APPENDIX 4D

FY22 HALF YEAR REPORT

Under ASX listing rule 4.3A

Company details

Name of entity	Laybuy Group Holdings Limited
ARBN	642 138 476
Reporting period	30 September 2021
Previous period	30 September 2020

Results for announcement to the market

	Change from previous period		
	▲▼	**%**	**NZ $000**
Revenue from ordinary activities	▲	60%	7,927
Loss after tax from ordinary activities	▼	15%	(3,846)
Loss for the period attributable to ordinary equity holders	▼	15%	(3,846)

	2021	**2020**
Net tangible assets per ordinary share	NZ$0.21	NZ$0.28

No dividends are proposed, and no dividends were declared or paid for the six months ended 30 September 2021.

During the six months ended 30 September 2021, Laybuy gained control, or incorporated the following entity:

Name	**Date control gained**
Laybuy SPV (NZ) Limited	16 September 2021

Additional disclosure requirements and supporting information for the Appendix 4D is contained within the FY22 Half Year Report, which includes the Directors' Report. This Appendix should be read in conjunction with the Half Year Report.

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

Laybuy (ASX:LBY)

Gaining Momentum

FY22 Half Year Report

FY22 Half Year Report – Performance Highlights

Annualised GMV[1]

↗60%

YoY to NZ $782m

Half Year Income

NZ$21.2m

Up 60% YoY

Net Transaction Margin

1.5%

or NZ$5.7m, down from 1.7% YoY

Regional GMV

↗95% UK

↗32% ANZ

Normalised EBITDA[2]

NZ$(16.3m)

Up from NZ$(8.1m) PcP

Affiliate Marketing Network

>160

App Exclusive Merchants

Active Merchants[3]

↗86%

YoY to 11,700

Active Customers[3]

↗57%

YoY to 889,000

New and increased debt facilities totalling

NZ$88.4m

Supporting GMV writing capacity of over NZ$2.3bn

[1] Annualised Gross Merchandise Value (GMV) represents half year GMV multiplied by 2. GBP and AUD denominated metrics are converted at the average historical exchange rates for each of the half year.
[2] Excluding Significant Items (Normalised EBITDA).
[3] Active is defined as having transacted at least once in the last 12 months.

Inside

These interim condensed consolidated financial statements included within the Report (Half Year Report) have been prepared in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and does not include all the information and disclosures normally included in an annual financial report. The historical financial statements for Laybuy Group Holdings Limited (collectively the Group or Laybuy) with full note disclosure are available on their website, https://laybuyinvestors.com/ investor-centre/?page=asx-announcements.

The Group has also released information to the Australian Securities Exchange operated by ASX Limited (ASX) in compliance with the continuous disclosure requirements of the ASX Listing Rules. Announcements made by the Group under such rules are available on ASX's internet site: www.asx.com.au (the Group's ASX code is 'LBY').

The material in this report Half Year Report has been prepared by Laybuy Group Holdings Limited ARBN 642 138 476 and is current at the date of this Report. It is general background information about Laybuy's activities, is given in summary form in terms of the requirements of NZ IAS 34 *Interim Financial Reporting*, and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered with professional advice when deciding if an investment is appropriate.

The FY22 Half Year Report was authorised for issue by Laybuy's Directors on 23 November 2021. The Board of Directors has the power to amend and reissue the Half Year Report.

Some parts of the commentary include information regarding plans and strategy for the business. Actual results and timing of certain events may differ materially from future results expressed or implied by the forward-looking statements contained in this commentary.

All amounts are presented in New Zealand dollars (NZD) except where indicated, and comparatives relate to the six months ended 30 September 2020 (H1 FY21, YoY or PcP) unless otherwise stated. Non-GAAP measures have been included, as Laybuy believes they provide useful information for readers to assist in understanding the Group's financial performance. Non-GAAP financial measures should not be viewed in isolation or considered as substitutes for measures reported in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Directors' Report

The Directors submit their report on the consolidated entity consisting of Laybuy Group Holdings Limited (Company) and its subsidiaries (Group) for the half year ended 30 September 2021.

STEVEN FISHER
Chair and Independent Non-Executive Director

GARY ROHLOFF
Managing Director

MARK HABERLIN
Independent, Non-Executive Director
Chair of the Audit and Risk Committee

CRAIG STYRIS
Non-Executive Director
Chair of the Nomination and Remuneration Committee

Each of the Directors listed above held office as a Director throughout the period and until the date of this report.

Principal activities

The principal activity of the Group is to provide a Buy-Now-Pay-Later (BNPL) payment solution for customers and merchants through its platforms.

Financial result

The Group reported a Statutory Loss After Tax of NZ$22.6 million for the half year ended 30 September 2021 (2020: Statutory Loss After Tax of NZ$26.4 million).

Operating and Financial Performance

For the half year ended 30 September 2021, the Group delivered strong growth across the United Kingdom (UK), Australia and New Zealand (ANZ).

Summary of key metrics (including Non-GAAP[1] measures):

NZ$	1H FY22	1H FY21	Movement	%
UK GMV	$208m	$106m	$102m	95%
ANZ GMV	$183m	$139m	$44m	32%
Gross Merchandise Value (GMV)	$391m	$245m	$146m	60%
Income	$21.2m	$13.3m	$7.9m	60%
Net Transaction Margin (NTM)	$5.7m	$4.1m	$1.6m	39%
NTM % of GMV	1.5%	1.7%	(20bps)	
Defaults % of GMV	(2.6%)	(2.5%)	(10bps)	
Normalised EBITDA[2]	($16.3m)	($8.1m)	($8.2m)	(103%)
Loss after tax[3]	($22.6m)	($26.4m)	$3.8m	15%
Active customers[4]	889,000	568,000	321,000	57%
Repeat customers[5]	66%	63%	+30bps	
Active merchants[4]	11,700	6,300	5,400	86%

[1] Non-GAAP measures have been included as we believe they provide useful information for users of the financial statements that assist in understanding Laybuy's financial performance. The non-GAAP financial information does not have a standardised meaning prescribed by IFRS and therefore may not be comparable to similar financial information presented by other entities. The non-GAAP financial information has not been subject to audit or review.
[2] Normalised EBITDA excludes one-off items such as the cost associated with the IPO, fair value movements on convertible notes and share-based payments. EBITDA and Normalised EBITDA also excludes Interest Expense on Debt Facilities (included in Net Transaction Margin).
[3] Statutory Loss After Tax in line with IFRS.
[4] Active is defined as having transacted at least once in the last 12 months.
[5] 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)

The Group's GMV for the six months to September 2021 increased significantly across all regions, and in particular the UK. Growth in the UK increased by 95% to NZ$208 million, while the ANZ region increased by 32% to NZ$183 million. This resulted in total GMV of NZ$391 million or NZ$782 million annualised, up 60% on the same period last year. This growth was supported by growing numbers of large and small merchants, and the launch of *Tap to Pay* and *App Exclusives*, supported by increasing customer adoption.

