

ASX ANNOUNCEMENT (ASX: LBY)

27 May 2021

Laybuy Delivers Record Results, Continues Rapid Growth in the United Kingdom

Laybuy Group Holdings (Laybuy), a leading Buy Now Pay Later (BNPL) provider in New Zealand and the United Kingdom, with a strong presence in Australia, is pleased to release its results for the full year ended 31 March 2021 (FY21). These are the company's first full year results since undertaking its Initial Public Offer (IPO) and listing on the ASX in September 2020.

Laybuy reports continued strong growth across all its key operating metrics, achieving record Gross Merchandise Value (GMV) of NZ\$589 million, alongside solid active customer and active merchant growth. This has seen Laybuy's income increase 138%, to a record NZ\$32.6 million. This momentum is continuing into FY22, with both April and May showing growth on prior months.

All numbers are stated in New Zealand dollars (NZ\$) and comparisons relate to the twelve months ended 31 March 2020 (FY20 or YoY) unless otherwise stated.

Results Highlights

- **Total GMV increased to NZ\$589m** (up 159% YoY)
- **UK GMV growth of 504% YoY**, reaching NZ\$296m
- **Laybuy remains on track to exceed GMV of NZ\$1 billion in FY22**
- **Record income of NZ\$32.6m** (up 138% YoY)
- **Income expected to increase by 90% - 100% compared to FY21**
- **Net Transaction Margin (NTM) at 1.8% of GMV**, compared to breakeven in FY20
- **Active Customers¹ increased 87% YoY**, reaching 756,000. UK active customers up 202%
- **Active Merchants² up 75% YoY**, reaching over 9,000. UK active merchants up 433%
- **Strong repeat customer growth**, with share of repeat customers as percentage of total customers³ increasing from 44% to 62% in the UK YoY and from 66% to 73% in ANZ
- Following the end of the quarter, Laybuy announced **significant new partnerships with Rakuten, AWIN and Sovrn** which will see customers gain access to over 5,000 new merchants in the UK including brands such as ASOS, Nike, Marks & Spencer, easyJet, Amazon, Boots and eBay
- **May 2021 is on track to reach GMV of NZ\$62m** (run rated MTD), an uplift of 53% on May 2020

¹ An 'Active Customer' is a customer who has made a purchase through the Laybuy platform within the 12 months prior to the relevant period

² 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

³ 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 Managing Director Gary Rohloff says FY21 has seen Laybuy deliver on its strategic objectives as it continues to record strong growth in New Zealand, Australia and particularly the United Kingdom.

“Listing on the ASX provided Laybuy with the necessary capital to deliver our growth strategy, and we have delivered. Since the launch of our IPO, Laybuy has added close to 4,000 merchants, more than 350,000 customers and has grown its GMV by 159% to reach more than NZ\$589 million in FY21,” says Rohloff.

“Throughout the year, our focus has remained firmly on the United Kingdom, where the opportunity is enormous. The UK has an addressable retail market of £394 billion, more than twice the size of the Australian market. It is also a market where BNPL is still in its infancy but is expected to grow quickly.

“Over the past year, we have accelerated our marketing activities, entered new strategic partnerships, invested in new technology and grown our staff numbers in the UK to take advantage of the opportunity provided. This focus is delivering results, with the value of goods purchased through Laybuy growing five-fold in the past year and Laybuy is now widely recognised as one of the top three BNPL providers in the UK market.

“We are continuing with our strategy of rapid growth. Our recently completed capital raise provided Laybuy with the necessary funds to invest further in new technology, marketing and people to aggressively grow our brand and increase our market share further.

“Alongside this investment, Laybuy is also finalising strategic partnerships with Rakuten, AWIN and Sovrn, which will see Laybuy customers having access to more than 5,000 merchants in the UK, including some of the country’s largest and most iconic brands such as ASOS, Nike, Marks & Spencer, easyJet, Amazon, Boots and eBay from Q2 in FY22.

“These partnerships will allow our customers to use Laybuy’s *Tap to Pay* digital card to shop and BNPL directly through the Laybuy App with these merchants without the need for further merchant integration or direct relationship being required.”

“As a result of initiatives such as this, we expect to see continued solid customer growth, alongside increased repeat customer usage. We remain on track to exceed GMV of NZ\$1 billion in FY22, with income growth of between 90% to 100% and our Net Transaction Margin continuing to improve.”



Key Operating and Financial Metrics

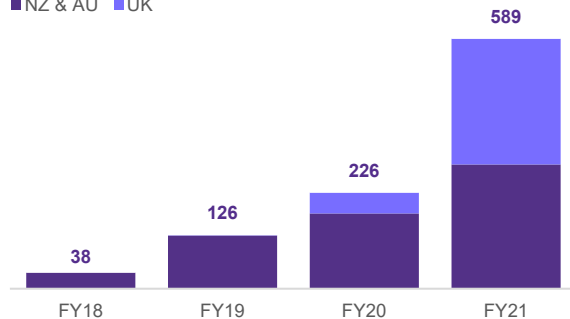
The table below presents the Laybuy group's (the Group's) key operational metrics for FY21 compared to FY20, which have been prepared based on unaudited operating metrics and audited financial results.

