

## ASX ANNOUNCEMENT (ASX: LBY)

28 April 2022

### Q4 FY22 Activities Update and Appendix 4C

Laybuy Group Holdings Limited (ASX:LBY) ("Laybuy", the "Company") is pleased to provide its quarterly business activities update and Appendix 4C for the quarter ended 31 March 2022 ("Q4 FY22").

All numbers are stated in New Zealand dollars ("NZ\$") and comparisons relate to the quarter ended 31 December 2021 ("Q3 FY22" or quarter on quarter, "QoQ") or the quarter ended 31 March 2021 ("Q4 FY21" or prior comparative period, "PcP"), unless otherwise stated.

#### Q4 Results Highlights

- **Quarterly Gross Merchandise Value (GMV) of \$203 million**, up 26% on PcP, contributing to a full year GMV of \$868 million, up 47% on FY21.
- **United Kingdom (UK) GMV of \$124 million in Q4, up 39% on PcP.**
- **Revenue of \$12.1 million for Q4**, up 23% on PcP, with full year revenue of \$47.1 million recorded, up 45% on FY21.
- **Net Transaction Margin (NTM) improved materially in the month of March**, to 1.2% for the Group and 0.2% for the UK.
- **Positive operating cash flow of \$6.3m** achieved in Q4 FY22.
- **Active Customers<sup>1</sup> reached 931,000**, up 23% on PcP (UK up 32% on PcP).
- **Active Merchants<sup>2</sup> reached 13,700**, up 50% on PcP (UK up 112% on PcP).
- **Over 1,200 merchants added in Q4** including:
  - Avon Cosmetics, Bershka, Debenhams, Dermalogica, Scotch & Soda, Virgin Atlantic, Optimum Nutrition, Kickers and Urban Outfitters via App Exclusives in the UK
  - BargainMax, Public Desire, The Fragrance World, Carpet Warehouse, Just Tyres and Terraces Menswear as integrated merchants in the UK
  - Bridgestone, Tony's Tyre Service, Ticketek (Super Rugby) and Pet.co.nz in Australia and New Zealand (ANZ)
- **Appointed our Chief Risk Officer**, responsible for leading Laybuy's fraud prevention programme and implementing continuous improvement to further advance platform security.

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

<sup>2</sup> 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.

**Managing Director Gary Rohloff commented:** “Laybuy continues to deliver solid GMV growth, with quarterly GMV up 26% on the same quarter last year. Our Q4 performance was in line with our expectations, with GMV numbers returning to daily norms after a very strong Q3, which was boosted by the Christmas retail peak period.

The positive operating cash flow of \$6.3m for the quarter reflects the seasonality of Laybuy’s loan book. This positive operating cash flow, which was similar to that experienced last year, has allowed Laybuy to take maximum advantage of its debt facilities by enabling the repayment of debt and the minimisation of interest costs.

“The past twelve months has been one of continued steady growth. We have added nearly 5,000 active merchants and over 175,000 new active customers across ANZ and the UK. As a result, Laybuy’s GMV in FY22 reached \$868 million, an increase of 47% on the prior year, while our revenue has increased 45% to reach \$47.1 million. As part of our path to profitability, we have made the conscious decision to refocus our efforts on sustainable, responsible growth, improving our NTM and further reducing our credit risk exposure during this calendar year. These initiatives, coupled with increased caution around our cost base, will ensure we are delivering ongoing value.

“Pleasingly, our strategic focus on the UK market is continuing to deliver, with UK GMV up 39% this quarter to reach \$124 million. This is being driven by ongoing strong growth in UK merchant numbers, which were up 112% year-on-year, while UK customer numbers were up nearly a third during the same period.

“The UK market continues to present strong opportunities for growth. Its retail market is more than twice the size of the Australasian market and, while BNPL is growing rapidly, it is still in its infancy relative to the more mature Australasian market. As an early mover into the UK, we have successfully captured market share and are well positioned to take advantage of future growth opportunities, particularly as some late-entry BNPL operators exit this market.

“While our NTM has been impacted by higher than anticipated fraud levels in the second half of the financial year, action taken by management to better manage fraud has already resulted in an improvement. We have acted swiftly and rolled out a number of initiatives, which has seen NTM return to 1.2% in March following negative NTM being recorded in the first two months of the quarter.