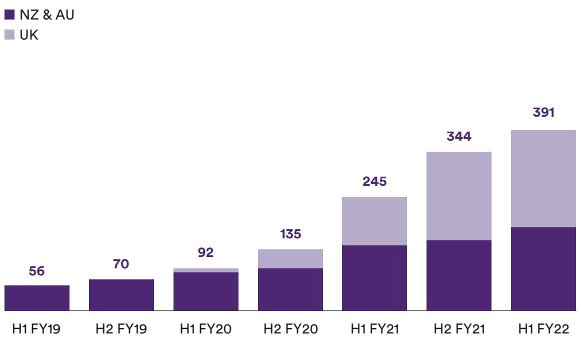
Active customers

Laybuy's active customers increased to 889,000 in 1H FY22, an uplift of 321,000 on the same period last year. Impressive growth was seen across both the UK (increasing 90% to 566,000) and ANZ (increasing 19% to 322,000) compared to 1H FY21.

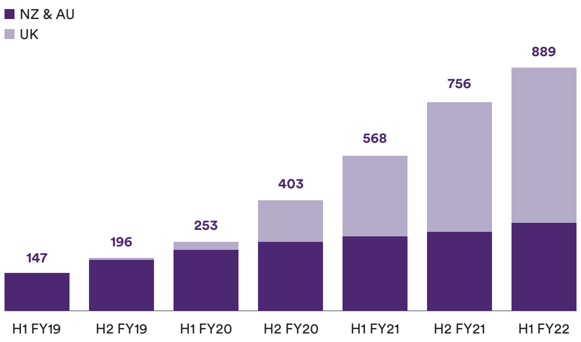
Active merchants

Laybuy's active merchants increased to 11,700 in 1H FY22, an uplift of 86% on the same period last year. The UK saw significant growth of 332% to 2,900. Laybuy UK launched App Exclusives (Affiliate Marketing Network) in late 1H FY22, with access to over 160 well-known brands through the Laybuy Shopping App, expected to increase to over 5,000 over time. Laybuy continues to increase its brand awareness through major sporting partnerships including Manchester United, Manchester City and Arsenal football clubs in the UK, and Super Rugby clubs in New Zealand.

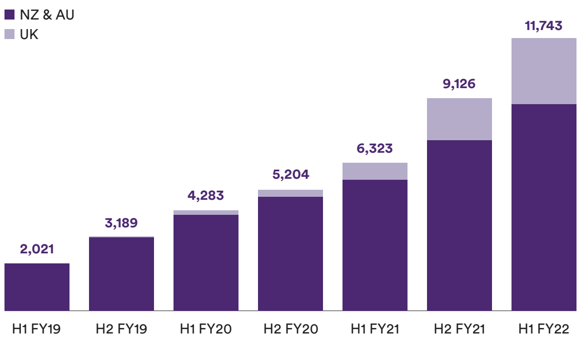
Total GMV by region (NZ$m)



Active customers by region ('000)



Active merchants by region



Financial Performance

Laybuy has continued to grow and expand its operations during 1H FY22, with total income up 60% to NZ$21.2 million from the prior year.

Laybuy continues to invest for future growth. For the half year ended 30 September 2021, Laybuy heavily invested in its people, marketing, product development, partnerships, capital and availed itself of sufficient debt facilities to support receivables book growth.

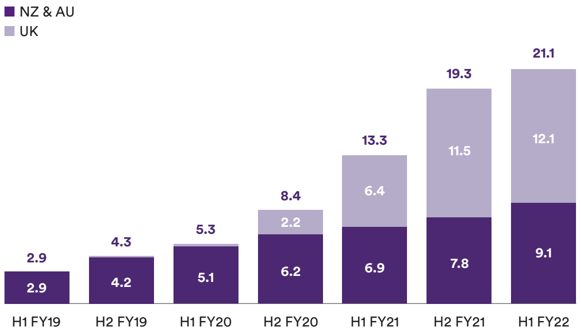
NZ$000s	1H FY22	1H FY21	Change $000	Change %
Total income	21,236	13,309	7,927	60%
Merchant and marketing expenses	(8,539)	(4,304)	(4,235)	(98%)
Employment expenses	(6,883)	(4,439)	(2,444)	(55%)
Transaction expenses	(4,941)	(2,940)	(2,001)	(68%)
Consumer receivables impairment expenses	(10,042)	(6,500)	(3,542)	(54%)
Platform development and hosting expenses	(936)	(483)	(453)	(94%)
Depreciation and amortisation	(783)	(323)	(460)	(142%)
Other operating expenses	(7,547)	(7,012)	(535)	(8%)
Other gains/(losses)	884	(5,413)	6,297	116%
Total expenses	(38,787)	(31,414)	(7,373)	(22%)

NZ$000s	1H FY22	1H FY21	Change $000	Change %
Segment operating loss	(17,551)	(18,105)	554	3%
Finance expenses	(5,035)	(8,326)	3,291	(40%)
Finance income	1	-	1	
Loss before tax	(22,585)	(26,431)	3,846	15%
Net transaction margin	5,701	4,135	1,566	38%
Normalised EBITDA	(16,345)	(8,065)	(8,280)	(103%)
EBITDA	(16,847)	(13,478)	(3,369)	(25%)

Total income

Total income for the half year ending 30 September 2021 increased to NZ$21.2 million, an increase of 60% on the same period last year.

Group income by region (NZ$m)



Merchant fee income

Merchant fee income as a % of GMV remained consistent on PcP. The average merchant fee for new retailers added to the platform during the first half of the year were on average higher than the average merchant fee historically derived. This is due to a larger number of small merchants being onboarded through the company's inbound merchant strategy. The Laybuy App Exclusives launched in September 2021 has a lower commission rate on average, offsetting some of the increases in the direct channel.

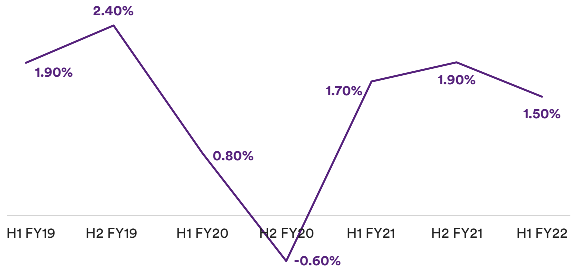
Late fee income

Late fees as a % of total revenue decreased from 44% in 1H FY21 to 43% in 1H FY22.

New Zealand has significantly lower levels of late fees as a percentage of income compared to the UK, reflecting the relative stages of maturity in these markets. As our position in the UK market becomes more established, management believes that the late fees will reduce to similar levels experienced in New Zealand. The UK is seeing an increase in repeat customer use and expects late fees as a % of revenue to decline over time as our footprint increases in this market.

