses and Net Transaction Margin will be provided with the Appendix 4C update.

\$NZm	Q3 FY21	Q2 FY21 (QoQ)	Q3 FY20 (PcP)	% increase on Q2 FY21 (QoQ)	% increase on Q3 FY20 (PcP)
UK GMV	100	58	14	74%	624%
ANZ GMV	82	69	50	18%	63%
GMV	182	127	64	44%	184%
Annualised UK GMV	401	231	55	74%	624%
Annualised ANZ GMV	329	277	201	18%	63%
Annualised GMV	730	508	257	44%	184%
Active Customers	687,000	568,000	316,000	21%	117%
Active Merchants	8,007	6,323	4,881	27%	64%

GMV

The graphs below present the Group's actual and annualised GMV figures for each quarter from Q1 FY19 to Q3 FY21.



Laybuy has seen significant growth in all its key operational metrics in Q3 FY21. The Group's GMV for Q3 FY21 was NZ\$182 million, with annualised GMV increasing by 184% on PcP to NZ\$730 million. The UK contributed significantly to this uplift with annualised UK GMV increasing from NZ\$55 million in Q3 FY20 to NZ\$401 million in Q3 FY21, for the first time exceeding the ANZ region.

4. Annualised GMV is based on annualising the GMV for the relevant quarter



November 2020 GMV set a new record of NZ\$ 71m (220% increase PcP), up from a previous record of NZ\$45m set the month prior. The Black Friday sales week was the best week in trading history, finishing at NZ\$22m of GMV, up 44% on the week prior. This momentum continued into December with strong holiday sales, resulting in GMV for the month of \$67m (168% increase on PcP). In 2019, Black Friday sales occurred in November and Cyber Monday sales occurred in December, and in 2020 both Black Friday and Cyber Monday sales occurred in November.

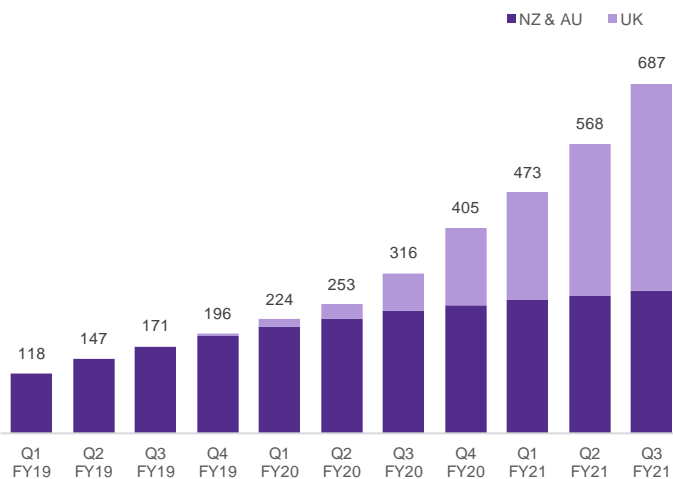
This record reflects key strategic initiatives to increase active merchants and a significant number of Laybuy events leading up to the Black Friday/Cyber Monday retail events. These initiatives include the launch of the partner programme in Q2 with major e-commerce platforms and the “Tap to Pay” in-store solution launch in Q3. Material merchants added in Q3 FY21 include Wilko and Select Fashion in the UK; EB Games, Culture Kings, Mi Piaci, Mocka and Cotton On in ANZ. These new brands complement existing partners like JD Sports, Boohoo and The Hutt Group (UK).

Not surprisingly, COVID-19 restrictions in the UK have continued to accelerate a shift from instore to online purchasing. Laybuy expects that instore GMV will increase with the launch of Laybuy’s digital card product, however this is on hold in the UK until restrictions lift.

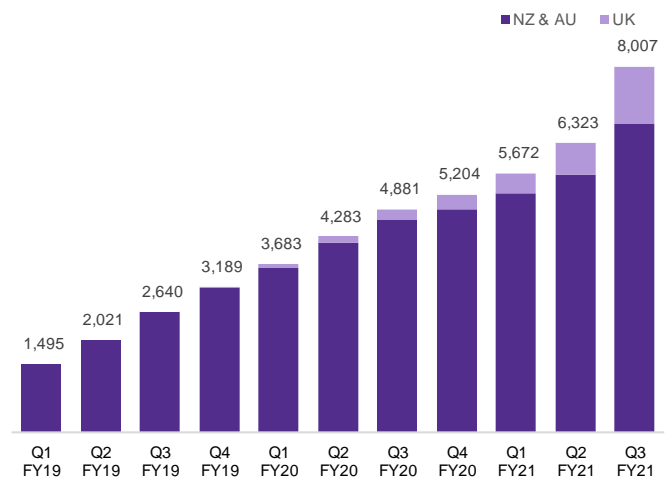
Active Customers and Merchants

The graphs below present the Group’s growth in Active Customers and Active Merchants on a quarterly basis, as well as percentage of repeat customers.