“To further reduce fraud, we have appointed an experienced Chief Risk Officer, who will be responsible for implementing Laybuy’s fraud prevention strategy and introducing further fraud prevention and credit

risk management initiatives. We are confident that with ongoing prudent management and a well resourced team focused on the fraud and credit risk issue, NTM will continue to improve over the coming months.

“In the year ahead, our strategy will be ensuring sustainable growth and revenue from quality customers as part of our drive towards profitability. This means taking a more considered approach to growth and ensuring activities are focussed on improving revenue and lifting NTM.”

### Key Operating and Financial Metrics

The table below presents the Laybuy Group's (the "Group's") key operational metrics for Q4 FY22 as compared to Q3 FY22 (QoQ) and Q4 FY21 (PcP), which have been prepared based on unaudited results.

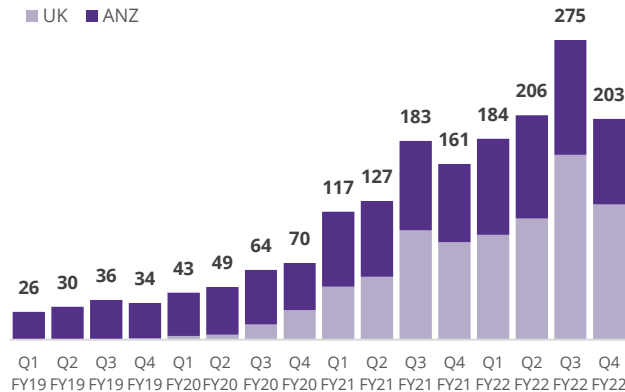
| Group (NZ\$m) <sup>3</sup>               | Q4 FY22        | Q3 FY22  | Q4 FY21        | % increase QoQ | % increase PcP  |
|--|----------------|----------|----------------|----------------|-----------------|
| <b>GMV</b>                               | <b>\$203m</b>  | \$275m   | <b>\$161m</b>  | (26%)          | <b>26%</b>      |
| <b>Annualised GMV<sup>4</sup></b>        | <b>\$811m</b>  | \$1,100m | <b>\$645m</b>  | (26%)          | <b>26%</b>      |
| Active Customers                         | <b>931,000</b> | 930,000  | <b>756,000</b> | -              | <b>23%</b>      |
| Active Merchants                         | <b>13,700</b>  | 12,900   | <b>9,126</b>   | 6%             | <b>50%</b>      |
| <b>Income</b>                            | <b>\$12.1m</b> | \$13.5m  | <b>\$9.8m</b>  | (11%)          | <b>23%</b>      |
| Net Transaction Margin (NTM) as % of GMV | <b>(0.5%)</b>  | 0.0%     | <b>2.5%</b>    | (50bps)        | <b>(300bps)</b> |
| Gross Losses as % of GMV                 | <b>(4.9%)</b>  | (4.0%)   | <b>(2.1%)</b>  | (90bps)        | <b>(280bps)</b> |
| <b>UK (NZ\$m)</b>                        |                |          |                |                |                 |
| <b>GMV</b>                               | <b>\$124m</b>  | \$170m   | <b>\$89m</b>   | (27%)          | <b>39%</b>      |
| <b>Annualised GMV</b>                    | <b>\$496m</b>  | \$678m   | <b>\$358m</b>  | (27%)          | <b>39%</b>      |
| Active Customers                         | <b>609,500</b> | 606,000  | <b>463,000</b> | 1%             | <b>32%</b>      |
| Active Merchants                         | <b>3,800</b>   | 3,400    | <b>1,785</b>   | 12%            | <b>112%</b>     |
| <b>ANZ (NZ\$m)</b>                       |                |          |                |                |                 |
| <b>GMV</b>                               | <b>\$79m</b>   | \$105m   | <b>\$72m</b>   | (25%)          | <b>9%</b>       |
| <b>Annualised GMV</b>                    | <b>\$315m</b>  | \$421m   | <b>\$287m</b>  | (25%)          | <b>9%</b>       |
| Active Customers                         | <b>322,000</b> | 324,000  | <b>293,000</b> | (1%)           | <b>12%</b>      |
| Active Merchants                         | <b>9,900</b>   | 9,500    | <b>7,300</b>   | 4%             | <b>35%</b>      |

<sup>3</sup> FX rates used to calculate UK/AU results to NZD equivalent: converted NZD/GBP at 0.51 and NZD/AUD at 0.93 for Q4 FY22

