

ASX ANNOUNCEMENT (ASX: LBY)

22 October 2021

Laybuy provides update of debt facilities and delivers record Q2 results

Laybuy Group Holdings (ASX:LBY) (“Laybuy”, the “Company”) is pleased to provide an update to its existing and new debt facilities as well as an update on trading for the quarter ended 30 September 2021 (Q2 FY22). Laybuy will release its Appendix 4C on 28 October 2021.

All numbers are stated in New Zealand dollars (“NZ\$”) and comparisons relate to the quarter ended 30 June 2021 (“Q1 FY22” or quarter on quarter, “QoQ”) or the quarter ended 30 September 2020 (“Q2 FY21” or year on year, “YoY”), unless otherwise stated.

Q2 Highlights

- **New debt facility with US specialist lenders Partners for Growth (PFG) of £30 million** to support UK loan book growth and provides substantially greater availability and flexibility for draw downs.
- **Increase in Kiwibank facility limit to NZ\$30 million** and increase in LVR to further support ANZ loan book growth.
- **Laybuy App Exclusives (Affiliate Marketing Network)** successfully launched in the UK with over 160 household brands and with ability to reach more than 5,000 merchants in a wide range of verticals.
- **Gross Merchandise Value (GMV) reached a record NZ\$206 million for Q2**, or annualised¹ GMV of NZ\$825 million, an increase of 62% YoY.
- **GMV for the month of September also reached a record NZ\$78.5 million**, or annualised GMV of NZ\$942 million, an increase of 88% YoY.
- **United Kingdom GMV almost doubled in Q2**, reaching annualised GMV of £226 million or NZ\$446 million, up 93% YoY.
- **Active Customers² reaching 889,000**, up 57% YoY. UK active customers up 90% YoY.
- **Active Merchants³ reaching 11,700**, up 86% YoY. UK active merchants up 332% YoY.

¹ GMV for the quarter multiplied by four.

² An ‘Active Customer’ is a customer who has made a purchase through the Laybuy platform within 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.

- **Nearly 2,000 merchants added in Q2** including Amazon, ASOS, Nike, B&Q and eBay via App Exclusives as well as direct merchants The Fragrance Shop, Alternative Airlines and InMotion (UK); House of Travel, Culture Kings, EB Games In-store (NZ); and Bailey Nelson, Patagonia and HiSmiles (ANZ).
- **October market update** as at the time of this release, Laybuy has
 - eclipsed the **900k** active customer milestone
 - exceeded **12,000** active merchants on the platform
 - exceeded **3,000** active UK merchants
- Laybuy remains on track to reach the **\$1 billion GMV target** for FY22.

Managing Director Gary Rohloff commented: “Laybuy is pleased to confirm a new debt facility has been signed with Partners for Growth (PFG), a US-based specialist lending provider with a global reach. This new debt facility will enable Laybuy to further accelerate growth in the UK market. Combined with the increased facility limit on the Kiwibank facility, Laybuy is in a strong position to continue to deliver exceptional growth - with the ability to support GMV of up to NZ\$2 billion.

“We continue to deliver against our strategy and have again seen strong growth in GMV in quarter two of FY22. Since September 2020, we have added more than 5,400 active merchants and have added 321,000 new active customers, which is helping drive impressive growth across all regions, particularly in our growth market of the UK. This is particularly pleasing as the Company heads towards the busy Christmas season.”

“We’re looking forward to updating the market on further developments over the coming months.”

New UK debt facility with Partners for Growth

Laybuy today announces it has secured a new debt facility with Partners for Growth VI, L.P. (**PFG**) to support its UK receivables book, with a total facility of £30 million.

The facility has a Loan to Value Ratio (**LVR**) advance rate of 75% of eligible receivables. 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. Being a revolving facility, the PFG facility provides greater availability to access funds and higher flexibility. At the time of initial drawdown, the PFG facility would provide greater availability than the previous UK facility.

The first drawdown is expected to be made during Q3 and will be used to support the UK loan book. The first drawdown under the facility is subject to certain conditions precedent.