Net Transaction Margin

Half yearly net transaction margin (% of GMV)



NTM as a percentage of GMV reduced to 1.5% for the half year ended 3 0 September 2021, down from 1.7% in PcP. The decrease in NTM was primarily driven by a slight increase in credit losses, up 10bps to 2.6% for 1H FY22.

The slight increase in credit losses was mainly due to larger contribution of growth from the UK market, combined with the launch of App Affiliates in late 1H FY22. The Company is continuously applying new fraud management technology to ensure credit losses reduce over time. Transaction costs have remained consistent at 1.2% of GMV.

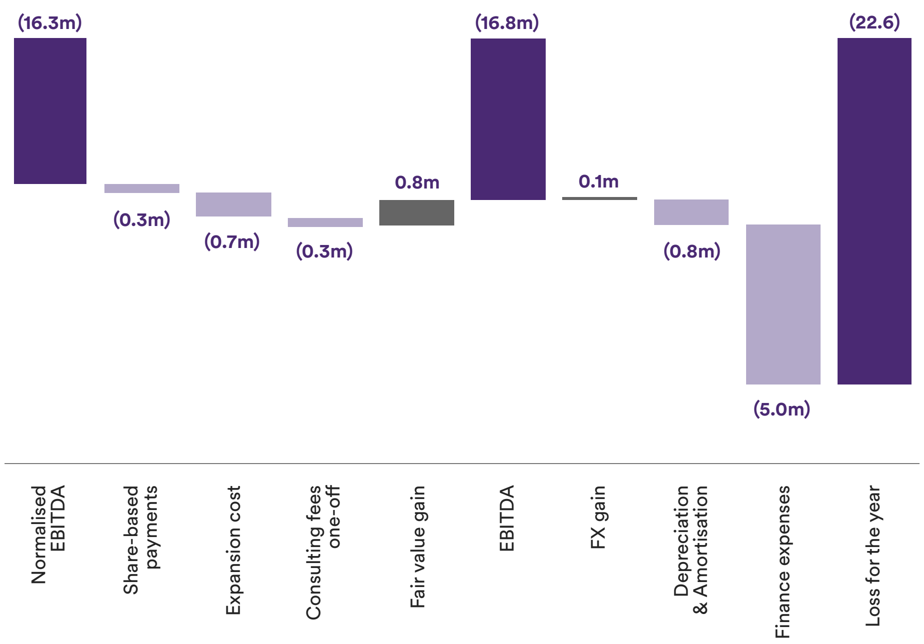
Operating costs

Laybuy continues to invest for future growth, including heavily invested in marketing, people, product development, partnerships, and capital and debt right-sizing. Several one-off costs were incurred and these have been factored into the normalisations.

Merchant and marketing expenditure is up 98% on PcP to NZ$8.5 million. Share based payments to merchants reduced by NZ$0.6 million on PcP, included in merchant and marketing expenditure. In addition, the increase in marketing expenditure has been largely driven from B2B activity and engagement with larger UK retail merchants, as well as Super Rugby club partnerships in NZ.

Investment in people has increased by 55% on PcP to NZ$6.9 million as the headcount increased across all departments, both in ANZ and the UK. Share based payments to employees reduced by NZ$0.1 million in 1H FY22 compared to PcP.

Normalised EBITDA to Loss for the Year bridge



Normalised EBITDA

Total normalisations of NZ$0.5 million have been made in 1H FY22. These are depicted in the bridge chart above.

Included in share-based payments are NZ$0.2 million to merchants, and NZ$0.1 million to employees.

Fair value gains on derivative financial instruments of NZ$0.8 million have been treated as a normalisation.

Expansion costs of NZ$0.7 million relating to recruitment costs were incurred to scale the business and have been regarded as one-off expenditure items.

One-off consulting costs of NZ$0.3 million have been incurred and are captured within operational expenditure.

Financial Position

Net assets

The Group's net asset position has increased to NZ$54.3 million as at 30 September 2021, up from NZ$36.7 million PcP. This is due to the capital raising and funding activities, and growth in the GMV, offset by the losses for the period. The customer loan book continues to grow in line with the GMV growth.

Total liabilities as at 30 September 2021 were NZ$23.8 million, up from NZ$23.3 million at 30 September 2020.

Borrowings (drawdowns from debt facilities) remained consistent on PcP, as no drawdown was made for the UK receivables ledger at 30 September 2021 – the new Partners for Growth facility was put in place in October 2021. Trade and Other Payables increased by NZ$1.3 million, partly offset by lower Other Liabilities.

Capital management

The Group raised A$40 million (before transaction cost) through a capital raising in May and June 2021.

The debt facility with Victory Park Capital was terminated in August 2021, replaced by a new and more flexible facility to support the UK receivables ledger with Partners for Growth (PFG). The new facility was signed in October 2021 with a facility limit of £30 million, Loan to Value ratio of 75% and a maturity date of October 2024.

The Kiwibank facility was also increased from a limit of $20 million to $30 million, with the Loan to Value ratio increasing from 75% to 80%. The facility has also been extended to July 2023.

The combined facilities support GMV of over £800 million in the UK and over NZ$750 in the ANZ region.

Facility	Facility Limit	Drawn at 30 September 2021	Available to draw[1]	Maturity
Kiwibank	NZ$30.0m	NZ$11.5m	NZ$1.3m	July 2023
Partners for Growth	NZ$58.4m /£30.0m	NZ$0.0m	NZ$17.4m	October 2024
Total	NZ$88.4m	NZ$11.5m	NZ$18.7m	

Significant changes in the state of affairs

It is the opinion of the Directors that there were no significant changes in the state of affairs of the Group during the six months ended 30 September 2021, except as otherwise noted in the Interim Financial Report.

Events subsequent

The Directors are not aware of any matters or circumstances that have arisen since 30 September 2021 which may affect either the Group's operations or results of those operations on the Group's state of affairs, except as otherwise noted in the Interim Financial Report.

Dividends

No dividends were declared or paid to shareholders during the six months ended 30 September 2021.

This report is made in accordance with a resolution of the Directors.

Gary Rohloff
Managing Director

[1] Pro-forma drawdown amount assuming all conditions to drawdown of the new PFG facility have been satisfied and reflecting increased advance rate with Kiwibank effective 30 September 2021. Conditions to drawdown are expected to be satisfied in Q3 FY22.

