

ASX ANNOUNCEMENT (ASX: LBY)

27 May 2021

FY21 Full-Year Results Investor Presentation

Attached is Laybuy's investor presentation relating to the FY21 full-year results released today.

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: <https://laybuy.zoom.us/j/84283561481>

Webinar ID: 842 8356 1481

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

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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.





Laybuy (ASX:LBY) FY21 Results Presentation

27 MAY 2021

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All numbers are stated in New Zealand dollars (NZ\$) and relate to the year ended 31 March 2021 (FY21) and comparisons relate to the year ended 31 March 2020 (FY20 or YoY), unless stated otherwise.

FY21 Performance Highlights

in New Zealand Dollars, compared to FY20

Group Income

+138% to \$32.6m

Gross Merchandise Value (GMV¹)

+159% to \$589m

UK GMV

+504% to \$296m

Active customers

756,000

increase of 352,000

Active merchants

9,126

increase of 3,922

Net Transaction Margin

1.8% of GMV

or **\$10.7m**

up from breakeven in FY20

Defaults reduced

from 4.1% to

2.4% of GMV

ASX listing

AU\$80m

(NZ\$86.9m) to support growth

Exclusive BNPL provider to
Manchester United, Manchester City and Arsenal FC

Launched
Tap to Pay
to support in-store growth

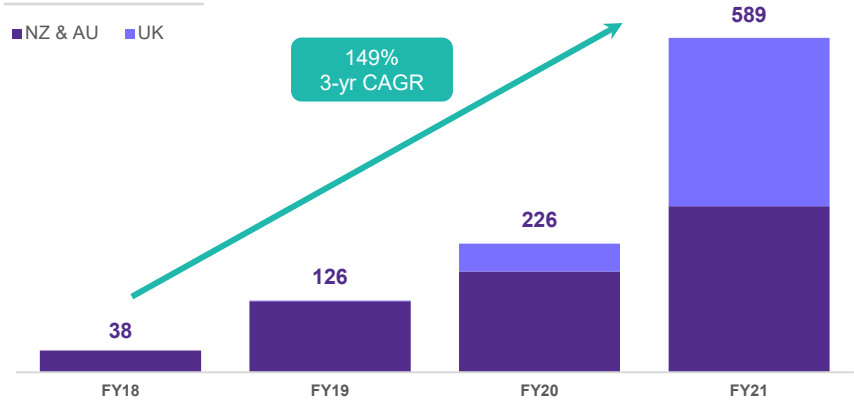
1. GMV is defined as Gross Merchandise Value and is regarded as a key non GAAP operating metric.
2. GBP and AUD denominated GMV are converted at the average historical exchange rates for each of the years



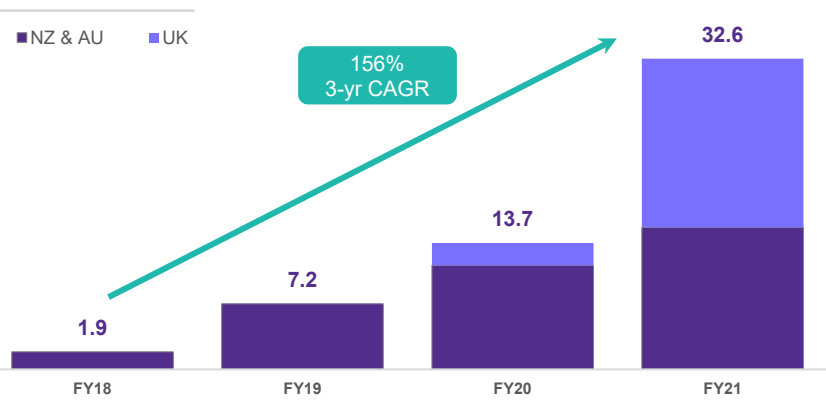
Strong momentum continues across all regions

Ongoing strong growth across all key metrics and continuing into FY22, with the UK GMV growing by 504% in FY21.

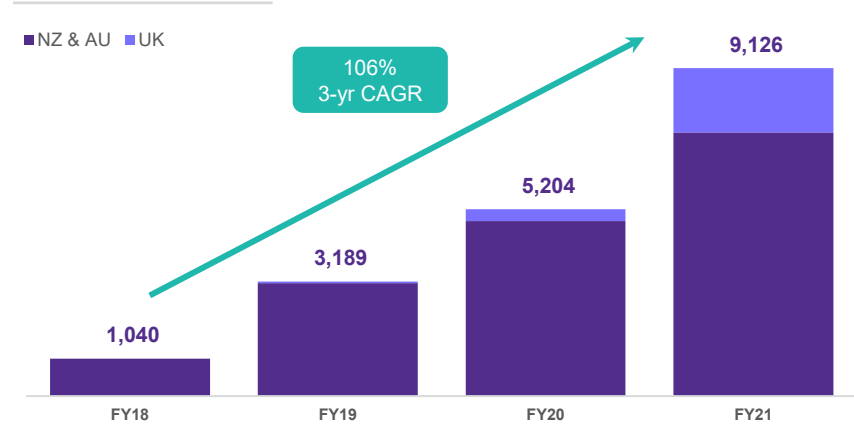
GMV (NZ\$m)