	FY21	FY20	FY21 vs FY20	FY21 vs FY20 %
UK GMV	\$295m	\$49m	\$246m	504%
ANZ GMV	\$293m	\$178m	\$115m	65%
Gross Merchandise Value (GMV)	\$589m	\$227m	\$362m	159%
Income	\$32.6m	\$13.7m	\$18.9m	138%
Net Transaction Margin (NTM)	\$10.7m	(\$0.02m)	\$10.7m	
NTM % of GMV	1.80%	0.00%	+1.80%	
Defaults % of GMV	2.40%	4.10%	(1.70%)	
Normalised EBITDA ⁴	(\$21.7m)	(\$16.2m)	(\$5.5m)	34%
Loss after tax ⁵	(\$41.3m)	(\$16.1m)	(\$25.2m)	157%
Active Customers ⁶	756,000	404,000	352,000	87%
Repeat Customers ⁷	66%	58%	+8%	
Active Merchants ⁸	9,126	5,204	3,922	75%

Operating performance

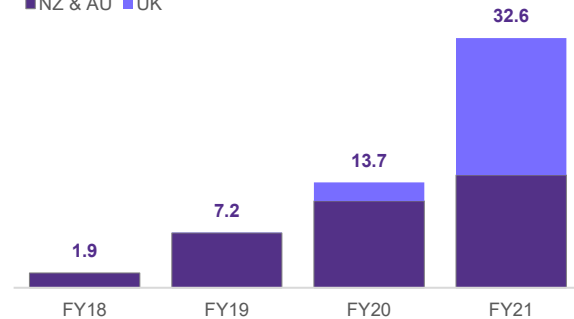
Total GMV by region (NZ\$m)

■ NZ & AU ■ UK



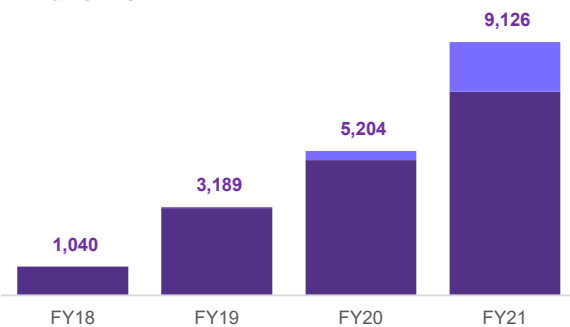
Group annual income (NZ\$m)

■ NZ & AU ■ UK



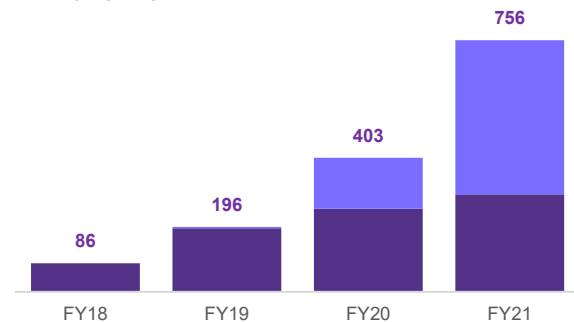
Active merchants by region

■ NZ & AU ■ UK



Active customers by region ('000)

■ NZ & AU ■ UK



⁴ Normalised EBITDA excludes one-off items such as cost associated with the IPO, fair value movements on convertible notes and share based payments.

⁵ Statutory loss after tax in line with IFRS

⁶ An 'Active Customer' is a customer who has made a purchase through the Laybuy platform within the 12 months prior to the relevant period

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

⁸ 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

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[Laybuy.com](https://www.laybuy.com)



Strong momentum continued across all regions, with GMV CAGR of 149% per year (three-year compound annual growth rate) since launch in FY18. GMV in the UK increased by a significant 504% year on year in FY21, supported by strong growth in active customers and active merchants. Laybuy also entered into strategic partnerships with Manchester United, Manchester City and Arsenal Football clubs, as well as launching its “Tap to Pay” digital instore solution in partnership with Mastercard.

Active merchants increased by over 3,500 during FY21, with strong brands onboarded during the year including new brands like Wilko and The Hut Group in the UK and Briscoes (online), Rebel Sports (online), Cotton On and JD Sports in ANZ.

Active customers increased by over 350,000 during FY21, with the UK customer base doubling during the year to over 460,000. Repeat customers increased from 58% to 66% supported by Laybuy’s commitment to customer service (UK increased from 44% to 62% over the same period).

Financial performance

Strong momentum in GMV across all regions resulted in total income being up 138% on FY20, totalling NZ\$32.6 million. Net Transaction Margin (NTM) also increased to 1.8% from a breakeven position in FY20 largely due to improvements in customer defaults as repeat customers as a % of active customers increase.