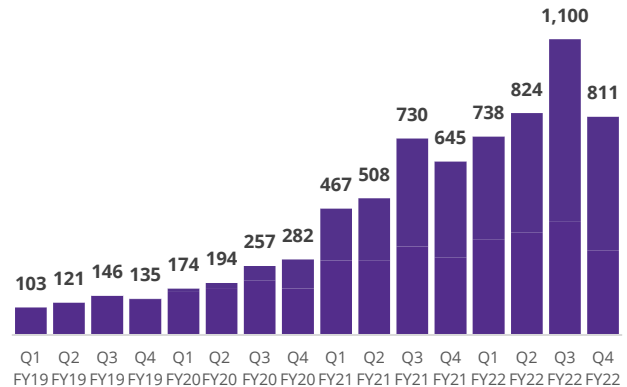
<sup>4</sup> Annualised GMV equals the quarter GMV multiplied by four.

## Gross Merchandise Value (GMV)

Quarterly GMV by region (NZ\$m)



Annualised quarterly GMV (NZ\$m)

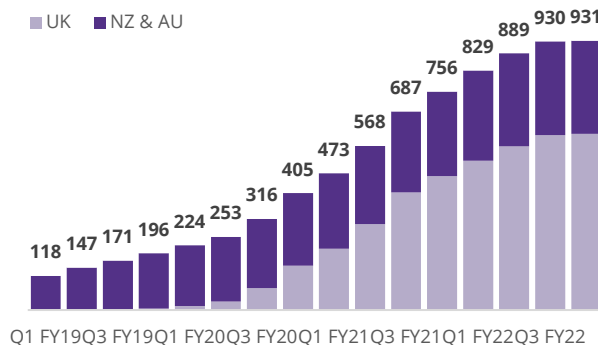


### Key Highlights:

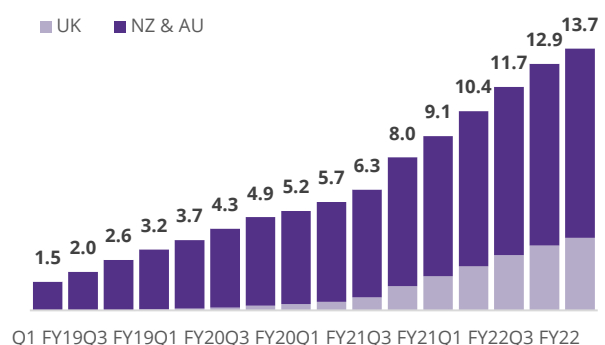
- Steady growth continued in Q4 FY22, with Laybuy reporting \$203 million of GMV, up 26% on the same period last year. The UK GMV was up 39% on PcP.
- This follows an exceptionally strong GMV in Q3 which was boosted by seasonal trading over the holiday period, with Q4 GMV being similar to that recorded for the prior quarter.
- Full year GMV reached \$868 million, up 47% on FY21.

## Active Customers and Merchants

Active Customers by region ('000)



Active Merchants by region ('000)



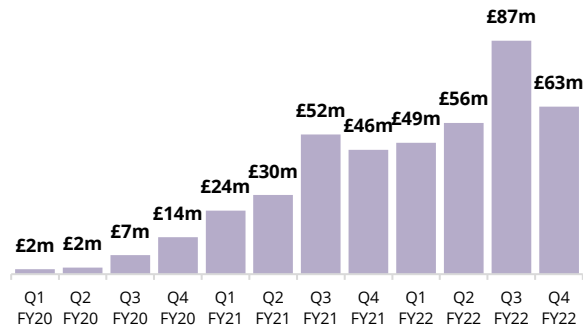
### Key highlights:

- Active customers increased to 931,000 at the end of March, reflecting management's efforts in tightening credit and fraud risk management threshold.
- Over 1,200 new merchants have gone live in Q4.
- Active merchants increased significantly in the UK, up 112% on the prior year with more than 400 merchants now active via App Exclusives.