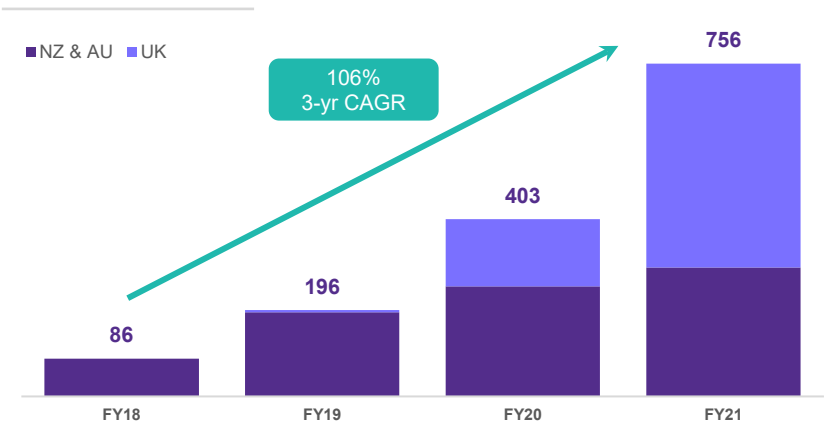
Income (NZ\$m)



Active merchants



Active customers ('000)





 LAYBUY

Regional performance

United Kingdom



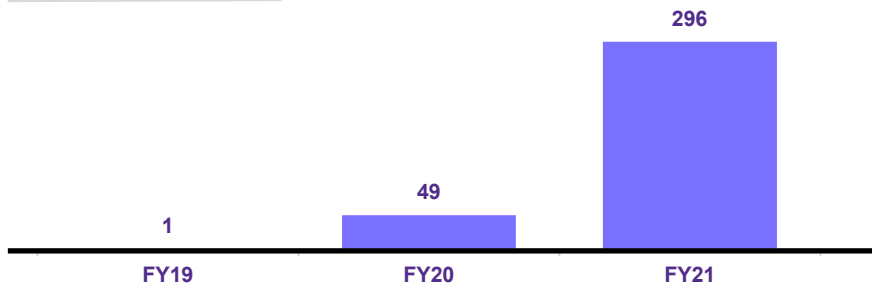
Record growth across all operating metrics, with 504% growth in GMV from FY20 to FY21. Significant opportunity for value creation with strong partners validating customer and merchant proposition.

Growth accelerated in the UK through large and small merchant wins and increasing customer adoption

Laybuy to rollout "Tap to Pay" as the COVID-19 restrictions are eased. This will accelerate in-store adoption post UK lockdown

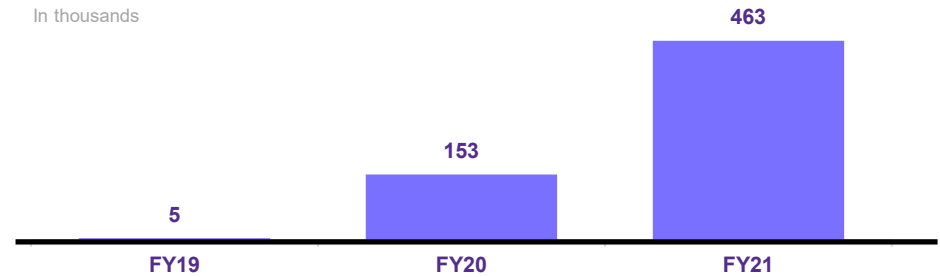
The Manchester United, Manchester City and Arsenal will drive both customer adoption and brand awareness

UK GMV (NZ\$m)

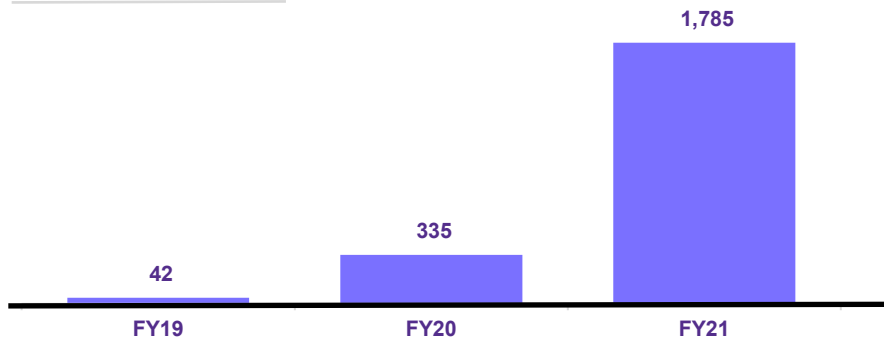


UK Active customers³

In thousands



UK Active merchants⁴



Key merchants



3. An "Active customer" is a customer who has made a purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

4. An "Active merchant" is a merchant who has received payment for a purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

Australia & New Zealand (ANZ)



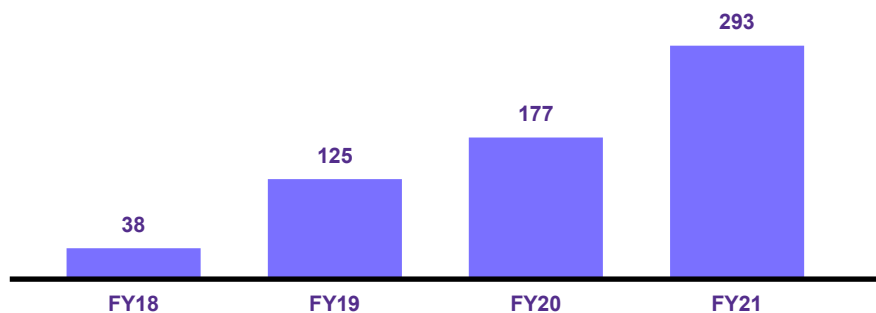
Laybuy is a market leader in New Zealand, and has a growing presence in Australia.

