

ASX ANNOUNCEMENT (ASX: LBY)

28 July 2021

Quarterly Activities Update and Appendix 4C

Laybuy Group Holdings (ASX:LBY) (“Laybuy”, the “Company”) is pleased to provide its quarterly business activities update and Appendix 4C for the quarter ended 30 June 2021 (“Q1 FY22”). Laybuy is also providing an update on its debt facility with Victory Park Capital Advisors, LLC (“VPC”).

All numbers are stated in New Zealand dollars (“NZ\$”) and comparisons relate to the quarter ended 31 March 2021 (“Q4 FY21” or quarter on quarter, “QoQ”) or the quarter ended 30 June 2020 (“Q1 FY21” or year on year, “YoY”), unless otherwise stated.

Q1 Results Highlights

- **Gross Merchandise Value (GMV) increased to a record NZ\$184m**, or annualised¹ GMV of NZ\$738m, an increase of 58% YoY.
- **United Kingdom GMV more than doubled**, reaching annualised GMV of NZ\$398m, up 107%² YoY.
- **Record income of NZ\$10.4m for the quarter**, up 70% YoY and up 6% QoQ.
- **Net Transaction Margin (NTM)** of 2.0% for Q1 FY22, up from 0.5% YoY.
- **Active Customers³ up 356,000 YoY**, reaching 829,000. UK active customers up 143% YoY.
- **Active Merchants⁴ up 4,800 YoY**, reaching over 10,000. UK active merchants up 424% YoY.
- **743 UK merchants signed in Q1** including, Sports Bike Shop, Fanatics, Stichd, Oasis Stores and Warehouse Fashion.
- **1,126 ANZ merchants signed in Q1**, including JD Sports and Motor Trading Association (MTA) in New Zealand; Adore Beauty, Boardriders, City Beach, Stateside Sport, Colette and Missy Empire in Australia.
- Successfully completed a **capital raise of A\$40m** during the quarter to support further acceleration of growth in the UK.
- **Strategic partnership finalised with Awin, Rakuten and Sovrn**, which will provide Laybuy customers with access to over 5,000 merchants in the UK over the course of FY22, including household brands ASOS, Nike, Marks & Spencer, Amazon, Boots, easyJet, Booking.com and eBay.
- **Laybuy Mania held in April**, producing record sales compared to previous Mania, up 70% on April 2020.
- **Tap to Pay** digital instore solution launched in the UK in June, with WH Smith as our launch partner with 900 stores.

¹ GMV for the quarter multiplied by four.

² Excluding impact of FX movements between NZ\$ and GBP (£).

³ An ‘Active Customer’ is a customer who has made a purchase through the Laybuy platform within the 12 months prior to 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 relevant period.

Laybuy Managing Director Gary Rohloff says Laybuy has experienced a strong start to the new financial year, with the first quarter delivering solid growth across all regions, particularly in the UK which continues to accelerate.

“We are continuing to deliver against our strategy and have seen record GMV in quarter one of FY22 and are delighted that this quarter surpassed the traditional peak quarter of December 2020. Since June 2020, we have added more than 4,800 active merchants and have 356,000 new active customers, which is helping drive exceptional growth across all regions, particularly our growth market of the UK.”

Key Operating and Financial Metrics

The table below presents the Laybuy Group's (the "Group's") key operational metrics for Q1 FY22 as well as Q4 FY21 and Q1 FY21, which have been prepared based on unaudited results.

	Q1 FY22	Q4 FY21	Q1 FY21	% change QoQ	% change YoY
Group (NZ\$m)⁵					
GMV	\$184m	\$161m	\$117m	14%	58%
Annualised GMV	\$738m	\$645m	\$467m	14%	58%
Active Customers	829,000	756,000	473,000	10%	75%
Active Merchants	10,431	9,126	5,672	14%	84%
Income	\$10.4m	\$9.8m	\$6.1m	6%	70%
Annualised Income	\$41.5m	\$39.1m	\$24.2m	6%	70%
Net Transaction Margin (NTM) ⁶	\$3.7m	\$4.0m	\$0.6m	(11%)	568%
NTM as a % of GMV	2.0%	2.5%	0.5%	(0.5%)	1.5%
Gross Losses / Defaults as a % of GMV	2.5%	2.1%	3.4%	0.4%	(0.9%)
UK (£'m)					
GMV	£49m	£46m	£24m	6%	107%
Annualised GMV	£196m	£186m	£95m	6%	107%
Active Customers	516,900	463,100	212,300	12%	143%
Repeat Customers ⁷	62%	62%	56%	0%	5%
Active Merchants	2,314	1,785	442	30%	424%
ANZ (NZ\$m)					
GMV	\$88m	\$72m	\$69m	23%	28%
Annualised GMV	\$354m	\$287m	\$276m	23%	28%
Active Customers	312,000	293,000	261,000	6%	20%
Repeat Customers	72%	73%	68%	(1%)	4%
Active Merchants	8,117	7,341	5,230	11%	55%