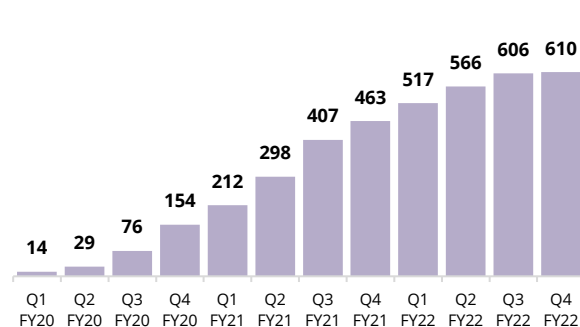
## Regional performance

### Laybuy UK

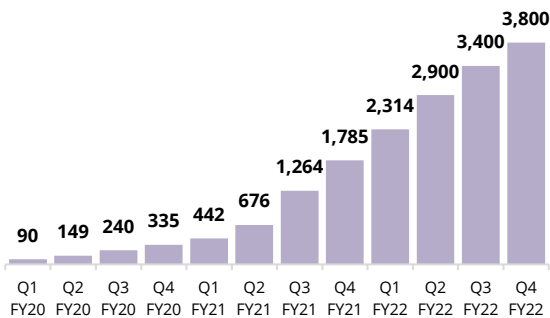
UK GMV (£m)



UK Active Customers ('000)



UK Active Merchants

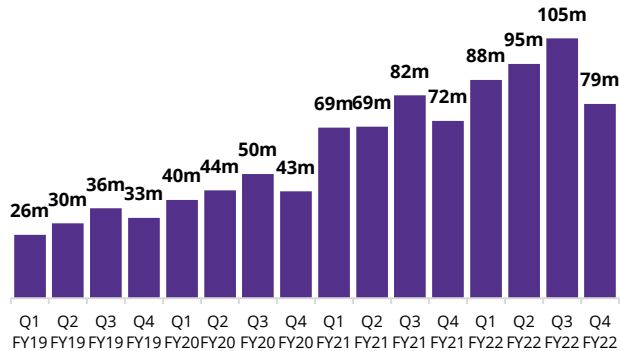


### Key highlights:

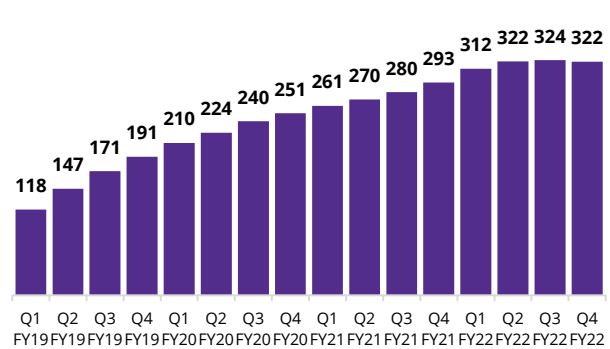
- Strong growth in the UK was supported by an increase of 112% in active merchants and 32% in active customers compared to Q4 FY21.
- Over 600 new merchants added in the UK during Q4 including Avon Cosmetics, Bershka, Debenhams, Dermalogica, Scotch & Soda, Virgin Atlantic, Optimum Nutrition, Kickers and Urban Outfitters via App Exclusives as well as direct integrated merchants BargainMax, Public Desire, The Fragrance World, Carpet Warehouse, Just Tyres and Terraces Menswear.
- Laybuy's "card technology" continues to power UK growth, with Q4 GMV achieved through Tap to Pay remaining as strong as the traditional peak December quarter. Laybuy's virtual card also continued to show strong growth, with more than 1,000,000 orders through Laybuy App Exclusives since its launch in late August 2021.
- UK active customers saw more limited growth as the Group focuses attention on retaining quality customers.

## Laybuy ANZ

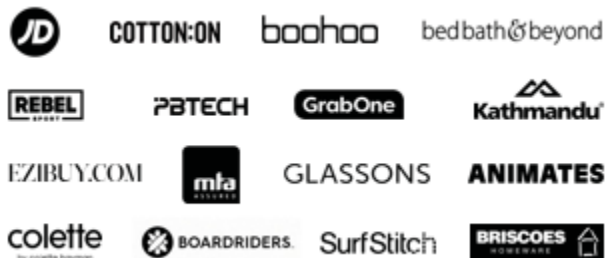
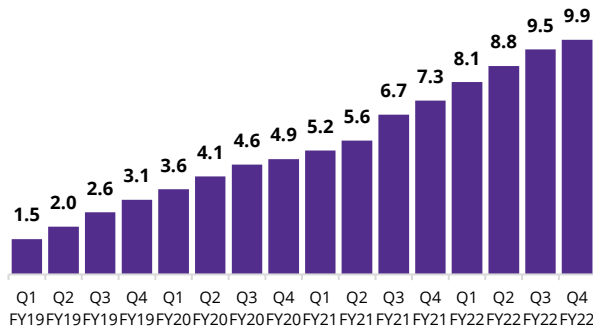
ANZ GMV (\$m)