ANZ GMV continues to grow strongly with increased frequency of purchasing by existing customers, with record growth in Q3 following Black Friday and holiday sales

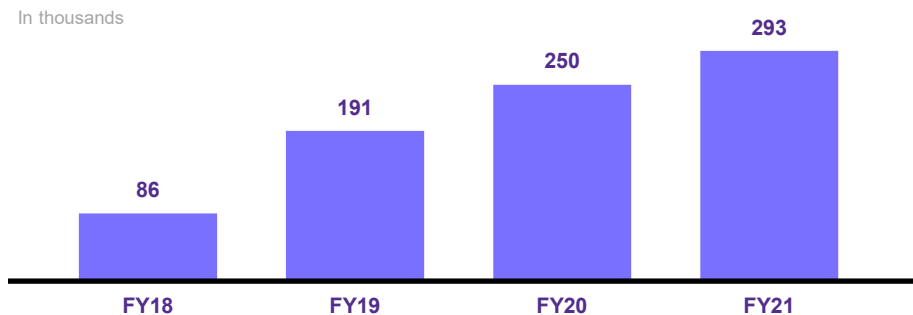
Laybuy rolled out the "Tap to Pay" product into the Australia and New Zealand markets to support in-store growth

COVID-19 has increased BNPL penetration due to a shift to online purchasing

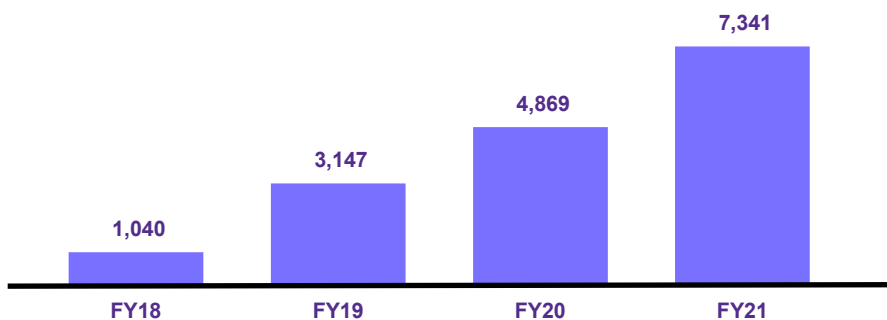
ANZ GMV (NZ\$m)



ANZ Active customers⁵



ANZ Active merchants⁶



Key merchants



5. An "Active customer" is a customer who has made a purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

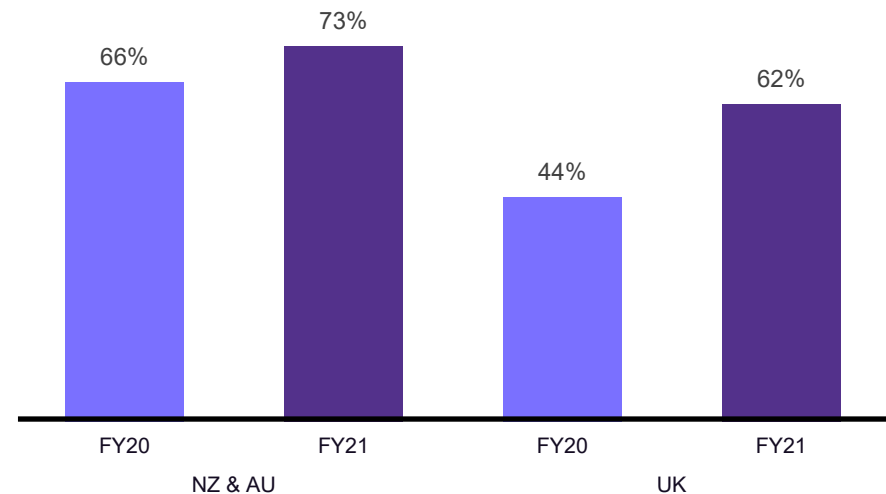
6. An "Active merchant" is a merchant who has received payment for a purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

Repeat Customers and Purchase Frequency

Higher levels of repeat customers and purchase frequency drive lower default rates and increase NTM

- New Zealand is Laybuy's oldest geography and demonstrates **high levels of repeat customers** and purchase frequency per customer
- **Purchasing frequency** has been increasing over time, with the earliest joining customers the most frequent users of Laybuy in New Zealand
- **Greater purchasing frequency reduces defaults** as the 'bad actors' are filtered out. As the UK market has grown and has seen greater purchasing frequency, defaults have reduced
- Laybuy is seeing new customers start making their second and subsequent purchases at a faster rate than previously seen, further indicating the strong affinity customers have to the Laybuy platform and the increasing range of merchants available
- UK and Australian cohort are purchasing at a greater frequency compared to NZ at a similar point of expansion

Repeat customers as % of active customers⁷



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.