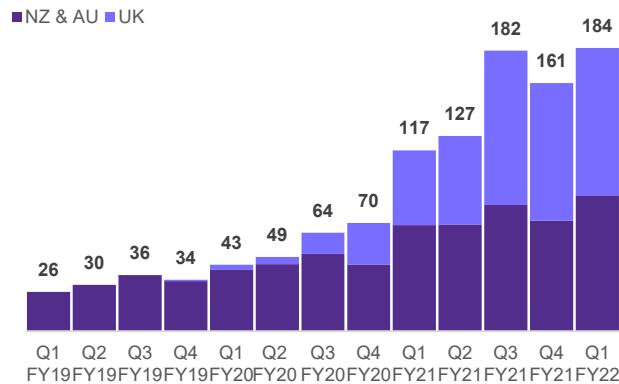
5. FX rates used to calculate UK/AU results to NZD equivalent: converted NZD/GBP at 0.52 and NZD/AUD at 0.93m for Q1 FY22

6. 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

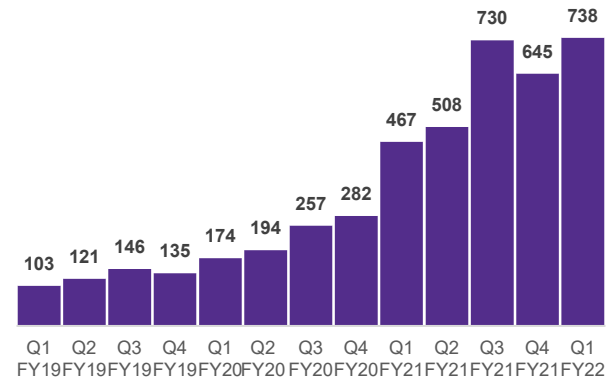
7. A customer who has made more than one purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

Gross Merchandise Value (GMV)

Quarterly GMV by region (NZ\$m)



Annualised quarterly GMV (NZ\$m)

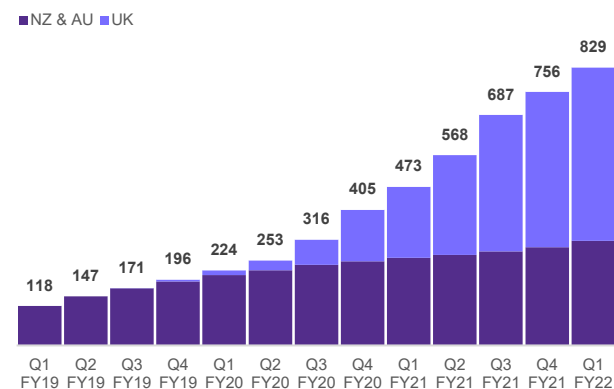


The Group's GMV for Q1 FY22 was a record NZ\$184 million, with annualised GMV of NZ\$738 million, up 58% YoY. The UK contributed significantly to this uplift with annualised UK GMV of £196 million, up 107% YoY. This strong growth in the UK was supported by an increase of 424% in active merchants and 143% in active customers.

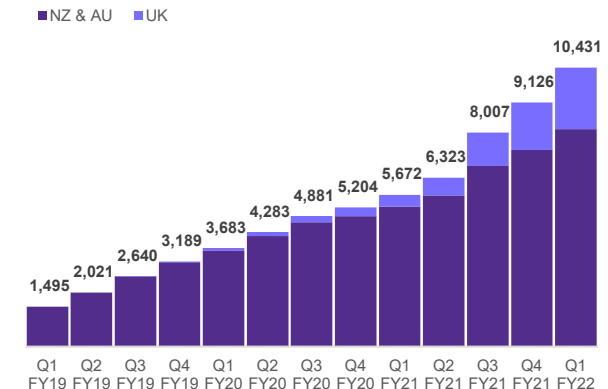
This growth reflects key strategic initiatives undertaken to increase active merchants and a number of Laybuy promotional marketing events, including Laybuy Mania in April 2021. Laybuy's *Tap to Pay* was also launched in June in the UK, further supporting instore growth, with WH Smith as our launch partner in 900 stores.