The facility maturity date is 36 months from commencement date, with an interest rate of 11% per annum for the first £15 million tranche and 10% on the second £15 million tranche. PFG has security over the two UK entities (and Laybuy Group Holdings Limited's shares in Laybuy Holdings (UK) Limited) and over a newly created financing vehicle in NZ, Laybuy SPV (NZ) Limited (and Laybuy Group Holdings Limited's shares in that vehicle). The agreement for the facility includes warranties, indemnities, fees, default and review events and other terms which the Company considers usual for a transaction of this type.

As part of the agreement with PFG, Laybuy has agreed to issue warrants to PFG (**Warrants**) which grant PFG the right to subscribe for a number of ordinary shares in the Company (**Shares**). The terms of the issue of the warrants are subject to approval by ASX. The Company expects a decision from ASX shortly and will make a further announcement once it receives the decision.

Changes to the Kiwibank facility

Laybuy has also secured an increase in facility limit and advance rate with Kiwibank Limited (“**Kiwibank**”).

Due to the strong continued credit performance and growth of the ANZ portfolio, the Kiwibank revolving facility limit will increase from NZ\$20 million to NZ\$30 million, and LVR advance rate will increase from 75% to 80% of eligible receivables. Furthermore, the facility has been extended to 30 June 2023, with one-year extensions to the facility term to apply on an evergreen basis subject to satisfactory annual review. Laybuy is grateful of the continued support that Kiwibank continues to provide Laybuy. Their support enables the Australasia business to continue to grow and Laybuy looks forward to a continued relationship. NZ\$11.5 million was drawn as at 30 September 2021.

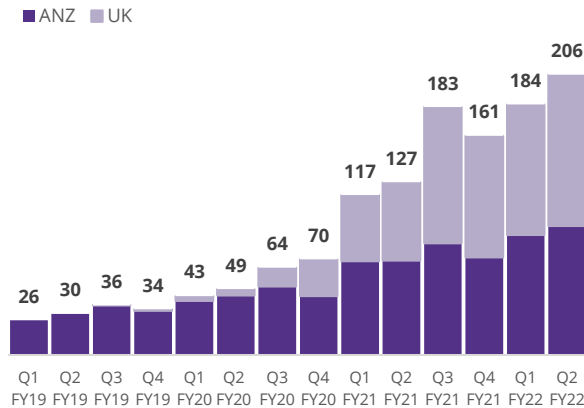
Facility	Facility Limit	Drawn as at 22 Oct 2021	Capacity as at 22 Oct 2021	Maturity
Kiwibank	NZ\$30.0m	NZ\$11.5m	NZ\$18.5m	Jun-23
Partners for Growth	NZ\$58.4m (£30m)	NZ\$0.0m	NZ\$58.4m ⁴	Oct-24
Total	NZ\$98.4m		NZ\$86.9m	

⁴ The first drawdown under the facility is subject to certain conditions precedent.

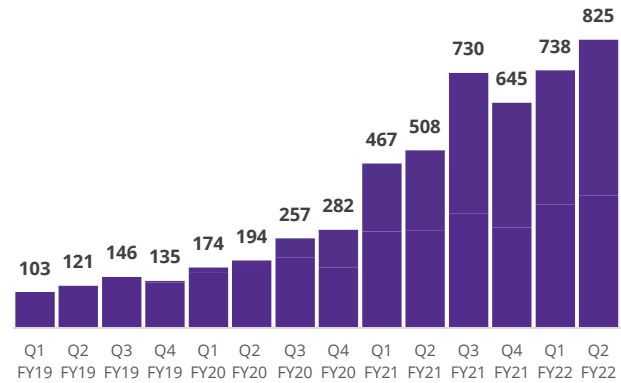
Q2 FY22 Results

Gross Merchandise Value (“GMV”)

Quarterly GMV by region (NZ\$m)



Annualise quarterly GMV (NZ\$m)



Laybuy’s GMV for Q2 FY22 was a record NZ\$206 million, with annualised GMV of NZ\$825 million, up 62% YoY. The UK contributed significantly to this uplift with annualised UK GMV of £226 million or NZ\$446 million, up 93% YoY. This strong growth in the UK was supported by an increase of 332% in active merchants and 90% in active customers compared to Q2 FY21.