ANZ Active Customers ('000)



ANZ Active Merchants ('000)



### Key Highlights:

- GMV in Australia and New Zealand experienced a decline during the quarter following very strong trading in the three prior quarters due to online sales events and Christmas retail sales, however GMV continues to show growth of almost 10% above Q4 FY21.
- Active merchants continued to show a steady increase rising to 9,900 at the end of the quarter.
- ANZ active customers saw a marginal decline as the Group focuses on retaining quality customers.
- Over 600 new merchants in Q4 including Bridgestone, Tony's Tyre Service, Ticketek (Super Rugby) and Pet.co.nz

## Revenue and NTM

Revenue for Q4 increased to \$12.1 million, up 23% on Q4 FY21, as a result of continued growth in GMV leading to growth in commission income. Pleasingly, the contribution of late fees as a percentage of total revenue declined during the quarter. Full year revenue of \$47.1 million was up 45% on FY21, in line with the recent revised revenue target presented in the *Laybuy Market Update* to the ASX on 24 March 2022.

Net Transaction Margin (NTM) for the quarter was -0.5%. As noted in the *Laybuy Market Update* to the ASX on 24 March 2022, Laybuy experienced prolonged elevated credit and fraud losses in the UK in January and February, resulting in negative NTM recorded in those months.

Importantly, a marked improvement in gross losses was achieved in the month of March as a result of improved fraud and credit risk management tools being introduced. As a result, Laybuy UK reported positive NTM for the month of March at 0.2%, while the total Group reported positive NTM of 1.2% for the month.

Whilst we have provided for credit losses based on historical loss rates, an assessment will be made to assess the adequacy of the provision based on the actual loan book performance prior to the Directors approval of the financial statements.

## Proactive steps to minimise the risk of fraud

Similar to other e-commerce platforms, Laybuy has experienced elevated levels of fraud. While fraud is an unfortunate, but universal risk, to online payment providers, Laybuy is taking a number of steps to minimise this risk and reduce its impact. Laybuy has recently appointed a specialist Chief Risk Officer, who will be responsible for evolving and implementing Laybuy's fraud prevention strategy and will be based in the UK.

To reduce the risk of fraud, Laybuy utilises machine learning, which also protects the seamless payment experience for most customers. It does this through analysing large amounts of data to distinguish fraudulent behaviour from honest purchasing behaviour.

As Laybuy continues to grow and collect more data, the machine learning solution will become even more effective at fraud prevention. This, combined with advances in A.I., will allow easier identification of legitimate customers from bad actors.

### Capital management and debt facility update

Laybuy has a £30 million debt facility with Partners for Growth (PFG) to support the UK customer loan book and a \$30 million debt facility with Kiwibank to support the ANZ customer loan book.

| Facility            | Facility Limit | Drawn as at<br>31 Mar 2022 | Maturity |
|---------------------|----------------|----------------------------|----------|
| Kiwibank            | \$30.0m        | \$11.0m                    | Jun-23   |
| Partners for Growth | \$56.5m (£30m) | \$13.2m                    | Oct-24   |
| <b>Total</b>        | <b>\$86.5m</b> | <b>\$24.2m</b>             |          |

The receivables ledger reduced by \$14.5 million QoQ to \$42.2 million following the peak trading December quarter, with GMV returning to daily norms. As the receivables book increases again, additional debt funds will become available to support that growth, with the maximum subject to the respective facility limits. \$13.2m in total repayments were made to Kiwibank and PFG during the quarter based on the flexibility of these facilities allowing Laybuy to effectively manage its balance sheet.

Laybuy continues to demonstrate that it is one of the most capital efficient BNPL players in the market with its weekly repayment proposition, Laybuy's receivables ledger (loan book) turned 4.1 times in Q4 FY22, which is equivalent to 16.4 times per annum.

In an environment of rising interest rates, we note that the impact to Laybuy's cost of funds is expected to be minimal. Laybuy experiences a high book turn and scenario modelling suggests that a 2% increase in official rates across ANZ would have less than 0.04% impact on Laybuy's NTM. Furthermore, the UK debt facility has a fixed interest rate, and reduces as the drawn facility reaches certain levels.