Financial information



Key Financial Metrics

Strong growth in GMV and reduced defaults has improved NTM and EBITDA as a percentage of GMV

NZ\$ million ⁸	FY21	FY20	Change YoY
UK GMV	\$296m	\$49m	504%
ANZ GMV	\$293m	\$178m	65%
GMV	\$589m	\$227m	159%
Income	\$32.6m	\$13.7m	138%
Net Transaction Margin (NTM) ⁹	\$10.7m	(\$0.02m)	\$10.7m
NTM % of GMV	1.8%	0.0%	Up 1.8%
Defaults % of GMV	2.4%	4.1%	Down 1.7%
Normalised EBITDA ¹⁰	(\$21.7m)	(\$16.2m)	34%
Loss after tax ¹⁰	(\$41.3m)	(\$16.1m)	156%
Active Customers ¹¹	756,000	404,000	87%
Repeat Customers ¹²	66%	58%	Up 8%
Active Merchants ¹³	9,126	5,204	75%

- **GMV increased by 159%** YoY to NZ\$589 million for FY21, with UK growth up 504% YoY.
- **Income increased by 138%** supported by strong GMV growth and increased active customers and active merchants.
- **NTM** increased from breakeven to 1.8% over the year, as defaults reduced from 4.0% in FY20 to 2.4% in FY21.
- **Normalised EBITDA** as a percentage of GMV has improved from -7.1% to -3.7% as the business continued to gain scale.
- **Active customers** increased by 87% to 756,000, with repeat customers increasing to 66%.
- **Active merchants** increased by 75% to 9,126.

8. FX rates used to calculate UK/AU results to NZD equivalent: converted NZD/GBP at 0.52 and NZD/AUD at 0.93

9. Provisioning rates (included in calculation of NTM) have been estimated based on the expected credit loss model and may change based on actual losses when determined

10. Normalised EBITDA excludes one-off items such as cost associated with the IPO, fair value movements on convertible notes and share based payments. Loss after tax (statutory) includes all one-offs incl. interest on convertible notes.

11. An 'Active Customer' is a customer who has made a purchase through the Laybuy platform within the last 12 months (at 31 March 2021)

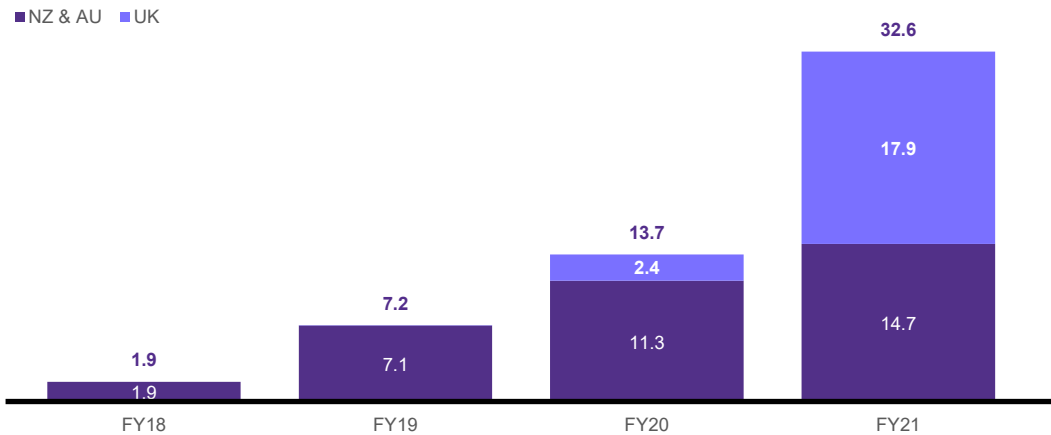
12. A customer who has made more than one purchase through the Laybuy platform within the 12 months prior to the end of the relevant period (at 31 March 2021)

13. An 'Active Merchant' is a merchant who has received payment for a purchase through the Laybuy platform within the last 12 months (at 31 March 2021)

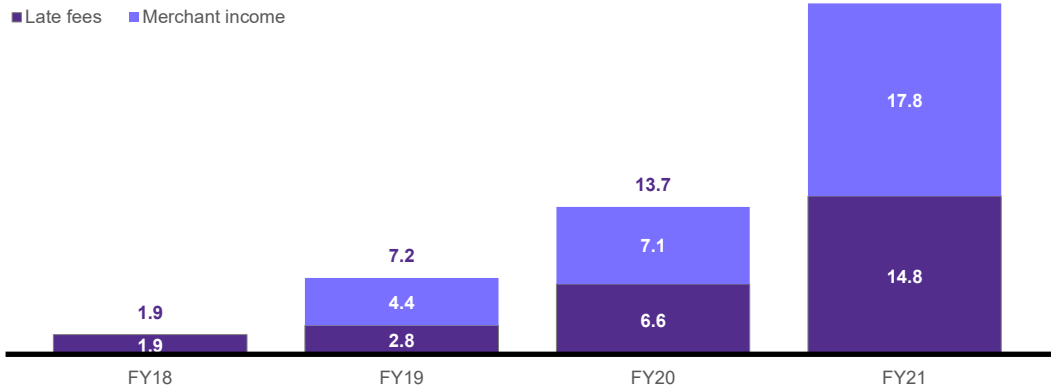
Rapidly Growing Income

Income contribution from the UK continues to grow and has surpassed NZ

Income by region (NZ\$m)