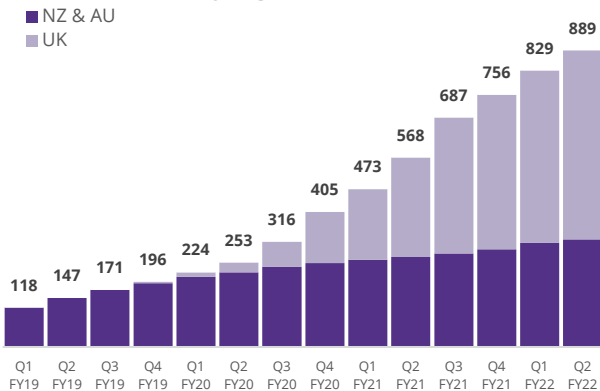
The Laybuy App Exclusives (“Affiliate Marketing Network”) launched at the end of August and resulted in over 80,000 transactions with a large portion of repeat customers using the Laybuy App to shop at some of the world’s leading and most recognised brands including Amazon, ASOS, B&Q, Nike and eBay, using a one-off virtual card.

The App Exclusives is a cornerstone of Laybuy’s merchant growth strategy in the UK. Initially providing access to 160 merchants, it has capacity to quickly grow Laybuy’s reach to more than 5,000 merchants across a wide range of verticals.

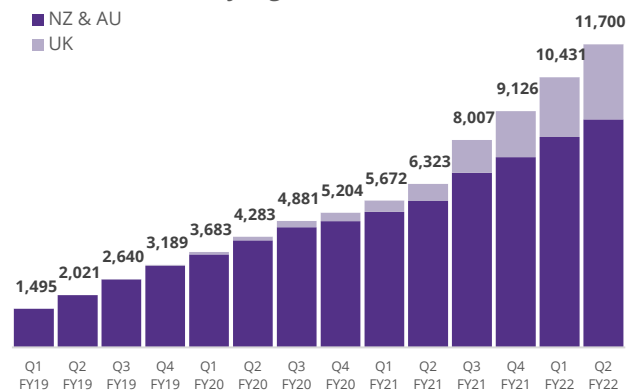
The launch of the App Exclusives has been accompanied with a campaign in the UK to raise awareness amongst key consumer groups of the new offering.

Active Customers and Merchants

Active Customers by region ('000)



Active Merchants by region



Active customers increased to 889,000 in Q2 FY22, an increase of 321,000 on Q2 FY21. The growth was particularly strong in the UK, as Laybuy continues to deliver on its strategic initiatives by broadening its merchant offering further supported by the launch of the App Exclusives.

Active merchants have reached 11,700 in Q2 FY22, an increase of 5,400 on Q2 FY21. The UK had particularly strong growth, with an increase of 332% YoY. The App Exclusives launched in late August and already has over 160 merchants active. Other new UK merchants include The Fragrance Shop (with over 200 stores in the UK), Alternative Airlines (a travel fare aggregator website in the UK) and InMotion (18 former Dixons Travel stores at UK airports, operated by WHSmith) - these merchants are fully integrated into the Laybuy platform.

ENDS

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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 12,000 retail merchants. Laybuy is available in New Zealand, Australia and the UK. 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.

About Partners for Growth

Partners for Growth (PFG) is a global specialty lending firm focused on providing innovative debt capital solutions for emerging growth companies. Established as Partners for Growth in 2004, the firm's investment strategy dates to the mid-1980s when the co-founding partners managed the venture lending practice of technology investment bank Hambrecht & Quist, purchased by JPMorgan Chase in 1999. Leveraging decades of experience dedicated to this market, PFG has structured tailored debt facilities to support growth and expansion, working capital, fintech warehouse and acquisition financing needs for over 200 portfolio companies globally since inception. For more information, visit www.pfgrowth.com.