

ASX ANNOUNCEMENT (ASX: LBY)
19 May 2021

Laybuy completes A\$35 million placement to accelerate growth in the UK market and a partnership that adds more than 5,000 merchants to the platform

Investment Highlights

- Laybuy has successfully completed a capital raise of A\$35m from new and existing institutional and sophisticated investors.
- Funds raised are to be invested in technology, marketing and people to accelerate Laybuy's growth in the UK market.
- SPP to be offered to Australian and New Zealand investors, raising up to A\$5m.
- Laybuy also entering strategic partnerships with Rakuten, AWIN and Sovrn, providing access to more than 5,000 merchants in the UK including **ASOS, Nike, Marks & Spencer, Amazon and eBay**.
- Laybuy affirms it is on track for **GMV to exceed NZ\$1bn, and for revenue to grow between 90% and 100%, in FY22**.

Buy Now Pay Later (BNPL) provider Laybuy (ASX:LBY) today confirmed it has successfully undertaken a capital raise for A\$35m from new and existing institutional investors, providing the company funding to drive continued growth in the United Kingdom.

Laybuy Managing Director Gary Rohloff says Laybuy has already experienced strong growth in the UK, and the new funding will be used to accelerate this by allowing further investment in technology, marketing and people.

"The opportunity in the UK market should not be underestimated. The UK has a retail market approximately 2.2 times larger than the Australian market in terms of overall spending. It is also a market where a higher proportion of retail spending is online, and where BNPL is still in early stages of adoption," says Rohloff.

"Laybuy is already widely recognised as one of the UK's leading BNPL providers, with consumers spending more than £151 million through Laybuy in the past year, up 504% on prior year.

"This capital raise is an important step for Laybuy, enabling the company to continue its strong momentum and to capitalise on the significant growth opportunity in the UK market. We believe this will maximise shareholder value in the longer term."



New Strategic Partnership

Laybuy also confirmed today that it is entering into strategic partnerships with Rakuten, AWIN and Sovrn, which will see Laybuy customers having access to over 5,000 merchants in the UK, including household brands ASOS, Nike, Marks & Spencer, Amazon and eBay.

These partnerships will enable customers to use Laybuy's innovative "Tap to Pay" digital card with these merchants, allowing them to pay with Laybuy both online and in-store without further merchant integration or direct relationship required.

Key relationships have already been established with leading retailers through the affiliate networks, bolstering the launch of the product and supporting significant increases in gross merchandise value (GMV) capabilities and customer satisfaction.

Capital Raise

The capital raise consists of a two-tranche placement to raise A\$35 million (**Placement**) and a share purchase plan to existing eligible shareholders in Australia and New Zealand to raise up to A\$5 million (**SPP**).

All shares issued under the Placement and SPP will rank equally with existing fully paid ordinary shares in Laybuy as of the date of this announcement.

Placement

The Placement will be undertaken in two tranches:

- the issue of 26,169,334 shares at A\$0.50 per share, raising a total of A\$13.1 million before costs, utilising Laybuy's existing placement capacity under ASX Listing Rule 7.1 (**First Tranche**); and
- the issue of 43,830,666 shares at A\$0.50 per share, raising a total of A\$21.9 million before costs (**Second Tranche**). The Second Tranche is subject to shareholder approval at a special meeting of shareholders to be held in June 2021.

The issue price under the Placement 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 Placement is not underwritten.

Share Purchase Plan

Existing eligible shareholders, being those shareholders that are residents in Australia or New Zealand that held Laybuy shares as at 7:00pm (Sydney time) on 18 May 2021, will be invited to participate in the SPP at the same issue price as the Placement (A\$0.50 per share). The SPP will provide such shareholders the opportunity to increase their holding by up to A\$30,000 without incurring any brokerage or transaction costs.

The SPP aims to raise approximately A\$5 million and is not underwritten. Laybuy may (in its absolute discretion) scale-back applications on a pro-rata basis if total demand exceeds A\$5 million.



Existing eligible shareholders wishing to participate in the SPP should carefully read the SPP Offer Booklet and accompanying form, which are expected to be dispatched on or around 26 May 2021. A copy of the SPP Offer Booklet will also be available on the ASX website.

The SPP is also subject to shareholder approval at a special meeting of shareholders to be held in June 2021. Applications under the SPP received prior to that meeting will be refunded if the approval is not given.

Use of Funds

Laybuy primarily intends to use the capital raised from the Placement and SPP to accelerate growth in the United Kingdom. Laybuy has seen significant growth in the United Kingdom (including growth in its gross merchandise value (GMV) 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.

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

- to provide further funding to support 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.

Following completion of the placement and the SPP Laybuy will have a pro forma cash balance of NZ\$59.3 million¹.

For further information, please refer to the Investor Presentation released to the ASX today.

Key dates for SPP*

Event	Date (Sydney)
Record date for determining eligibility to participate in the SPP	Tue, 18 May
Despatch of notice of meeting	Tues, 25 May
First Tranche shares are issued and commence trading	Wed, 26 May
Despatch of SPP offer booklet and SPP offer period opens	Wed, 26 May
Shareholder meeting	Thurs, 10 June
SPP offer period closes	Wed, 16 June
Second Tranche shares are issued and commence trading	Thurs, 17 June
Issue of shares under the SPP	Fri, 25 June
SPP shares commence trading	Mon, 28 June

¹ Assuming the SPP raises A\$5m. Cash balance including available to draw as at 30 April 2021.



**The dates set out in the timetable above are indicative only and are subject to change without notice. Any change in the timetable does not affect the rights or obligations an investor or shareholder has as a result of accepting an allocation in the Placement or the SPP.*

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

Zoom webinar

A Zoom webinar will be held at 13:00 (AEST)/ 15:00 (NZT) on 19 May 2021 by Gary Rohloff (CEO and Managing Director) and Katrina Kirkcaldie (Chief Financial Officer) to discuss the capital raising. Please click this URL to join: <https://laybuy.zoom.us/j/85686251513>. Or join by phone using meeting ID 856 8625 1513. International numbers available at the following link: <https://laybuy.zoom.us/u/kbCg1qf35O>.

This announcement was approved for release by Gary Rohloff, Managing Director.

For more information, please contact:

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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