### Cashflows

As at 31 March 2022, Laybuy had aggregate cash available of \$16.2 million, comprising \$12.4 million of cash and cash equivalents<sup>5</sup> and \$3.8 million of funds available to draw on debt facilities based on the receivables ledger at this date.

<sup>5</sup> Includes \$0.3m of money held on trust with EML Payments in Australia and the UK to fund transactions through Tap to Pay and App Exclusives.



**Operating Activities**

Q4 FY22 saw higher cash inflows as the receivables balance from the traditional holiday sales period in December quarter repaid through the period. This resulted in positive operating cash flows of \$6.3 million for the quarter. Excluding the reduction in the receivables ledger, cash outflow related to operations was \$8.2 million for the quarter.

Receipts from customers decreased by \$16.5 million, down 8% to \$187.8 million QoQ, while payments to merchants decreased by \$57.1 million, down 26% to \$165.0 million QoQ following the peak holiday sales quarter. The higher level of receipts from customers compared to payments to merchants reflects the strong growth in the receivables ledger in the December quarter, with the delayed timing of receipts from customers spread over the following five weeks following merchant payment into Q4.

Research and development costs totalled \$1.5 million in Q4 FY22, materially the same as Q3 FY22 total of \$1.4 million, representing both external and internal costs relating to the development of the core Laybuy platform. Expenditure includes salary and contractor costs as well as any related technology costs.

Product manufacturing and operating costs includes all the variable transaction costs for Laybuy which were \$3.9 million for Q4 FY22, down from \$4.1 million in Q3 FY22 as a result of timing of repayments.

Advertising and marketing spend totalled \$2.8 million for Q4 FY22, down from \$4.0 million for Q3 FY22. This includes merchant incentive payments to B2B and B2C marketing activities.

Employee costs were \$3.6 million for Q4 FY22, up from \$3.4 million for Q3 FY22, in part due to an increase in the number of employees. A total of \$0.4 million was paid to related parties and their associates comprising \$0.3 million by way of salary and wages under their terms of employment and a further \$0.1 million by way of fees payable to non-executive directors.

Administrative and corporate costs were \$3.9 million for Q4 FY22, compared to a net cash inflow of \$2.3 million in Q3 FY22 which included refunds of \$3.6 million related to UK VAT and NZ GST refunds offset by other administrative and corporate costs (including recruitment fees, legal fees, accounting and audit fees).

**Investing Activities**

Total payments capitalised in Q4 FY22 was \$0.02 million, compared to \$0.1 million in Q3 FY22.

**Financing Activities**

Financing activities had a cash outflow of \$13.2 million for Q4 FY22, compared to a cash inflow of \$24.4m in Q3 FY22. As daily GMV levels returned to normal in Q4 FY22, repayments were made to both PFG and Kiwibank illustrating the cost efficiencies these facilities bring to Laybuy to better manage its financing costs.

**Outlook**

Laybuy's focus is on ensuring sustainable growth and revenue from quality customers as it progresses on its path to profitability. Excluding corporate overheads, the ANZ sales operations are already profitable. This focus on profitability will see a consolidation of activity to that which delivers the greatest return whilst continuing to pursue business growth.

Laybuy continues to focus on accelerating its growth in the UK, powered by its virtual card offerings via *App Exclusives* and *Tap to Pay in-store*. ANZ continues to build on a strong foundation with steady growth expected to continue as the merchant offering increases. Further initiatives will continue to support growth including a new advertising offering within the Laybuy app which will provide the company with additional revenue.

"As we enter a new environment of rising interest rates, we note that the impact for Laybuy is expected to be minimal. Laybuy experiences a high book turn and scenario modelling suggests that a 2% increase in official rates across ANZ would have less than 0.04% impact on Laybuy's NTM. Furthermore, the UK debt facility has a fixed interest rate, and reduces as the drawn facility reaches certain levels," Gary Rohloff commented.

"Earlier this year, Laybuy retained NOR Capital as its financial advisor and investment banker to explore various strategic alternatives that are available to Laybuy, including advising the board and company and facilitating discussions with potential investors and partners. NOR Capital is a European advisory firm focused on the technology, media and telecom (TMT) sectors."

**ENDS**

## Zoom webinar

**Event:** LBY Investor Webinar

**Presenters:** Managing Director, Gary Rohloff, and Chief Financial Officer, Katrina Kirkcaldie

**Time:** Thursday 28 April 2022 at 11:00 AEST / 13:00 NZST

**Where:** Zoom Webinar, details to be provided upon registration. To register your interest for the webinar please click through to the link below.