Active Customers and Merchants

Active Customers by region ('000)



Active Merchants by region



Active customers increased to over 800,000 in Q1 FY22, up 75% YoY and up 10% QoQ. The growth was particularly strong in the UK, as Laybuy continues to deliver on its strategic initiatives by broadening its merchant offering and *Tap to Pay* instore solution.

Active merchants have now surpassed 10,000, increasing by 1,305 active merchants in Q1 FY22 alone. The UK had particularly strong growth, with an increase of 424% YoY. Well known household brands were signed in Q1, including Fanatics, Tickmaster Sport, Oasis, Warehouse Fashion, Sports Bike Shop and Stichd. Stichd is an online merchandise store for a number of sporting teams and clubs, including Manchester City FC, McLaren Formula 1, AMG Petronas Formula 1, Haas Formula 1 and Fuel for Fans.

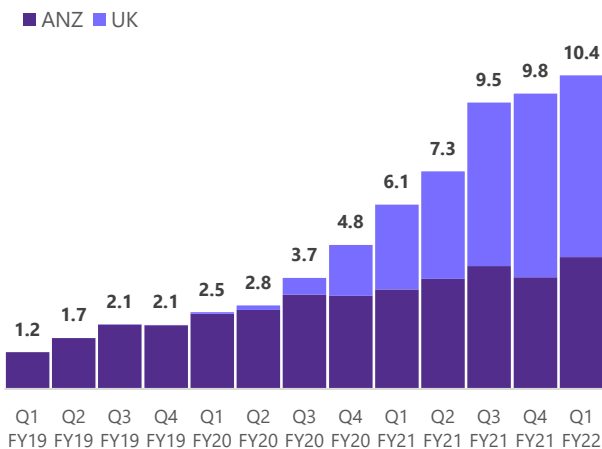
Increased purchase frequency was seen across both ANZ and the UK, with repeat customers increasing from 68% to 72% in ANZ, and 56% to 62% in the UK compared to Q1 FY21. Purchasing frequency in the UK is ahead of where New Zealand was at a similar maturity, indicating the UK market's growing responsiveness to BNPL.

Over the past year, Laybuy has onboarded a large number of Active Merchants, reflective of its investment in resources for acquiring and onboarding new merchants. This strong growth is expected to continue and drive increased customer acquisitions and increased purchasing frequency, both of which will contribute to substantial GMV growth.

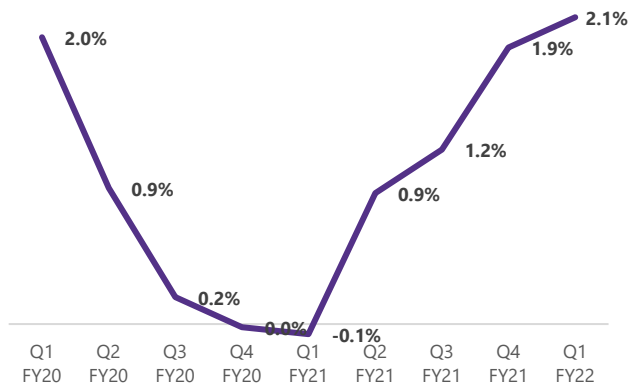
Income and net transaction margin

The graphs below represent the Group's quarterly income from Q1 FY19 to Q1 FY22, as well as NTM on a 12-month rolling basis.