Interim condensed consolidated financial statements

for the six months ended 30 September 2021

Interim condensed consolidated statement of comprehensive income

for the six months ended 30 September 2021

$000'	Notes	30 September 2021 Unaudited	30 September 2020 Unaudited
Income	6	**21,236**	13,309
Total income		**21,236**	**13,309**
Less expenses			
Merchant and marketing expenses		**(8,539)**	(4,304)
Employment expenses		**(6,883)**	(4,439)
Transaction expenses		**(4,941)**	(2,940)
Consumer receivables impairment expenses	7.a	**(10,042)**	(6,500)
Platform development and hosting expenses		**(936)**	(483)
Depreciation and amortisation expenses		**(783)**	(323)
Other operating expenses	7.b	**(7,547)**	(7,012)
Other gains/(losses)	7.d	**884**	(5,413)
Total expenses		**(38,787)**	**(31,414)**
Operating loss		**(17,551)**	**(18,105)**
Finance expenses	7.c	**(5,035)**	(8,326)
Finance income		**1**	-
Loss before tax		**(22,585)**	**(26,431)**
Income tax expense		**-**	-
Loss for the period		**(22,585)**	**(26,431)**
Other comprehensive (loss)/gain			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign controlled entities		**(1,136)**	209
Total other comprehensive (loss)/gain for the period		**(1,136)**	**209**
Total comprehensive loss for the period		**(23,721)**	**(26,222)**
Loss is attributable to:			
Equity holders of the parent		**(22,585)**	(26,431)
Total comprehensive loss is attributable to:			
Equity holders of the parent		**(23,721)**	(26,222)
Earnings per share (in cents):			
Basic, loss for the period attributable to ordinary equity holders of the parent		**($0.10)**	($0.23)
Diluted, loss for the period attributable to ordinary equity holders of the parent		**($0.10)**	($0.23)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim condensed consolidated statement of financial position

as at 30 September 2021

$000'	Notes	30 September 2021 Unaudited	31 March 2021 Audited
Assets			
Cash and cash equivalents		**22,980**	15,487
Consumer receivables	8	**34,792**	27,346
Other current assets		**10,333**	9,351
Current tax receivables		**-**	206
Prepayments	9	**7,836**	5,170
Property, plant and equipment		**242**	197
Intangible assets		**1,824**	2,139
Right-of-use assets		**59**	165
Total assets		**78,066**	**60,061**
Equity and liabilities			
Equity			
Share capital	12	**137,587**	96,588
Accumulated losses		**(84,650)**	(62,065)
Foreign currency translation reserve		**(885)**	251
Share-based payments reserve	13	**2,262**	1,951
Total equity		**54,314**	**36,725**
Liabilities			
Trade and other payables		**10,491**	9,149
Borrowings	10	**11,424**	11,370
Income tax payables		**52**	-
Other liabilities	11	**527**	1,342
Provisions	8	**1,210**	1,316
Lease liabilities		**48**	159
Total liabilities		**23,752**	**23,336**
Total equity and liabilities		**78,066**	**60,061**

For and on behalf of the Board, who authorised the issue of these interim condensed consolidated financial statements on 23 November 2021.

Steven Fisher
Chair,
Independent Non-Executive Director

Mark Haberlin
Chair Audit and Risk Committee,
Independent Non-Executive Director

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Interim condensed consolidated statement of changes in equity

for the six months ended 30 September 2021

	Attributable to the equity holders of the parent				
$000'	Share capital	Share-based payments reserve	Accumulated losses	Foreign currency translation reserve	Total equity
As at 1 April 2021 (audited)	**96,588**	**1,951**	**(62,065)**	**251**	**36,725**
Loss for the period	-	-	(22,585)	-	(22,585)
Other comprehensive loss	-	-	-	(1,136)	(1,136)
Total comprehensive loss for the period	-	-	(22,585)	(1,136)	(23,721)
Transactions with owners					
Issue of share capital, net of transaction costs (note 12)	40,999	-	-	-	40,999
Share-based payments (note 13)	-	311	-	-	311
At 30 September 2021 (unaudited)	**137,587**	**2,262**	**(84,650)**	**(885)**	**54,314**
As at 1 April 2020 (audited)	**20,343**	**176**	**(20,783)**	**(486)**	**(750)**
Loss for the period	-	-	(26,431)	-	(26,431)
Other comprehensive income	-	-	-	209	209
Total comprehensive loss for the period	**-**	**-**	**(26,431)**	**209**	**(26,222)**
Transactions with owners					
Issue of share capital, net of transaction costs	38,030	-	-	-	38,030
Share-based payments	-	755	-	-	755
Convertible notes converted to capital	38,197	-	-	-	38,197
At 30 September 2020 (unaudited)	**96,570**	**931**	**(47,214)**	**(277)**	**50,010**

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim condensed consolidated statement of cash flows

for the six months ended 30 September 2021

$000'	Notes	30 September 2021 Unaudited	30 September 2020 Unaudited
Operating activities			
Receipts from consumers		303,615	186,423
Payments to merchants and suppliers		(325,580)	(203,022)
Payments to employees		(5,959)	(3,693)
Interest received		1	-
Interest paid		(518)	(310)
Income tax refund received/(paid)		260	(264)
Interest paid on lease liabilities		(1)	(4)
Convertible note transaction costs paid		-	(564)
Payment for debt issue costs		(467)	(2,013)
Net cash flows used in operating activities		**(28,649)**	**(23,447)**
Investing activities			
Purchase of property, plant and equipment		(109)	(57)
Payment for development of intangible assets		(331)	(1,075)
Net cash flows used in investing activities		**(440)**	**(1,132)**
Financing activities			
Proceeds from issue of shares	12	43,064	43,436
Principal payments for lease liabilities		(111)	(106)
Proceeds from borrowings		15,370	13,422
Repayment of borrowings		(19,427)	(14,525)
Proceeds from issue of convertible notes		-	11,343
Payment of share issue costs		(2,065)	(6,570)
Net cash flows from financing activities		**36,831**	**47,000**
Net increase in cash and cash equivalents		7,742	22,421
Net foreign exchange difference		(249)	(511)
Cash and cash equivalents as at 1 April		15,487	9,856
Cash and cash equivalents at 30 September		**22,980**	**31,766**

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the interim condensed consolidated financial statements

1. Corporate information

Laybuy Group Holdings Limited (the Company) is incorporated and registered in New Zealand under the New Zealand Companies Act 1993, whose shares are publicly traded on the Australian Securities Exchange (ASX). The Company is required to be treated as an FMC Reporting Entity under the Financial Market Conducts Act 2013 and the Financial Reporting Act 2013. The address of its registered office is 74 Taharoto Road, Takapuna, Auckland, New Zealand.

These interim condensed consolidated financial statements (financial statements) of the Company and its subsidiaries (collectively, the Group) for the six months ended 30 September 2021 were authorised for issue by the Board of Directors on 23 November 2021.

2. Significant changes in the current reporting period

Successful execution of the Group's business model involves growing Gross Merchant Value (GMV) written and customer receivables, funded by equity and debt facilities. The terms and quantum of the equity and debt facilities will continue to be amended to match the Group's evolving needs. The significant developments since 31 March 2021 were:

CAPITAL RAISE

The Group raised AUD40,000,000 (before transaction costs), consisting of an AUD35,000,000 two-tranche placement completed on 25 May 2021 and 15 June 2021, and a further AUD5,000,000 via a Share Purchase Plan completed on 25 June 2021. For more information, refer to note 12.