### Registration Link:

[https://laybuy.zoom.us/webinar/register/WN\\_pnfNHeOpSxapJLVy5nO-9Q](https://laybuy.zoom.us/webinar/register/WN_pnfNHeOpSxapJLVy5nO-9Q)

After registering your interest, you will receive a confirmation email with information about joining the webinar. Participants will be able to submit questions via the Panel throughout the presentation, however, given we are expecting a large number of attendees we encourage shareholders to send through questions via email beforehand to [investors@laybuy.com](mailto:investors@laybuy.com)

### For more information, please contact:

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Katrina Kirkcaldie

Chief Financial Officer

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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 almost 14,000 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](https://laybuyinvestors.com).

**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")**

31 March 2022

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>NZ\$'000</b> | <b>Year to date (12<br/>months) NZ\$'000</b> |
|---|---|-------------------------------------|--|
| <b>1.</b>                                   | <b>Cash flows from operating activities</b>           |                                     |  |
| 1.1   | Receipts from customers                               | 188,059                             | 696,218                                      |
| 1.2   | Payments for  |                                     |  |
|   | (a) research and development                          | (1,481)                             | (5,703)                                      |
|   | (b) product manufacturing and operating costs         | (3,899)                             | (15,532)                                     |
|   | (c) advertising and marketing                         | (2,797)                             | (16,188)                                     |
|   | (d) leased assets                                     | (269)                               | (926)  |
|   | (e) staff costs                                       | (3,616)                             | (12,949)                                     |
|   | (f) administration and corporate costs                | (3,925)                             | (8,316)                                      |
| 1.3   | Dividends received (see note 3)                       | -                                   | -  |
| 1.4   | Interest received                                     | -                                   | 1  |
| 1.5   | Interest and other costs of finance paid              | (610)                               | (1,290)                                      |
| 1.6   | Income taxes (paid)/refunded                          | (1)                                 | 231  |
| 1.7   | Government grants and tax incentives                  | -                                   | -  |
| 1.8   | Other (payments to merchants)                         | (164,940)                           | (685,603)                                    |
| <b>1.9</b>                                  | <b>Net cash from / (used in) operating activities</b> | <b>6,521</b>                        | <b>(50,057)</b>                              |

| <b>Consolidated statement of cash flows<br/>(continued)</b> |  | <b>Current quarter<br/>NZ\$'000</b> | <b>Year to date (12<br/>months) NZ\$'000</b> |
|---|--|-------------------------------------|--|
| <b>2.</b>   | <b>Cash flows from investing activities</b>  |                                     |  |
| 2.1   | Payments to acquire or for:  |                                     |  |
|   | (a) entities   | -                                   | -  |
|   | (b) businesses   | -                                   | -  |
|   | (c) property, plant and equipment  | (23)                                | (177)  |
|   | (d) investments  | -                                   | -  |
|   | (e) intellectual property  | -                                   | -  |
|   | (f) other non-current assets (payments for<br>development of intangible assets)      | -                                   | (397)  |
| 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)  | -                                   | -  |
| <b>2.6</b>  | <b>Net cash from / (used in) investing activities</b>                                | <b>(23)</b>                         | <b>(574)</b>                                 |
| <b>3.</b>   | <b>Cash flows from financing activities</b>  |                                     |  |
| 3.1   | Proceeds from issues of equity securities<br>(excluding convertible debt securities) | -                                   | 43,064                                       |
| 3.2   | Proceeds from issue of convertible debt<br>securities                                | -                                   | -  |
| 3.3   | Proceeds from exercise of options  | -                                   | -  |

|   |   |                                     |  |
|---|---|-------------------------------------|--|
| 3.4   | Transaction costs related to issues of equity securities or convertible debt securities | -                                   | (2,064)                                  |
| 3.5   | Proceeds from borrowings  | 5,310                               | 50,188                                   |
| <b>Consolidated statement of cash flows (continued)</b> |   | <b>Current quarter<br/>NZ\$'000</b> | <b>Year to date (12 months) NZ\$'000</b> |
| 3.6   | Repayment of borrowings   | (17,604)                            | (41,051)                                 |
| 3.7   | Transaction costs related to loans and borrowings                                       | (69)                                | (1,641)                                  |
| 3.8   | Dividends paid  | -                                   | -  |
| 3.9a  | Other (payment to original shareholders from sell down of shares)                       | -                                   | -  |
| 3.9b  | Other (payments for lease liabilities)  | (5)                                 | (141)                                    |
| <b>3.10</b>   | <b>Net cash from / (used in) financing activities</b>                                   | <b>(12,368)</b>                     | <b>48,355</b>                            |