Income by type (NZ\$m)¹⁴



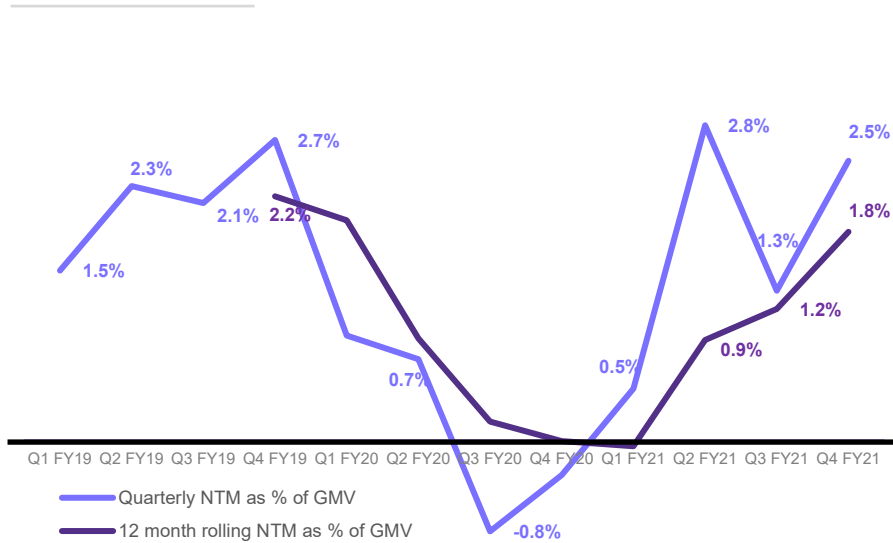
14. Income on graphs don't add due to rounding

- **Total income** for FY21 increased to NZ\$32.6 million, an increase of 138% YoY due to strong GMV growth.
- Laybuy saw a **significant increase in merchant income** (growth of 150% YoY), due to accelerating growth in underlying GMV in the UK and continued growth in ANZ.
- **Merchant income as a % of GMV** has slightly decreased from 3.1% to 3.0% as the UK growth overtakes ANZ.
- **Late fees** increased from NZ\$6.6 million to NZ\$14.8 million, due to the increase in GMV in all regions, however reducing as a % of total income from 48% to 45% as repeat customers increase.
- **UK has grown rapidly**, with NZ\$17.9 million of total income in FY21, compared to the ANZ region of NZ\$14.7 million. This UK growth represents an 646% increase YoY.
- **New Zealand has significantly lower levels of late fees** as a percentage of Income compared to UK reflecting the relative stages of maturity in these markets. As the UK market becomes more established, management believes that late fees will reduce to a similar level to that experienced in New Zealand.

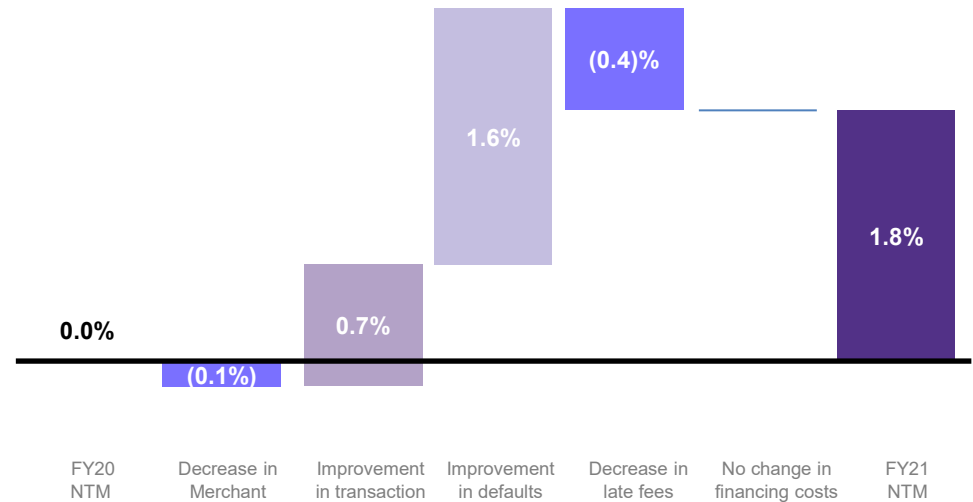
Net Transaction Margin

NTM improved in FY21 with a full year NTM of 1.8% largely due to improved gross losses and improved income, compared to break-even for FY20.

NTM (% of GMV)



NTM Bridge (% of GMV)



Statement of Comprehensive Income

Strong growth in income supported by a 159% increase in GMV and an increase in investment in people, marketing, product development and capital and debt structuring.

Statement of comprehensive income	Statutory accounts		Change	
NZ\$m	FY21	FY20	NZ\$m	%
Total income	32.6	13.7	18.9	138%
Merchant and marketing expenses	(12.2)	(4.1)	(8.1)	198%
Employment expenses	(10.4)	(4.6)	(5.8)	126%
Transaction expenses	(6.6)	(4.2)	(2.4)	57%
Consumer receivables impairment expenses	(15.1)	(9.6)	(5.5)	57%
Platform development expenses	(1.1)	(0.4)	(0.7)	175%
Other operating expenses	(14.2)	(6.5)	(7.7)	118%
Other gains/(losses)	(4.0)	0.6	(4.6)	767%
Net finance expense	(9.5)	(0.5)	(9.0)	1800%
Depreciation and amortisation	(1.0)	(0.5)	(0.5)	100%
Income tax benefit/(expense)	0.2	-	0.2	-
Loss after tax	(41.3)	(16.1)	(25.2)	157%