Laybuy continues to invest for future growth through its people, marketing, product development, partnerships and capital and debt right-sizing. Several one-off costs have been factored into the normalisations of NZ\$6.2m for FY21. Normalised EBITDA loss increased from NZ\$16.2m in FY20 to NZ\$21.7m in FY21. These one-off costs include cost associated with the IPO and share based payments.

Financial position

The Group’s net asset position has increased to NZ\$36.7m as at 31 March 2021, up from a net liability position of NZ\$0.75m as at 31 March 2020. This is due to the capital raise via the IPO in September offset by the losses for the period. The customer loan book continues to grow in line with GMV growth.

Total liabilities as at 31 March 2021 were NZ\$23.3m, this is a reduction compared to 31 March 2020, largely due to the convertible notes being converted into equity at the time of the IPO.

Capital management

The Group raised NZ\$98.2 million during the year ended 31 March 2021 from the pre-IPO convertible note offer as well as the IPO. The net contributed capital was NZ\$76.7 million. The Group has two debt facilities with Kiwibank and Victory Park Capital, the combined facility limits are NZ\$174 million. As at 31 March 2021 approximately NZ\$3.4m was available to draw based on the receivable book balance and advance rates at that date.



The Group is currently in the process of raising approximately A\$40 million through an Institutional Placement and Share Purchase Plan to accelerate UK growth and further enhance Laybuy's technology and product offering. This is expected to be completed by end of June 2021.

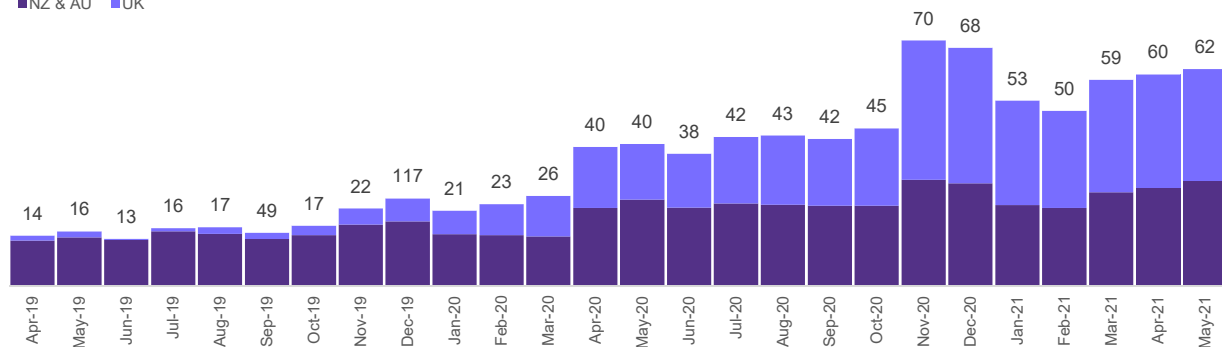
Strong momentum continues into FY22

Laybuy continued its momentum into FY22 and is on track to exceed GMV of NZ\$1 billion during FY22. Income is expected to grow between 90% and 100% on FY21 while NTM is expected to continue to improve on FY21 (12 month rolling average).

GMV for April and May (based on MTD run rate) was NZ\$60.2m and NZ\$61.7m, up 52% and 53% respectively over prior comparative month – the highest sales months after November and December. Laybuy also added over 53,000 new customers and 400 new merchants to the platform during the two months (to date).

Total monthly GMV by region (NZ\$m)

■ NZ & AU ■ UK



Laybuy Mania was held in April, which produced record sales compared to previous Mania events. Website traffic was up 207% compared to an average Thursday (the day Mania was held) and click throughs to merchants via the Laybuy shop directory were up 135% when compared to an average Thursday.

In May, Laybuy announced strategic partnerships with Rakuten, AWIN and Sovern which will see Laybuy customers having access to over 5,000 merchants in the UK, including household brands ASOS, Nike, Marks & Spencer, Amazon, Boots, easyJet, Booking.com 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 without further merchant integration or direct relationship's being required. The access to these leading retailers is expected to support increased GMV and repeat customer usage.

The Board and Management reiterate the guidance provided at the Quarterly business updated and Appendix 4C (Q4 FY21) released on 20 April 2021 and the announcement of the capital raise on 19 May 2021.



Further information

Additional details of Laybuy's results are included in the company's 4E statement and Full Year Audited Consolidated Financial Statements as well as the FY21 Full Year Investor Presentation, all of which can be found on the Laybuy investor website laybuyinvestors.com. Laybuy's Annual Report will be released to the ASX before the end of June 2021.

A Zoom webinar will be held on Thursday 27 May at 15:00 (AU time)/ 17:00 (NZ time) by Gary Rohloff (CEO and Managing Director) and Katrina Kirkcaldie (Chief Financial Officer) to discuss the results.

Zoom webinar link: <https://laybuy.zoom.us/j/84283561481>

Webinar ID: 842 8356 1481

International numbers: <https://laybuy.zoom.us/j/kc67AoS4Zv>

ENDS

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

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.