Group quarterly income (NZ\$m)



NTM % (12 month rolling average)

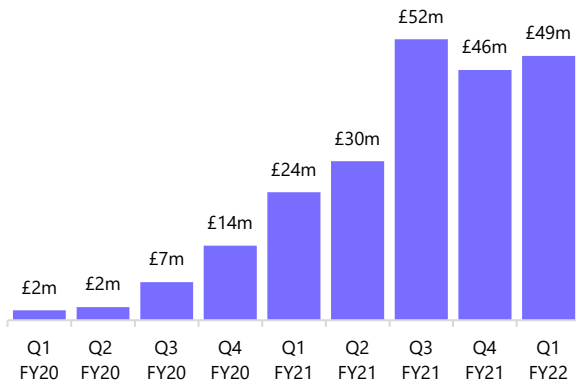


Income of NZ\$10.4 million for Q1 FY22 increased across the group by 70% YoY (6% QoQ) as a result of GMV growth and improved commission rates. Whilst late fee revenue has increased in line with GMV growth, it has reduced slightly as a % of GMV YoY.

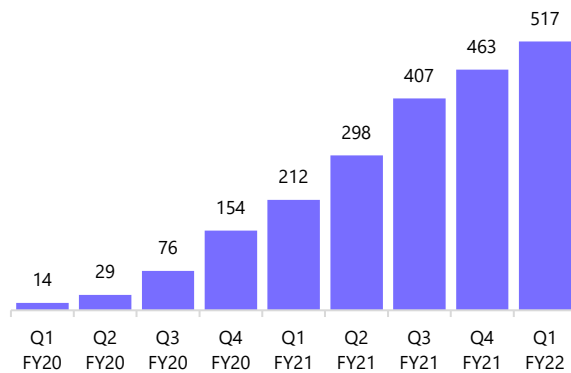
Net Transaction Margin (NTM) improved to 2.0% of GMV for the quarter, up from 0.5% in Q1 FY21. Credit performance (as reflected by Defaults / Gross Losses as a % of GMV) across the group improved from 3.4% to 2.5% YoY. On a rolling 12-month basis, NTM improved to 2.1%.

Laybuy UK

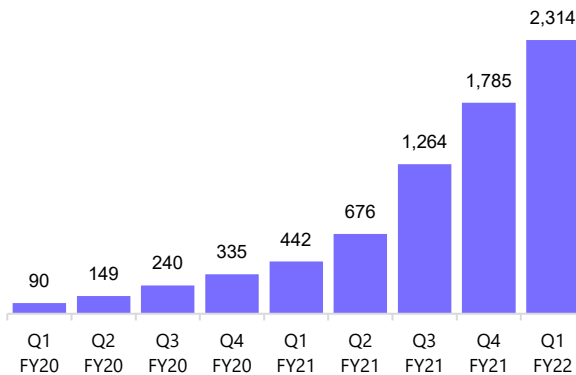
UK quarterly GMV (£m)



UK Active Customers ('000)



UK Active Merchants



Key Merchants

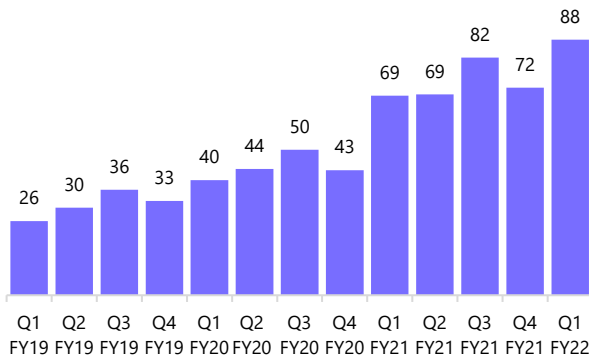


Laybuy UK continued to experience strong growth in Active Customers and Active Merchants in Q1 FY22, with GMV momentum continuing following the seasonally strong Q3 FY21. Annualised GMV reached £196 million, a significant increase of 107% YoY. Active merchants increased by 529 during the quarter.

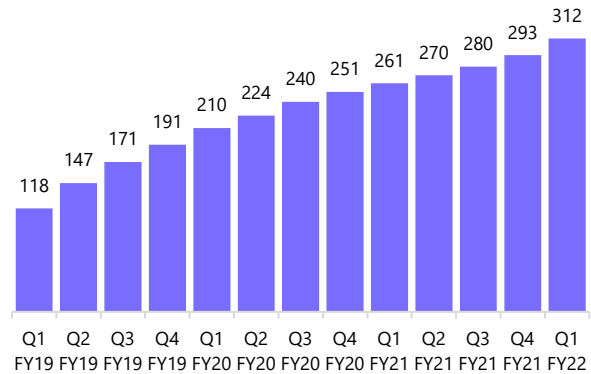
Laybuy's UK business is expected to continue to accelerate into Q2, boosted by the Affiliate Marketing Network with Rakuten, Awin and Sovrn, providing customers with access to more than 5,000 merchants over the course of FY22 including household brands such as Amazon, ASOS, Nike, adidas, eBay and more. The *Tap to Pay* digital solution for in-store was also launched in the UK towards the end of Q1, further expected to support GMV growth.