BORROWINGS

On 19 August 2021, the Group and Victory Park Capital Advisors, LLC (Victory Park) mutually agreed to an early termination of the Victory Park credit facility, resulting in the facility being repaid in full. For more information, refer to note 10.

Subsequent to balance date, on 21 October 2021, the Group:

- Secured a new revolving debt facility with Partners for Growth VI, L.P. (PFG) to support the United Kingdom (UK) receivables book, with a total facility limit of £30,000,000. The facility has a Loan to Value Ratio (LVR) advance rate of 75% of eligible receivables, and is subject to a condition precedent being satisfied.
- Secured an increase in the Kiwibank Limited (Kiwibank) revolving facility limit and an increase in the LVR advance rate from 75% to 80%.

For more information, refer to note 10.

COVID-19

COVID-19 continues to have an impact on the Group as the business is dependent on consumer spending. To date, COVID-19 has positively impacted the Group due to the growth of ecommerce, and therefore the growth of the Group's online platform. Any ongoing impact of COVID-19 will depend on future developments, including the duration, future spread and the development of new variants, along with the related impact on general economic conditions, consumer confidence and discretionary spending.

3. Significant accounting policies

3.a BASIS OF PREPARATION

The financial statements for the six months ended 30 September 2021 have been prepared in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. The financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's most recent annual consolidated financial statements for the year ended 31 March 2021, along with any public announcements made by the Group in the interim period.

3.b ACCOUNTING POLICIES

The accounting policies adopted in the financial statements are consistent with those that were applied in the most recent annual consolidated financial statements of the Group.

The accounting policies outlined in these financial statements are for all periods presented in the financial statements.

The Group has not early adopted any standards, interpretation and/or amendments in the current period.

The financial statements are presented in New Zealand dollars ($) which is the Group's presentation currency.

Amounts have been rounded to the nearest thousand New Zealand dollars ($000) unless otherwise indicated.

Notes to the interim condensed consolidated financial statements

3. Significant accounting policies (continued)

3.c GOING CONCERN

The financial statements have been prepared on the assumption that the Group will continue as a going concern.

As at 30 September 2021, the Group had net assets of $54,314,000 (31 March 2021: $36,725,000) and reported a loss after tax for the period ended 30 September 2021 of $22,585,000 (30 September 2020: $26,431,000). The Group had net cash outflows from operating activities of $28,649,000 (30 September 2020: $23,447,000). The Group continues to invest in growth opportunities and therefore is currently trading at a loss, as well as having net cash outflows from operating activities, and is likely to do so for the next 12 months after the date of signing the interim condensed consolidated financial statements whilst it continues to expand its merchant and customer base and grow its market share.

Subsequent to year end, on 21 October 2021, the Kiwibank facility was renegotiated with the facility being increased from $20,000,000 to $30,000,000, and the LVR advance rate increasing from 75% to 80% of Australian and New Zealand (ANZ) eligible receivables. The maturity of the facility was extended from 30 June 2022 to 30 June 2023, with one-year extensions to the facility term to apply on an evergreen basis subject to satisfactory annual review. Further, on 21 October 2021, the Group entered into a £30,000,000 term loan facility, subject to a condition precedent being satisfied, with PFG to fund the UK receivables. The facility has a LVR advance rate of 75% of eligible receivables. The facility maturity date is 36 months from commencement date, being 21 October 2024. The debt facilities will enable the business to continue to grow and expand its receivables ledgers globally.

The cash flow forecasts approved by the Board indicate that the Group, based on projected revenue growth assumptions as well as meeting its forecast operating costs, will have sufficient funding to operate as a going concern for the foreseeable future. The cash flow forecasts assume projected average revenue growth rates for the Group over the next 12 months of circa 50%. The Group also has the ability to control revenue growth and costs to ensure it has sufficient liquidity to meet its financial commitments.

The Directors expect that the Group will be able to meet its undertakings and covenants in relation to their financial arrangements and will have sufficient cash to discharge its liabilities as they fall due, for a period of at least one year from the date the interim condensed consolidated financial statements are approved. As such, they have prepared these financial statements on the going concern basis and concluded that there is no material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern.

4. Significant accounting judgements, estimates and assumptions

Preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements, estimates and assumptions applied in these financial statements were consistent with those applied in the Group's most recent annual consolidated financial statements, with the exception of the employee share-based payments – omnibus incentive plan – executives outlined in note 14.a.

Notes to the interim condensed consolidated financial statements

5. Segment information

The Group's reportable operating segments have been identified based on the financial information currently provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive and Executive Director. The business operates under the following segment:

- BUY NOW, PAY LATER

The CODM assesses the performance of the operating segment based on total performance of the overall business.

The following tables present income and expense information for the Group's operating segment for the six months ended 30 September 2021 and 2020, respectively:

$000'	Buy now, pay later 30 September 2021 Unaudited	Buy now, pay later 30 September 2020 Unaudited
Income (external customers)	21,236	13,309
Total segment income	**21,236**	**13,309**
Merchant and marketing expenses	(8,539)	(4,304)
Employment expenses	(6,883)	(4,439)
Transaction expenses	(4,941)	(2,940)
Consumer receivables impairment expenses	(10,042)	(6,500)
Platform development and hosting expenses	(936)	(483)
Depreciation and amortisation expenses	(783)	(323)
Other operating expenses	(7,547)	(7,012)
Other gains/(losses)	884	(5,413)
Total expenses	**(38,787)**	**(31,414)**
Operating loss	**(17,551)**	**(18,105)**

6. Income

$000'	30 September 2021 Unaudited	30 September 2020 Unaudited
Merchant fees	12,175	7,502
Late fees	9,061	5,807
Total income	**21,236**	**13,309**

Notes to the interim condensed consolidated financial statements

7. Expenses

7.a CONSUMER RECEIVABLES IMPAIRMENT EXPENSES

$000’	30 September 2021 Unaudited	30 September 2020 Unaudited
Consumer receivables written off	**10,708**	5,013
Consumer receivables recovered	**(848)**	(250)
Increase in allowance for expected credit losses on consumer receivables	**288**	1,240
(Decrease)/Increase in allowance for expected credit losses on undrawn balances	**(106)**	497
Total consumer receivables impairment expenses	**10,042**	**6,500**

7.b OTHER OPERATING EXPENSES

$000’	30 September 2021 Unaudited	30 September 2020 Unaudited
Bank charges	**159**	127
General and administrative expenses	**2,814**	1,216
Directors' fees	**175**	102
Professional services fees	**1,330**	1,588
Communication and technology expenses	**754**	366
Short term lease expenses	**464**	285
Consumer acquisition expenses	**1,851**	1,288
IPO related expenses	**-**	2,040
Total other operating expenses	**7,547**	**7,012**