Active Customers by region ('000)⁵



Active Merchants by region⁶

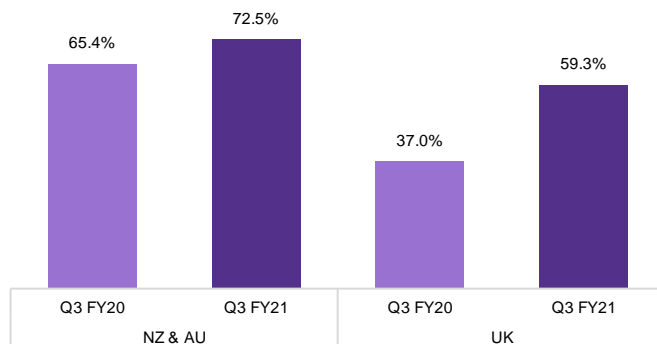


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Repeat customers as a % of active customers⁷



The increase in GMV and customers was driven by the strong Black Friday and holiday sales period, the 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 687,000 in Q3 FY21, an uplift of 119,000 (21%) QoQ and 371,000 (117%) on PcP. Active Merchants at the end of Q3 FY21 totalled 8,007 (64% growth compared to PcP), with the UK increasing by 1,024 on PcP (427%) and expected to grow further in Q4 FY21.

At the end of Q2 FY21, Laybuy launched its global partner programme, which is a set of strategic relationships and integrations with over 20 e-commerce platforms and agencies. Major global e-commerce platforms include BigCommerce, Shopify, Wix, nopCommerce, Aurora Commerce and others, offering Laybuy accesses to a broad range of merchants through a seamless integration process. As a result, merchant numbers accelerated in Q3 FY21 due to this programme, and we expect it to continue to drive strong merchant take up.

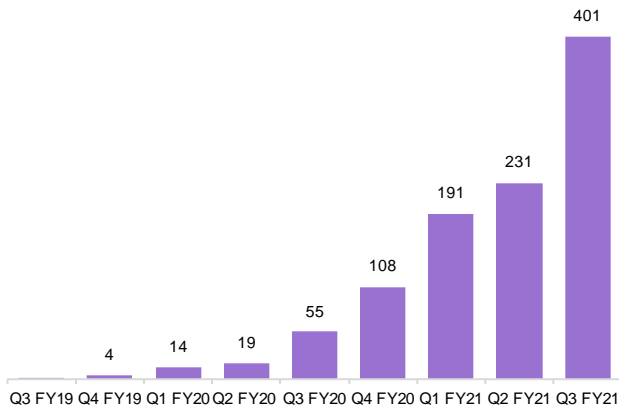
In Q3 FY21, increased purchasing frequency was seen across both the ANZ and the UK regions with Repeat Customers⁷ increasing from 65% to 73% on PcP in ANZ, and 37% to 59% on PcP in the UK. Purchasing frequency in the UK is ahead of where NZ was at a similar maturity indicating the UK market's growing responsiveness to BNPL.

⁷. 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.

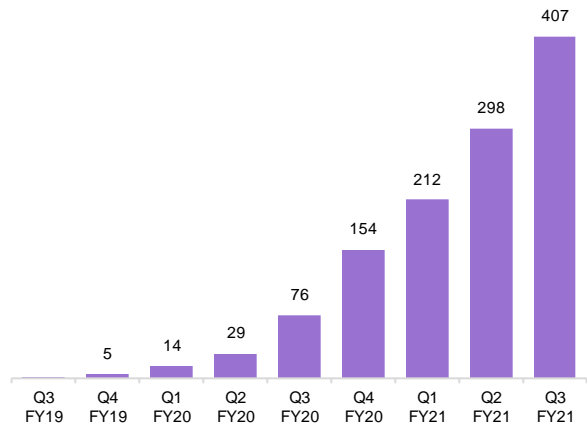


Laybuy UK

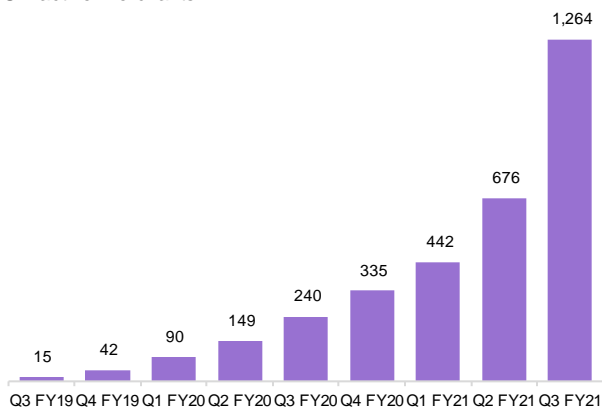
UK annualised GMV (\$NZm)⁸



UK active customers ('000)⁹



UK active merchants¹⁰



Laybuy UK experienced record growth in Active Customers and GMV, driven by increased customer demand, key initiatives launched and strong Black Friday and holidays season sales. GMV for the UK increased to a record NZ\$100m in Q3 FY21, an annualised GMV of NZ\$401m, representing a 74% increase on Q2 FY21 and 624% increase on Q3 FY20.