Laybuy ANZ

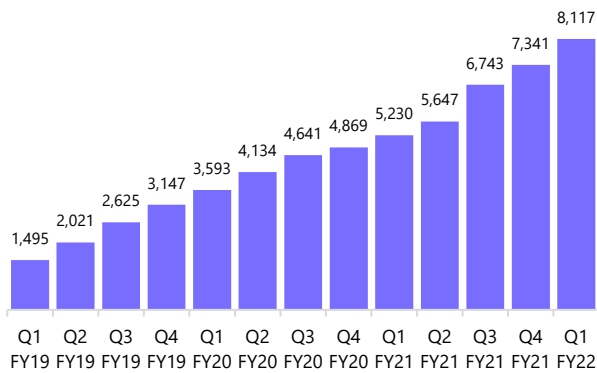
ANZ quarterly GMV (NZ\$m)



ANZ Active Customers ('000)



ANZ Active Merchants



Key Merchants



Laybuy's Australian and New Zealand business continues to see sustained growth with increased purchasing frequency, repeat customers and merchant acquisition. Annualised GMV reached NZ\$354 million, representing a 28% increase YoY.

In-store contribution as a percentage of total GMV continues to increase in Q1 FY22, to 22% (20% in Q4 FY21). This is driven by uptake of the *Tap to Pay* digital card in New Zealand and customer propensity to use Laybuy at checkout as a result of brand familiarity from using it as a payment method online.

New merchants added in Q1 include JD Sports and Motor Trading Association (MTA) in NZ; Adore Beauty, Boardriders, City Beach, Stateside Sport, Colette and Missy Empire in Australia. MTA is NZ's largest automotive industry body, representing over 3,700 members.

Delivering on growth ambitions

Laybuy Mania was held in April 2021, which produced record sales compared to previous Mania events, up 70% on the April 2020 Mania event. 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 2021, Laybuy announced strategic partnerships with Rakuten, Awin and Sovrn which will see Laybuy customers having access to over 5,000 merchants in the UK during the course of FY22, 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 as well as online through the Laybuy app, allowing them to pay with Laybuy without further merchant integration or direct relationships being required. The access to these leading retailers is expected to support increased GMV with repeat customer usage.

Laybuy successfully completed a A\$40 million capital raise in May and June 2021, predominantly to support UK growth.

Tap to Pay, Laybuy's digital in-store card solution, was launched in the UK in June following easing of lockdown restrictions.

Management team

Laybuy continues to invest in its people, further adding strength to the UK team. John Gillan commenced in the newly created role of GM for UK and Europe and in this role, he is responsible for all UK operations, including developing and implementing the strategy to deliver continued growth in this region. John's previous experience includes Vice President for Europe at Criteo (a global adtech company) and various leadership roles at Google in the UK where he led teams dedicated to driving digital transformation for Google's customers.

In Q1 FY22, Laybuy appointed a VP for Sales and Emerging Markets and a Strategy & Growth Manager, both supporting John in his new role. Laybuy UK is currently recruiting for a Head of Sales and Senior Relationships Manager to build out the team in the UK.

Mathew Hayward joined Laybuy in May 2021 as Chief Marketing Officer (CMO), having previously held the role of CMO at R.M. Williams, one of Australia's most iconic brands. Mat is based in Sydney, Australia.

Paul Shingles, Chief Operating Officer, has resigned from his role for personal reasons, however will continue to work on a contract basis supporting strategic projects. James Abbott, Chief Product Officer, has also tendered his resignation from his role at Laybuy effective at the end of July. Recruitment for the replacement for these key roles is currently underway, and the Company thanks both Paul and James for their contributions to the Laybuy business and wishes them the best.