Notes to the interim condensed consolidated financial statements

7. Expenses (continued)

7.c FINANCE EXPENSES

$000'	30 September 2021 Unaudited	30 September 2020 Unaudited
Lease liabilities interest expense	**1**	4
Amortisation of capitalised borrowing costs	**885**	130
Other interest expenses	**436**	310
Convertible notes interest expense	**-**	6,751
Release of capitalised convertible notes costs	**-**	1,131
Release of capitalised borrowings costs	**3,713**	-
Total finance expenses	**5,035**	**8,326**

7.d OTHER (GAINS)/LOSSES

$000'	30 September 2021 Unaudited	30 September 2020 Unaudited
Fair value adjustment on derivatives – convertible notes	**-**	3,849
Fair value adjustment on derivatives – common stock warrants	**(816)**	175
Foreign exchange gains	**(68)**	1,389
Total other (gains)/losses	**(884)**	**5,413**

Notes to the interim condensed consolidated financial statements

8. Consumer receivables

$000'	30 September 2021 Unaudited	31 March 2021 Audited
Consumer receivables		
Consumer receivables – face value	**42,044**	34,173
Unearned future income*	**(1,394)**	(1,257)
Total consumer receivables	**40,650**	**32,916**
Less provision for expected credit losses on drawn balances:		
Opening balance	**(5,570)**	(2,988)
Provided in the period	**(288)**	(2,582)
Closing provision for expected credit losses on drawn balances	**(5,858)**	(5,570)
Net consumer receivables balance	**34,792**	**27,346**

* Unearned future income represents unearned income recognised over the collection period using the Effective Interest Rate (EIR) method.

$000'	Not yet due Unaudited	Aged 1-60 days Unaudited	Aged more than 60 days Unaudited	Total Unaudited
As at 30 September 2021				
Consumer receivables	**36,455**	**4,616**	**973**	**42,044**
Provision for expected credit losses	**(2,025)**	**(2,876)**	**(957)**	**(5,858)**
Net consumer receivables (including unearned income)	**34,430**	**1,740**	**16**	**36,186**
As at 31 March 2021				
Consumer receivables	28,936	3,487	1,750	**34,173**
Provision for expected credit losses	(1,784)	(2,164)	(1,622)	**(5,570)**
Net consumer receivables (including unearned income)	**27,152**	**1,323**	**128**	**28,603**

In addition, a provision of $1,210,000 has been recognised for expected credit losses on undrawn balances at 30 September 2021 (31 March 2021: $1,316,000).

Notes to the interim condensed consolidated financial statements

9. Prepayments

$000'	30 September 2021 Unaudited	31 March 2021 Audited
Merchant prepayments	5,780	2,229
Other prepayments	2,056	2,941
Total prepayments	**7,836**	**5,170**

10. Borrowings

$000'	30 September 2021 Unaudited	31 March 2021 Audited
Credit facilities	11,556	15,633
Capitalised facility fees	(132)	(1,772)
Unamortised Victory Park establishment costs	-	(2,491)
Closing balance	**11,424**	**11,370**

As at 30 September 2021, the Group had a committed revolving facility with Kiwibank of $20,000,000 (31 March 2021: $20,000,000), with an advance rate of 75% (31 March 2021: 75%) LVR. The committed revolving facility has an expiry date of 30 June 2022 (31 March 2021: 7 December 2021) and is subject to certain financial covenants. The banking covenants require that the amount outstanding under the facility to be no greater than 75% of the eligible receivables of the aged receivables ledger at all times and for the bad debt ratio to not exceed set percentages for each trading company in the Group. Subsequent to period end, the Kiwibank facility has been renegotiated. For more information, refer to note 18.

The Kiwibank committed revolving facility is secured by all assets held by Laybuy Group Holdings Limited, Laybuy Holdings Limited, and Laybuy Australia Pty Limited. Guarantees for the facility have also been provided by the same entities.

Costs associated with establishing the credit facilities have been capitalised and are being amortised over the period of the facilities.

The Group and Victory Park mutually agreed to an early termination of the Victory Park credit facility which had an expiry of 28 August 2025. As a result, the Group paid a termination fee £100,000 to Victory Park and the facility was repaid in full on 19 August 2021. Upon termination the remaining unamortised facility establishment costs were released to the statement of comprehensive income.

On 21 October 2021 the Group entered into a new credit facility with PFG. For more information, refer to note 18.

Notes to the interim condensed consolidated financial statements

11. Other liabilities

$000'	30 September 2021 Unaudited	31 March 2021 Audited
Common stock warrants	527	1,342
Closing balance	**527**	**1,342**

Subsequent to the period end, as part of the new credit facility agreement with PFG, further common stock warrants will be issued. For more information, refer to note 18.

12. Share capital

	Number Audited	$000' Audited
As at 1 April 2020	**29,550,000**	**20,343**
Issue of share capital on 3 September 2020	450,000	-
Share split on 3 September 2020	90,000,000	-
Issue of share capital on 3 September 2020, net of transaction costs	28,406,371	38,048
Issue of shares to settle general employee share option plan	1,016,793	-
Convertible notes converted to share capital on 3 September 2020	25,039,064	38,197
As at 31 March 2021	**174,462,228**	**96,588**

	Number Unaudited	$000' Unaudited
As at 1 April 2021	**174,462,228**	**96,588**
Issue of share capital on 25 May 2021, net of transaction costs	26,169,334	12,941
Issue of share capital on 15 June 2021, net of transaction costs	43,830,666	22,683
Issue of share capital to settle Share Purchase Plan on 25 June 2021, net of transaction costs	9,999,973	5,375
As at 30 September 2021	**254,462,201**	**137,587**

Notes to the interim condensed consolidated financial statements

12. Share capital (continued)

SHARE ISSUE

On 25 May 2021 the Group completed the first tranche of a Two Tranche Institutional Placement, with AUD13,085,000 being raised before taking into account transaction costs. The second tranche was completed on 15 June 2021 with a further AUD21,915,000 being raised before taking into account transaction costs. A Share Purchase Plan was completed on 25 June 2021 with AUD5,000,000 being raised before taking into account transaction costs.

All shares are a single class, have been issued, are fully paid, and have no par value. All ordinary shares have equal voting rights and rights to dividends.

SHARE OPTION SCHEME

The Group has share option schemes under which options to subscribe for the Group's shares have been granted to non-executive Directors and the executive team, as well as external parties who provide services to the Group. For more information, refer to note 14.

13. Share-based payments reserve

$000'	30 September 2021 Unaudited	31 March 2021 Audited
Opening balance	**1,951**	**176**
Credit to equity for equity settled share-based payments	**311**	1,918
Settled during the period	-	(143)
Closing balance	**2,262**	**1,951**

There were no cancellations or modifications to the awards in the six months ended 30 September 2021 or the year ended 31 March 2021.