	Non-statutory		Change	
NZ\$m	FY21	FY20	NZ\$m	%
Net transaction margin	10.7	(0.02)	10.7	Large
Normalised EBITDA	(21.7)	(16.2)	(5.5)	34%
EBITDA	(27.9)	(16.2)	(11.7)	72%

- Increase in **merchant and marketing expenditure** includes \$784k in share based payment expenses in relation to external unrelated parties. Other marketing expenses include sponsorship payments made to Manchester United and Manchester City football clubs
- **Staff numbers** have increased from 46 to 84 supporting the scaling global operations and roles to support the change to ASX listing status
- **Transaction expenses** relate to payment processing fees
- **Other OPEX** includes \$2.1m relating to IPO cost and \$0.9m relating to recruitment
- **Finance expenses** contains \$7.8m of interest and costs from the convertible note raise. \$6m being in respect of the effective interest on fair value conversion

Statement of Financial Position

Cash balance of \$15.5 million with undrawn debt facilities of \$154 million

Statement of financial position	Statutory accounts	
	31 Mar 21	31 Mar 20
NZ\$m		
Cash and cash equivalents	15.5	9.9
Consumer receivables	27.3	11.2
Related party receivables	-	0.3
Other current assets	9.4	4.0
Current tax receivables	0.2	-
Prepayments	5.2	2.1
Property, plant and equipment	0.2	0.2
Intangible assets	2.1	0.8
Right-of-use assets	0.2	0.4
Total assets	60.1	28.9
Trade and other payables	9.1	7.5
Borrowings	11.4	6.0
Current tax payables	-	0.3
Other liabilities	1.3	-
Provisions	1.3	0.6
Convertible notes	-	14.8
Lease liabilities	0.2	0.4
Total liabilities	23.3	29.6
Net assets/(liabilities)	36.8	(0.7)
Total equity	36.8	(0.7)

Net debt		
	31 Mar 21	31 Mar 20
NZ\$m		
Cash and cash equivalents	15.5	9.9
Kiwibank Loan drawn	(9.2)	-
Victory Park Loan drawn	(6.4)	(6.0)
Net cash	(0.1)	3.9

Note: Debt above does not reconcile to the borrowings line in the balance sheet due to Capitalised Establishment Fees and VP warrant costs which has been excluded for the purpose of net debt

Liquidity available		
	31 Mar 21	31 Mar 20
NZ\$m		
Kiwibank facility capacity	10.8	-
Victory Park facility capacity	151.0	-
Facility capacity	161.8	-
Cash and cash equivalents	15.5	9.9
Cash and available to draw on facilities	18.9	9.9

- **Cash position of NZ\$15.5 million** prior to a further capital raise in May/June 2021 (Proforma cash after the raise expected at circa NZ\$54m)
- **Consumer receivables** have increased due to an increase in GMV
- The **facility capacity** is the difference between the facility limit and the drawn amount, and its availability is **linked to the size of the receivables book**. (Total facility limits combined NZ\$174m)

Statement of Cash Flows

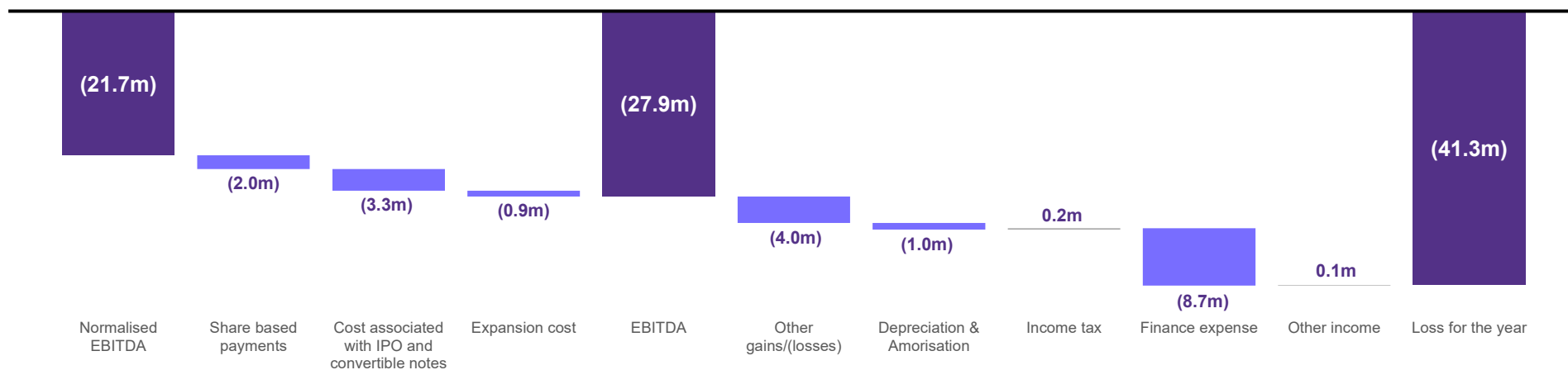
Increase in cash inflows due to equity raising activities and increased GMV