Capital management and debt facility update

At 30 June 2021, Laybuy had two debt facilities in place which were used to support the customer loan book – a NZ\$20 million debt facility with Kiwibank to fund the New Zealand and Australian business, and a £80 million (~NZ\$158 million) debt facility with VPC to fund the UK business. Management has been working collaboratively with VPC to agree on a facility that provides a more favourable outcome for both parties and Laybuy the flexibility to engage with alternative funding providers.

Laybuy and VPC have mutually agreed to an early termination of the facility. As a result, Laybuy will pay VPC a termination fee of £100,000. VPC and Laybuy have had a strong relationship and are now collaborating to wind down the existing facility. Laybuy will continue to keep the market informed of any material developments in relation to this matter.

Facility at 30 Jun 2021	Facility Limit	Drawn as at 30 Jun 2021	Capacity ⁸ as at 30 Jun 2021	Maturity
Kiwibank	NZ\$20.0m	NZ\$0.0m	NZ\$20.0m	Jun-22
Victory Park ⁹	NZ\$158.4m	NZ\$7.4m	NZ\$151.0m	Aug-25
Total			NZ\$171.0m	

The receivables ledger increased by NZ\$2.1 million QoQ to NZ\$36.1 million. NZ\$28.7 million of the receivables book as at 30 June was funded by cash reserves of the Company, after repayment of the Kiwibank facility with the proceeds from the recent capital raise. Based on the receivables book at 30 June 2021, the available balance to draw from Kiwibank was NZ\$11.4 million. As the receivables book increases, additional debt funds are available to support that growth, with the maximum subject to the respective facility limits. If the value of the receivables book reduces, the funds available under the respective facilities also reduce.

Once the VPC facility is formally ended, Laybuy will be in a position to engage with other potential lenders.. Laybuy has received multiple expressions of interest from alternative debt funding providers to support the UK receivables book. Until a facility with a new lender is agreed, Laybuy will fund the portion of its UK receivables book currently funded by the VPC debt facility (NZ\$7.4 million), from current cash reserves and available facility with Kiwibank (NZ\$47.9 million).

Based on average customer loan balances, Laybuy's loan book turned 6.8 times in Q1 FY22, which is equivalent to 27.2 times per annum (prior quarter was 5.2 and 20.1 times respectively).

8. Capacity is the difference between the facility limit and the drawn amount, and its availability is linked to the size of the receivables book
 9. Using 0.505 NZD / GBP FX rate

Cashflows

As at 30 June 2021, Laybuy held cash and cash equivalents of NZ\$36.5 million – an increase of NZ\$21.0 million QoQ. Available to draw amounts on debt facilities was NZ\$12.2 million based on the receivables ledger at this date. Therefore total available cash is NZ\$48.7 million, an increase of NZ\$29.8 million QoQ.

Operating Activities

Q1 FY22 realised operating activities cash outflows of NZ\$11.0 million as the receivables book continued to grow, combined with an increase in spend on product manufacturing, operating costs and an increase in employees.

Receipts from customers increased by NZ\$9.1 million on Q4 FY21, up 7% to NZ\$144.7 million, while payments to merchants increased by NZ\$16.8 million, up 14% to NZ\$140.5 million. The higher increase in payments to merchants reflects the growth in the receivables ledger, with the delayed timing of receipts from customers spread over the following five weeks following merchant payment.

Research and development costs totalled NZ\$1.1 million in Q1 FY22 compared to NZ\$0.7 million in Q4 FY21, representing both external and internal costs relating to the development of the core Laybuy platform. Expenditure includes salary and contractor costs as well as related technology costs. This does not include costs in respect of the Mastercard product which are being capitalised as an intangible asset and classified as Investing Activities.

Product manufacturing and operating costs includes all the variable transaction costs for Laybuy which were NZ\$3.5 million for Q1 FY22, up NZ\$2.6 million in Q4 FY21 as a result of timing of payments and increased customer activity in the last quarter.

Advertising and marketing spend totalled NZ\$5.4 million for Q1 FY22, up NZ\$0.2 million on prior quarter. This includes incentive payments to merchants and marketing activity to support Laybuy's April Mania event.

Employee costs were NZ\$3.1 million for Q1 FY22, up NZ\$1.0 million on prior quarter largely due to an increase in employee numbers. A total of NZ\$0.4 million was paid to related parties and their associates comprising NZ\$0.1 million by way of salary and wages and any variable compensation payable under their terms of employment and a further NZ\$0.3 million by way of fees payable to non-executive directors.