The addition of several small and medium merchants as a part of Laybuy's strategy to target smaller merchants through partners and outbound marketing further supported this in Q3 FY21. These merchants tend to be faster to onboard and attract higher merchant fees.

8. Annualised GMV is based on annualising the GMV for the relevant quarter

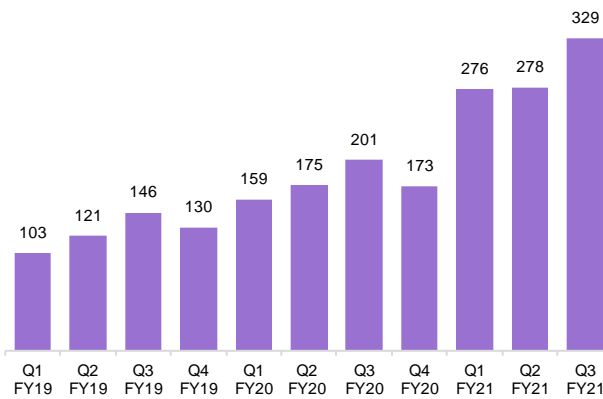
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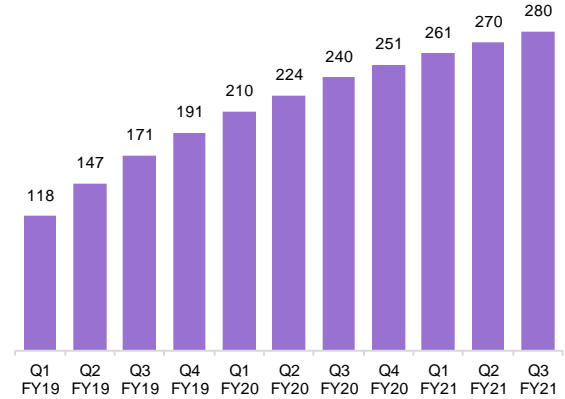


Laybuy ANZ

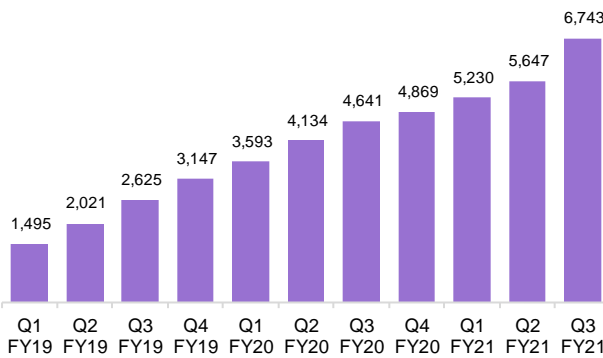
ANZ annualised GMV (NZ\$m)¹¹



ANZ active customers ('000)¹²



ANZ active merchants¹³



Laybuy's New Zealand and Australian (ANZ) business continues to see sustained growth with increased purchasing frequency, repeat customers and merchant acquisition. Key initiatives launched and strong Black Friday and holiday season sales resulted in record GMV for the ANZ region. GMV increased to \$82 million in Q3 FY21, an annualised GMV of NZ\$329m, representing an 18% increase on Q2 FY21 and 63% increase on Q3 FY20.

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.

11. Annualised GMV is based on annualising the GMV for the relevant quarter

12. An 'Active Customer' is a customer who has made a purchase through the Laybuy platform with the 12 months prior to the relevant period

13. 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



Outlook

Laybuy continues to focus on growing its presence in New Zealand, Australia and in particular the UK. With the launch of several key initiatives including the partner programme, “Tap to Pay” and a collaboration with Prezzy to launch the Laybuy Gift Card store, Laybuy remains confident of continued strong growth in Q4 FY21 of both merchants and customers.

On-line sales will continue to dominate in the UK, while the COVID-19 restrictions continue, and Laybuy waits to launch the “Tap to Pay” solution in this market when restrictions ease to drive instore sales.

During Q4 FY21, Laybuy expects to continue its US market entry following its soft launch in Q3 FY21 with US customers being able to transact on the platform with UK and ANZ based merchants that currently ship to the US via Laybuy US.

For more information, please contact:

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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 8,000 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.