Cash flow statement	Statutory accounts		
	NZ\$m	FY21	FY20
Operating activities			
Receipts from consumers	450.4	177.0	
Payments to merchants and suppliers	(485.5)	(194.0)	
Payments to employees	(9.1)	(3.7)	
Net interest received / (paid) and debt issuance costs	(2.8)	(0.5)	
Income tax paid	(0.3)	-	
Convertible note transaction costs paid	(0.6)	(0.6)	
Receipts from government grants	0.1	-	
Net cash flows used in operating activities	(47.8)	(21.8)	
Investing activities			
Purchase of property, plant and equipment	(0.1)	(0.1)	
Amounts received from/(advanced to) related parties	0.1	(0.2)	
Payments for development of intangible assets	(2.0)	(0.7)	
Net cash flows used in investing activities	(2.0)	(1.0)	
Proceeds from issue of shares	43.4	13.0	
Principal payments for lease liabilities	(0.2)	(0.2)	
Net proceeds (repayment) from borrowings	9.4	2.5	
Proceeds from issue of convertible notes	11.3	15.5	
Payment of share issue costs	(7.3)	-	
Net cash flows from financing activities	56.6	30.8	
Net increase in cash and cash equivalents	6.8	8.0	
Net foreign exchange difference	(1.2)	-	
Cash and cash equivalents at 1 April	9.9	1.9	
Cash and cash equivalents at 31 March	15.5	9.9	

- **Net cash increased by NZ\$6.8m**
- **Cash position** driven by cash inflows from convertible note raise and IPO proceeds, offset by growth in receivables book
- **Uplift in receipts from customers** and payments to merchants due to increased GMV
- Investment in **intangible assets** relates to the Mastercard project
- Cashflows from operating activities also includes **costs associated with obtaining the Victory Park Management facility and the convertible note raise**, \$2.6 million including debt issuance costs

FY21 EBITDA Bridge (NZ\$m)

\$6.2 million in one-off costs have been adjusted for, which reduces the EBITDA normalised loss to \$21.7 million. Fair value adjustments and interest related to the convertible notes are included in the statutory loss for the year.



Share-based payments in respect of employees and non-executive directors as well as share options held by parties unrelated to Laybuy

Loss on financial liabilities (non cash) relate to the fair value of the convertible notes on conversion and the share warrants held by VPC

Expansion and IPO costs relate to non-recurring recruitment fees and IPO expenses due to not being able to be netted against capital raised

Funding for Growth

Laybuy has sufficient facilities in place to underpin significant GMV and income growth

Facility	Facility Limit	Drawn as at 31 Mar 2021	Capacity ¹⁵	Maturity
Kiwibank	NZ\$20.0m	NZ\$9.2m	NZ\$10.8m	Jun-22
Victory Park ¹⁶	NZ\$154.0m	NZ\$3.0m	NZ\$151.0m	Aug-25
Total			NZ\$161.8m	

Due to Laybuy's capital efficient business model of six weekly payments, the funding facilities can support significant GMV growth.

As GMV increases and the receivable book grows, additional funding becomes available, subject to the total financing facility limits.

Cash held by Laybuy as at 31 March 2021 was NZ\$15.5m (excluding NZ\$3.4m of available to draw on debt facilities).

Based on average customer loan balances, Laybuy's loan book turned approximately 20 times in FY21.



VICTORY PARK
CAPITAL

15. Capacity is the difference between the facility limit and the drawn amount, and its availability is linked to the size of the receivables book

16. Converted at NZD/GBP of 0.52 (31 March 2021)



Strategy and FY22 Outlook

Focused on large UK market opportunity

Laybuy has seen significant growth in the UK market and seeks to continue that momentum

UK Opportunity

GMV up +504% on prior year to NZ\$296m with momentum continuing

Targeting large, influential merchants in order to drive scale, network effects and brand recognition

Targeting SMEs through its **partnership program** in order to diversify its retailer base and increase average commissions

UK Retail Market¹⁷

£394bn
(NZ\$757bn)

Addressable retail market opportunity

£75bn
(NZ\$145bn)

UK e-commerce market

Competitive Advantages

Key exclusive partnerships with major professional sporting clubs providing Laybuy with a unique opportunity to leverage a number of mutually exclusive, global supporter bases

Scalable technology stack with a nimble and flexible team who truly service merchant needs

Launch of Laybuy's digital **"Tap to Pay"** card program¹⁸

17. Retail market estimates are approximate and rounded as at 2019. Retail market : Predominantly food stores, Non-specialised stores, textile, clothing and footwear stores, Household goods stores, Other stores and Non-store retailing. Converted at NZD/GBP of 0.52

18. Expected to launch in Q2 FY22.

Big Merchants and Partners Signing up in the UK

Momentum is building fast in the UK with further large brands coming on board in FY22 which will support step changes in GMV



New product developments driving significant growth

Laybuy entered into a strategic partnership with Rakuten, AWIN and Sovrn which will allow customers to use Laybuy at over 5,000 merchants without any merchant integration required, including in-store.

Rakuten

AWIN

SOVRN

- Launching new partnerships in Q2 FY22¹⁹ allowing customers to shop at the **UK's largest retailers** without any merchant integration.
- Through utilizing our **"Tap to Pay"** digital card, customers will be able to shop and BNPL directly through the Laybuy App including Amazon, Adidas, Booking.com, easyjet and 1000's more.
- Relationships have already been established with leading retailers through the **affiliate networks** bolstering the launch of the product to significantly increase GMV capabilities and customer satisfaction.
- Further product developments will allow in-store retailers through the networks to accept "Tap to Pay". This creates a **seamless omnichannel experience** for shoppers and enables thousands of physical stores to accept Laybuy without any merchant integration or direct relationship required.