Administrative and corporate costs were NZ\$1.7 million for Q1 FY22, up NZ\$0.4 million on prior quarter. These include legal and accounting fees, recruitment costs, insurance fees, audit fees and timing of GST.

Investing Activities

Investing Activities relates predominately to the development of the Mastercard *Tap to Pay* solution. The value of total payments capitalised in Q1 FY22 was NZ\$0.3 million, compared to NZ\$0.4 million in Q4 FY21.

Financing Activities

Financing activities had a cashflow inflow of NZ\$32.5 million, up NZ\$31.4 million on prior quarter as a result of a capital raise (A\$40 million before transaction cost) in May 2021, partly offset by a repayment of the Kiwibank debt facility. This takes the total drawn down amount on debt facilities to NZ\$7.4 million compared to NZ\$15.6 million last quarter.

Outlook

Laybuy continues to focus on accelerating its growth in the UK supported by funds raised in Q1 FY22, while supporting its strong position in ANZ. The affiliate marketing network partnerships with Rakuten, Awin and Sovrn is expected to further support GMV growth as Laybuy tracks towards exceeding GMV of NZ\$1 billion during FY22. *Tap to Pay* will continue to be rolled out across the UK to existing and new merchants, as an in-store payment solution. Laybuy is in the process of finalising merchant agreements with Boohoo group brands including Debenhams, Dorothy Perkins and more. Growth in merchant acquisition from inbound enquiries from SMEs also continue, supporting GMV growth.

ENDS

Zoom webinar

A Zoom webinar will be held **29 July 2021 at 13:00 (AEST)/ 15:00 (NZT)** by Gary Rohloff (CEO and Managing Director) and Katrina Kirkcaldie (Chief Financial Officer) to discuss the Q1 Business Update. Please click this URL to join <https://laybuy.zoom.us/j/86378305149>. Or join by phone using meeting ID 863 7830 5149. International numbers available at the following link: <https://laybuy.zoom.us/j/86378305149>

For more information, please contact:

Gary Rohloff

Managing Director

Email: investors@laybuy.com

Katrina Kirkcaldie

Chief Financial Officer

Email: investors@laybuy.com

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 10,000 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.

Use of Funds

In accordance with ASX Listing Rule 4.7C Laybuy Group Holdings Limited provides the following information: The 296 days ended 30 June 2021 is covered by the “Use of Funds Statement” in the Laybuy Prospectus, dated 10 August 2020. As Laybuy listed on the ASX on 7 September 2020, Laybuy has reflected the cashflows since 7 September 2020 to satisfy ASX Listing Rule 4.7C, including the costs of the initial public offering transactions which have been captured from the date of listing.

A summary of the expenditure for the cumulative period ended 30 June 2021 is outlined below:

Use of proceeds	As per the Prospectus		Period ended 30 June 2021 (NZ\$ '000)
	(A\$ '000)	(NZ\$ '000)	
Payment of proceeds by SaleCo to Selling Shareholders	40,000	42,621	43,436
Funding and support for growth in the UK receivables book	18,200	19,393	16,298
Sales and marketing in the UK (for merchant and consumers)	7,700	8,205	9,178
Employees to support the growth of the business in the UK	3,300	3,516	2,671
Costs of the Offer	5,258	5,603	5,974
Other working capital	5,542	5,904	6,901
Total	80,000	85,242	84,458

- (1) Proceeds from the sell down at a foreign exchange (fx) rate NZ\$1.00 =A\$0.9209. The sell down was AUD40 million and the variance between the prospectus and actual payment relates to variances in fx rates.
- (2) Funding for the UK receivables book, NZ\$994k of costs incurred in legal and due diligence costs in respect of the VPC Facility for the UK business as well as NZ\$15.3 million in cash reserves used to fund the receivables book in the UK.
- (3) UK sales and marketing in the UK (for merchant and consumers) payments of NZ\$9.2 million have been made in respect of the UK market.
- (4) Employees to support the growth of the business in the UK, during the period since listing additional resourcing have been employed in the areas of sales, marketing as well as additional support staff in the head office to support the growing UK business (HR, software development, customer support and merchant onboarding).
- (5) Costs of the offer paid after the listing were NZ\$5.9 million. This is NZ\$371k in additional costs than those anticipated at the time of writing the prospectus, which is slightly less than as reported in the September 2020 quarterly report.
- (6) Other working capital costs relate to the increased cash investment in the receivables book in ANZ (NZ\$4 million), other costs include accounting, professional fees incurred derived from be a listed company and recruitment costs (NZ\$1.4 million). Timing of indirect tax filings (NZ\$1.5million).