|            |  |               |               |
|------------|--|---------------|---------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |               |               |
| 4.1        | Cash and cash equivalents at beginning of period                             | 18,707        | 15,487        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | 6,521         | (50,057)      |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | (23)          | (574)         |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | (12,368)      | 48,355        |
| 4.5        | Effect of movement in exchange rates on cash held                            | (483)         | (857)         |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>12,354</b> | <b>12,354</b> |

|           |  |                                     |                                      |
|-----------|--|-------------------------------------|--------------------------------------|
| <b>5.</b> | <b>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</b> | <b>Current quarter<br/>NZ\$'000</b> | <b>Previous quarter<br/>NZ\$'000</b> |
| 5.1       | Bank balances  | 12,094                              | 15,851                               |

|            |  |               |               |
|------------|--|---------------|---------------|
| 5.2        | Call deposits  | -             | -             |
| 5.3        | Bank overdrafts  | -             | -             |
| 5.4        | Other (provide details) <sup>6</sup>   | 260           | 2,856         |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b> | <b>12,354</b> | <b>18,707</b> |

| <b>6. Payments to related parties of the entity and their associates</b> |   | <b>Current quarter<br/>NZ\$'000</b> |
|--|---|-------------------------------------|
| 6.1  | Aggregate amount of payments to related parties and their associates included in item 1 | 350                                 |
| 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.*

| <b>7. Financing facilities</b>  | <b>Total facility<br/>amount at quarter<br/>end<br/>NZ\$'000</b> | <b>Amount drawn at<br/>quarter end<br/>NZ\$'000</b> |
|---|--|---|
| <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   | 86,518   | 24,211  |
| 7.2 Credit standby arrangements   | -  | -   |
| 7.3 Other (please specify)  | -  | -   |
| <b>7.4 Total financing facilities</b>   | <b>86,518</b>  | <b>24,211</b>                                       |
| <b>7.5 Unused financing facilities available at quarter end</b>   |  | <b>3,818</b>  |

<sup>6</sup> Money held on trust with EML Payments in Australia and the UK to fund transactions through Tap to Pay and App Exclusives. These funds were received in April 2022.

|     |   |
|-----|---|
| 7.6 | <p>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>  |
|     | <p>Laybuy had two debt facilities in place at 31 March 2022. The NZ\$30 million debt facility with Kiwibank funded the Laybuy New Zealand and Australia loan book while the £30 million debt facility with Partners for Growth funded the Laybuy UK loan book.</p> <p>The Kiwibank facility is advanced against the New Zealand and Australian receivables ledgers. The interest rate for the quarter and YTD was 3.50% to 3.98%. The facility matures in June 2023, though is a two year evergreen facility. The drawn down balance at 31 March 2022 was NZ\$11.0 million. The Kiwibank facility interest rate is calculated as being the sum of the cost of funds + 2.5% margin. Therefore, though it is likely that the ANZ economies will see increased interest rates, the impact to Laybuy is likely to be minimal, coupled with the high book turn Laybuy experiences.</p> <p>The Partners for Growth (PFG) facility is advanced against the UK receivables ledger. The interest rate for the quarter and YTD was 11%. The facility matures in October 2024. The drawn down balance at 31 March 2022 was £7 million. The interest rate on this facility is fixed at 11% and then reduces to 10% once &gt;£15 million is drawn.</p> <p>In addition, Laybuy had funds of NZ\$5.7 million in transit from payment processing providers. Therefore, with the inclusion of these funds, total cash resources available at 31 March 2022 was NZ\$21.8 million.</p> |

| 8.  | Estimated cash available for future operating activities               | \$NZ\$'000 |
|-----|--|------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9)              | 6,521      |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6)                    | 12,354     |
| 8.3 | Unused finance facilities available at quarter end (item 7.5)          | 3,818      |
| 8.4 | Total available funding (item 8.2 + item 8.3)                          | 16,172     |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | N/A        |

*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: N/A  |
|  | 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: N/A  |
|  | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?  |
|  | Answer: N/A  |
| <i>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.</i> |  |

#### 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 April 2022

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.