Notes to the interim condensed consolidated financial statements

14. Share-based payments

A. EMPLOYEE SHARE-BASED PAYMENTS

Omnibus incentive plan – executives

Details of the options outstanding as at 30 September 2021 and 31 March 2021 are as follows:

	Number of share options		Weighted average exercise price ($)	
	30 September 2021 Unaudited	31 March 2021 Audited	**30 September 2021 Unaudited**	31 March 2021 Audited
Outstanding at start of the period	6,180,953	600,000	AUD0.00	NZD2.00
Adjusted for share split	-	2,400,000	-	NZD0.50
Granted during the period	2000,000	6,641,946	AUD0.00	AUD0.00
Forfeited during the period	(1,175,279)	(460,993)	AUD0.00	-
Exercised during the period (net-settled)	-	(2,400,000)	-	NZD0.50
Expired during the period	-	-	-	-
Outstanding at end of the period	5,205,674	6,180,953	AUD0.00	AUD0.00
Exercisable at the end of the period	-	-	-	-

The options outstanding as at 30 September 2021 had an exercise price of AUD0.00, and a weighted average remaining contractual life of 14.17 years (31 March 2021:14.44 years). In the six months ended 30 September 2021, options were granted in the month of September (31 March 2021: September 2020, February 2021 and March 2021). The weighted average fair value of the options granted during the period was AUD$0.28 (NZD equivalent $0.29) (31 March 2021: AUD $0.91 (NZD equivalent $0.95)).

The inputs used in the Black-Scholes-Merton model which were used to determine the fair value of the options are the same as those used in the most recent annual consolidated financial statements, with the exception of the September 2021 granted options.

Notes to the interim condensed consolidated financial statements

14. Share-based payments (continued)

To determine the fair value of the options granted during September 2021, the following inputs were used in the Black-Scholes-Merton valuation model:

	September 2021 issue Unaudited
Weighted average exercise price	AUD0.00
Grant date weighted average market price	AUD1.41
Expected volatility	73.40%
Expected life	3 years
Risk free rate	0.80%
Expected dividend yields	0%

The Group recognised expenses of $459,000 within employee expenses in respect of the omnibus incentive plan - executives, and released $576,000 relating to the performance (revenue growth) based target, resulting in a net gain of $117,000 for the six months ended 30 September 2021 (30 September 2020: expense $119,000).

Notes to the interim condensed consolidated financial statements

14. Share-based payments (continued)

Omnibus incentive plan – executive – additional

Share options were granted in September 2021 in an additional scheme under the Omnibus inventive plan with a service period requirement only. Each share option converts into one ordinary share of the Company on exercise. No amounts were paid or payable by the recipient on receipt of the options. The options carry neither rights to dividends nor voting rights. Options may be exercised any date from the date of vesting to the date of their expiry. Options are exercisable at a price set at the time the options were issued. The options vest over a six month to one year service period. Options are forfeited if the employee leaves the Group before the options vest. Details of the share options outstanding for the period ended 30 September 2021 are as follows:

	Number of share options		Weighted average exercise price ($)	
	30 September 2021 Unaudited	31 March 2021 Audited	30 September 2021 Unaudited	31 March 2021 Audited
Outstanding at start of the period	-	-	-	-
Granted during the period	714,000	-	AUD0.00	-
Forfeited during the period	-	-	-	-
Exercised during the period (net-settled)	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at end of the period	714,000	-	AUD0.00	-
Exercisable at the end of the period	-	-	-	-

The options outstanding as at 30 September 2021 had a weighted average remaining contractual life of between 0.45 years and 1.45 years (31 March 2021: N/A). In the six months ended 30 September 2021, options were issued in the month of June (31 March 2021: N/A). The weighted average fair value of the options granted during the period was AUD$0.51 (NZD equivalent $0.53) (31 March 2021: AUD $N/A (NZD equivalent $N/A)).

To determine the fair value of the options, the following inputs were used:

	June 2021 issue Unaudited
Weighted average exercise price	AUD0.00
Grant date weighted average market price	AUD1.51
Expected volatility	n/a
Expected life	1 year
Risk free rate	n/a
Expected dividend yields	0%

The Group recognised expenses of $192,000 within employee expenses in respect of the omnibus incentive plan - executives for the six months ended 30 September 2021 (30 September 2020: N/A).

Notes to the interim condensed consolidated financial statements

14. Share-based payments (continued)

Omnibus incentive plan – non-executive Directors

Details of the share options outstanding as at 30 September 2021 and 31 March 2021 are as follows:

	Number of share options		Weighted average exercise price ($)	
	30 September 2021 Unaudited	31 March 2021 Audited	30 September 2021 Unaudited	31 March 2021 Audited
Outstanding at start of the period	400,000	-	AUD1.41	-
Granted during the period	-	400,000	-	AUD1.41
Forfeited during the period	-	-	-	-
Exercised during the period (net-settled)	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at end of the period	400,000	400,000	AUD1.41	AUD1.41
Exercisable at the end of the period	-	-	-	-

The options outstanding as at 30 September 2021 had a weighted average remaining contractual life of 13.94 years (31 March 2021: 14.44 years). In the six months ended 30 September 2021, no options were granted (31 March 2021: September 2020).

The Group recognised total expenses of $136,000 within employee expenses in respect of the omnibus incentive plan - non-executive Directors for the six months ended 30 September 2021 (30 September 2020: $18,000).

Notes to the interim condensed consolidated financial statements

14. Share-based payments (continued)

B. OTHER SHARE-BASED PAYMENTS

The Group has a share option plan for select external unrelated parties that provide services to the Group.

Details of the share options outstanding as at 30 September 2020 and 31 March 2021 are as follows:

	Number of share options		Weighted average exercise price ($)	
	30 September 2021 Unaudited	31 March 2021 Audited	30 September 2021 Unaudited	31 March 2021 Audited
Outstanding at start of the period	14,000,000	3,000,000	AUD1.56	NZD6.62
Adjusted for share split	-	12,000,000	-	AUD1.56
Granted during the period	-	2,000,000	-	AUD1.56
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at end of the period	14,000,000	14,000,000	AUD1.56	AUD1.56
Exercisable at the end of the period	12,800,000	12,800,000	AUD1.56	AUD1.56

The options outstanding as at 30 September 2021 had a weighted average remaining contractual life of 1.9 years (31 March 2021: 2.4 years). In the six months ended 30 September 2021, no options were granted (31 March 2021: May 2020).

The Group recognised total expenses of $100,000 within merchant and marketing expenses related to other equity-settled share-based payment arrangements for the six months ended 30 September 2021 (30 September 2020: $728,000).

Notes to the interim condensed consolidated financial statements

15. Group information about subsidiaries

The ultimate parent

Laybuy Group Holdings Limited is the ultimate parent entity of the Group.