ESTÉE LAUDER

ebay

PANDORA

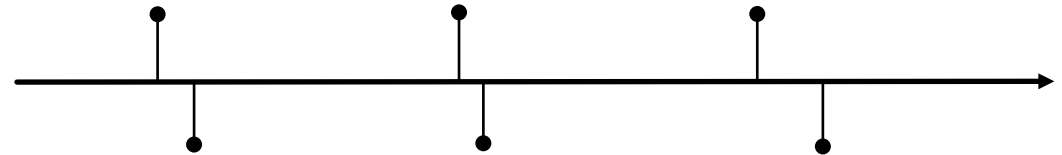
easyJet

● **sunglass hut**

MARKS & SPENCER

adidas

NIKE



amazon

ASOS

RIVER ISLAND

UNDER ARMOUR

Booking.com

Boots

¹⁹ Subject to final documentation

Market leader in responsible lending

A market leader in responsible consumer finance, Laybuy was founded with a vision of making life easier for consumers by helping them better manage their budgets and avoid the traps of high-interest credit. At Laybuy, we work hard to prevent customers from falling into debt they cannot afford.

Purchase price split into six, weekly instalments. **No interest charged**, ever!

Strict credit limits and automatic suspension of account in event of missed payment to prevent accruing of additional debt.

Late fees capped, and ~93% of payments do not attract a late fee.

Championing the development of an industry-wide **Code of Practice** that protects consumers while establishing an enabling but effective self-regulatory framework for the BNPL sector.

Independent credit checking of every new customer to provide an assessment of their ability to fulfil future repayment commitments.

Robust hardship policy and commitment to work proactively with customers in financial difficulty.

Laybuy pays any and all **collection fees** so customers only ever pay the amount borrowed.

The UK is leading the way with regulation following the **Woolard Review** (February 2021). At this stage there have only been a set of recommendations released.

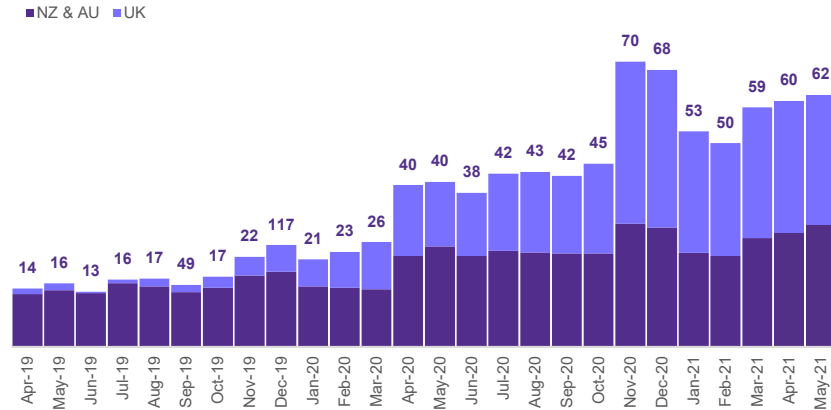
FY22 Outlook

Laybuy continues to remain confident of strong growth across all its markets as it continues to deliver on key strategic initiatives.

Strong momentum continues into FY22

GMV continued to grow month on month, with GMV of NZ\$60.2m for April and NZ\$61.7m for May (run rated), up 52% and 53% respectively on prior comparative month.

Total monthly GMV by region (NZ\$m)

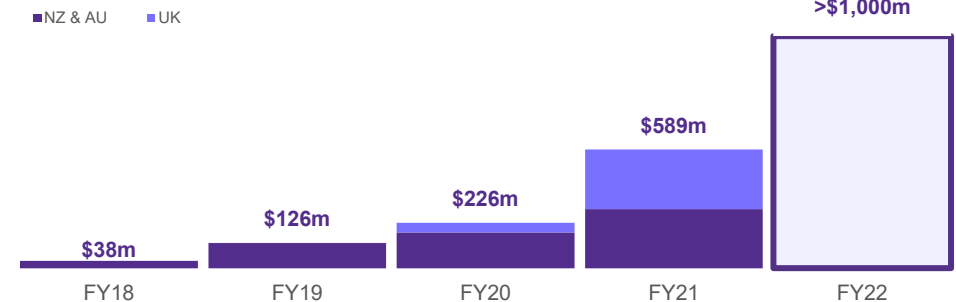


New strategic partnership with Rakuten, AWIN and Sovrn

- Allowing customers to pay by Laybuy at over 5,000 merchants in the UK
- No merchant integration required, including in-store
- Includes household brands such as ASOS, Nike, Marks & Spencer, Amazon, Adidas, eBay, easyjet and Boots

Outlook		
GMV growth	On track to exceed GMV of NZ\$1bn	<ul style="list-style-type: none"> • Strong ongoing growth • Customer and merchant growth together with increased repeat usage
Income growth	90% - 100% growth on FY21	<ul style="list-style-type: none"> • Ongoing GMV growth across all regions led by the UK and; • Continued growth in new merchants and active customers
NTM (12 month rolling) growth	Continue to improve on FY21	<ul style="list-style-type: none"> • Driven by lower defaults and increased repeat customers

GMV (NZ\$m)





Thank you.



Gary Rohloff
Co- Founder & Managing Director



Katrina Kirkcaldie
Chief Financial Officer