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B
Name of entity:

Laybuy Group Holdings Limited

ABN

ARBN 642 138 476

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter NZ\$'000	Year to date (3 months) NZ\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	144,702	144,702
1.2	Payments for		
	(a) research and development	(1,139)	(1,139)
	(b) product manufacturing and operating costs	(3,526)	(3,526)
	(c) advertising and marketing	(5,430)	(5,430)
	(d) leased assets	(253)	(253)
	(e) staff costs	(3,050)	(3,050)
	(f) administration and corporate costs	(1,746)	(1,746)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(309)	(309)
1.6	Income taxes refunded	260	260
1.7	Government grants and tax incentives	-	-
1.8	Other (payments to merchants)	(140,510)	(140,510)
1.9	Net cash from / (used in) operating activities	(11,001)	(11,001)

Consolidated statement of cash flows (continued)	Current quarter NZ\$'000	Year to date (12 months) NZ\$'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(37)	(37)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets (payments for development of intangible assets)	(231)	(231)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(268)	(268)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	43,064	43,064
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(2,011)	(2,011)
3.5 Proceeds from borrowings	3,807	3,807

Consolidated statement of cash flows (continued)		Current quarter NZ\$'000	Year to date (12 months) NZ\$'000
3.6	Repayment of borrowings	(12,067)	(12,067)
3.7	Transaction costs related to loans and borrowings	(270)	(270)
3.8	Dividends paid	-	-
3.9a	Other (payment to original shareholders from sell down of shares)	-	-
3.9b	Other (payments for lease liabilities)	(55)	(55)
3.10	Net cash from / (used in) financing activities	32,468	32,468
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,487	15,487
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(11,001)	(11,001)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(268)	(268)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	32,468	32,468
4.5	Effect of movement in exchange rates on cash held	(154)	(154)
4.6	Cash and cash equivalents at end of period	36,532	36,532
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter NZ\$'000	Previous quarter NZ\$'000
5.1	Bank balances	36,532	15,487
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	36,532	15,487

6. Payments to related parties of the entity and their associates		Current quarter NZ\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	404
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities		Total facility amount at quarter end NZ\$'000	Amount drawn at quarter end NZ\$'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	178,416	7,426
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	178,416	3,751
7.5	Unused financing facilities available at quarter end		12,215 (see notes in item 7.6 – 11,384 excluding VPC)
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>Laybuy had in place two debt facilities were are used to support the customer loan book. A NZ\$20 million debt facility with Kiwibank to fund Laybuy New Zealand and Australia and a £80 million (~NZ\$158 million) debt facility with Victory Park Capital (VPC) to fund the UK business.</p> <p>The Kiwibank facility is secured against the New Zealand and Australian receivables ledgers. The interest rate for the quarter and YTD was 3.50%. The facility matures in June 2022. The drawn down balance at 30 June 2021 was NZ\$1,000.</p>		

The VPC facility was secured against the UK receivables ledger. The interest rate for the quarter was 12.25% and £0.5 million has been drawn down during the quarter.

The total drawn facility at 30 June 2021 was £3.75 million. The facility matures 5 years from the initial draw, on 28 August 2025.

Based on the receivables book at 30 June 2021, the available balance to draw from Kiwibank was NZ\$11.4 million. A further NZ\$0.8 million had been available to draw from VPC based on the receivables ledger on 30 June 2021, however going forward, Laybuy does not expect that it will be able to draw on this balance given its recent discussions with VPC. .

8. Estimated cash available for future operating activities	\$NZ\$'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(11,001)
8.2 Cash and cash equivalents at quarter end (item 4.6)	36,532
8.3 Unused finance facilities available at quarter end (item 7.5)	12,215 (see notes above in item 7.6 – 11,384 excluding VPC)
8.4 Total available funding (item 8.2 + item 8.3)	48,747 (see notes above in item 7.6 – 47,916 excluding VPC)
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: NA

Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: NA

Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: NA

Where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2021

Authorised by: Authorised by the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.