SUBSIDIARIES

The financial statements of the Group include Laybuy Group Holdings Limited and the following controlled entities:

Name	Balance date	Principal activity	Principal place of business	% equity interest 30 September 2021	% equity interest 31 March 2021
Laybuy Holdings Limited	31 March	Consumer financing	New Zealand	100%	100%
Laybuy Australia Pty Limited	31 March	Consumer financing	Australia	100%	100%
Laybuy Holdings (UK) Limited	31 March	Consumer financing	United Kingdom	100%	100%
Laybuy (UK) Limited	31 March	Consumer financing	United Kingdom	100%	100%
Laybuy Holdings (USA) Inc.	31 March	Consumer financing	United States	100%	100%
Laybuy SPV (NZ) Limited	31 March	Consumer financing	New Zealand	100%	-

In addition to the subsidiaries outlined in the most recent annual consolidated financial statements, on 16 September 2021 a new subsidiary Laybuy SPV (NZ) Limited was incorporated in New Zealand. Laybuy Group Holdings Limited holds 100% of the shares in the newly formed company.

16. Related party disclosures

Related party relationships and transactions are materially consistent with those disclosed in the Group's 31 March 2021 annual consolidated financial statements.

17. Commitments and contingencies

CONTINGENT LIABILITIES

Other than as reported in these financial statements, the Group had no contingent liabilities as at 30 September 2021 (31 March 2021: nil).

Off-balance sheet commitments provided

	30 September 2021 Unaudited	31 March 2021 Audited
Undrawn consumer commitments	**605,226**	445,879
	605,226	**445,879**

Notes to the interim condensed consolidated financial statements

18. Events after the reporting period

The following events occurred between the end of the reporting period and authorisation date of the financial statements and are considered by the Directors to be those events of most significance to the users of the financial statements.

BORROWINGS

On 21 October 2021, the Kiwibank facility was renegotiated with the facility being increased from $20,000,000 to $30,000,000, and the LVR advance rate increasing from 75% to 80% of eligible receivables. The maturity of the facility was extended from 30 June 2022 to 30 June 2023, with one-year extensions to the facility term to apply on an evergreen basis subject to satisfactory annual review.

On 21 October 2021, the Group entered into a £30,000,000 term loan facility, subject to a condition precedent being satisfied, with PFG to fund the UK receivable loan book. The facility has a LVR advance rate of 75% of eligible receivables. The facility maturity date is 36 months from commencement date, being 21 October 2024, with an interest rate of 11% per annum for the first £15,000,000 tranche and 10% on the second £15,000,000 tranche. PFG has security over Laybuy Holdings (UK) Limited and Laybuy (UK) Limited (and Laybuy Group Holdings Limited's shares in Laybuy Holdings (UK) Limited) and Laybuy SPV (NZ) Limited (and Laybuy Group Holdings Limited's shares in Laybuy SPV (NZ) Limited).

As part of the PFG credit facility agreement, common stock warrants will be issued to PFG which will entitle PFG to subscribe for 2% ownership of the Group's ordinary equity at the closing date, being 21 October 2021 and 5,679,360 ordinary shares. The warrants have an exercise price of the lower of (i) AUD0.56, (ii) the Volume Weighted Average Price (VWAP) of a share on ASX over the 10 trading days ended on the trading day before the commencement date of the facility, and (iii) the VWAP of a Share on ASX over the 10 trading days ended on the trading day before the first anniversary of the commencement date of the facility (Anniversary Reference Date). However, (iii) will only be taken into consideration if the warrants have not been exercised by the Anniversary Reference Date and the highest closing sale price of a Share on ASX over the 90 days before the Anniversary Reference Date is less than both (i) and (ii). If the market value of a Share (being the highest closing sale price of a Share on ASX over the 90 days ended on the day before the delivery of the exercise notice) exceeds the exercise price, the holder may elect a cashless (net settled) exercise of the warrants. The warrants are exercisable at any time for a term of 7 years from the closing date, being 21 October 2028.

There have been no other significant events occurring after the end of the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Independent auditor's review report

To the shareholders of Laybuy Group Holdings Limited

Report on the interim condensed consolidated financial statements

Our conclusion

We have reviewed the interim condensed consolidated financial statements of Laybuy Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the interim condensed consolidated statement of financial position as at 30 September 2021, and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2021, and its financial performance and cash flows for the period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibility is further described in the *Auditor's responsibility **for the review of the** interim condensed consolidated financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. Our firm carries out tax related services for the Group. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the Group. The provision of these other services and these relationships have not impaired our independence.

Directors' responsibility for the interim condensed consolidated financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's review report (continued)

To the shareholders of Laybuy Group Holdings Limited

Auditor's responsibility for the review of the interim condensed consolidated financial statements

Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. A review of interim condensed consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Samuel Shuttleworth.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants

23 November 2021

Auckland

Directors' Declaration

The unaudited interim condensed consolidated financial statements of the Laybuy Group for the six months ended 30 September 2021 were authorised for issue on 23 November 2021 in accordance with a resolution of the Directors. In accordance with ASX Listing Rule 4.2A.2A, the Directors declare that, as at that date, and in the Directors' opinion:

1. there are reasonable grounds to believe that Laybuy will be able to pay its debts as and when they become due and payable; and
2. the relevant interim condensed consolidated financial statements and notes comply with accepted accounting standards in New Zealand.

For and on behalf of the Board

Steven Fisher
Chair,
Independent Non-Executive Director

Mark Haberlin
Chair Audit and Risk Committee,
Independent Non-Executive Director

Corporate directory

Board Members
Steven Fisher, Chair and Non-executive Director
Gary Rohloff, Managing Director
Mark Haberlin, Non-executive Director
Craig Styris, Non-executive Director

Leadership Team
Robyn Rohloff, Chief Brand Officer
Katrina Kirkcaldie, Chief Financial Officer
Mathew Hayward, Chief Marketing Officer
Mel Quirk, Chief People Officer
Tim Rennie, General Counsel
Virginia Ballantyne, Head of Risk and Compliance

New Zealand Office and Headquarters
Laybuy Group Holdings Limited
Level 1, The B:HIVE
74 Taharoto Road
Takapuna Auckland 0622
New Zealand
www.laybuy.com

Local Agent
Laybuy Australia Pty Ltd ACN 640 349 971

Australian Company Secretary
Jonathan Swain

Registered Address in Australia
Level 3, 100 Harris Street
Pyrmont NSW 2002
Australia

Australian Legal Advisor
Johnson Winter & Slattery
Level 25, 20 Bond Street
Sydney NSW 2000
Australia
Telephone: +61 2 8274 9555
www.jws.com.au

New Zealand Legal Advisor
Johnston Prichard Fee Limited
Level 8, Vero Centre
48 Shortland Street
Auckland 1010
New Zealand
Telephone: +64 9 303 3295
www.jpf.co.nz

Auditor
PricewaterhouseCoopers
PwC Tower
15 Customs Street West
Auckland 1142
New Zealand
T: +64 9 355 8000
www.pwc.com

Share Registry
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia
Telephone: 1300 554 474
www.linkmarketservices.com.au

ASX Code
ASX:LBY

LAYBUY