

Laybuy Holdings Limited (In Receivership)

Company number: 6149287
NZBN: 9429043407262

Receivers' six monthly report
Reporting period: 17 June 2024 to 17 December 2024

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On 17 June 2024 at 12:01pm, David Webb and Robert Campbell, licensed insolvency practitioners (registration numbers: IP60 and IP145, respectively), were appointed as Receivers and Managers of all the present and after acquired property of Laybuy Holdings Limited (In Receivership) (**LHL** or **Company**) under the powers contained in a general security deed dated 24 July 2020, in favour of Kiwibank Limited.

Receivers are required to be licensed insolvency practitioners. More information about the regulation of insolvency practitioners is available from the Registrar of the Companies. As licensed insolvency practitioners, we are bound by the RITANZ Code of Professional Conduct when carrying out all professional work relating to our appointment.

Restrictions

This report has been prepared by us in accordance with and for the purpose of section 24 of the Receiverships Act 1993 (**Act**). It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership.

All information contained in this report is for the confidential use of the parties to which it is provided in accordance with sections 26 and 27 of the Act and is not to be disseminated or passed to any other person without written authority or in accordance with law.

In compiling this report, we have relied upon and not independently verified or audited information or explanations provided to us and we express no opinion on accuracy, completeness or reliability of the information or explanations.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary to revise the report in the light of any information existing at the date of this report which becomes known to us after that date.

We do not accept any liability whatsoever arising from this report.

Certain information can be withheld by the Receivers if inclusion would materially prejudice the exercise of the Receivers' functions.

Property disposed of since the commencement of the receivership and date of previous report

As advised in our first report, LHL and various other related entities in New Zealand, Australia and the United Kingdom (**Laybuy Group**) operated a "buy now pay later" platform known as Laybuy, servicing over 10,500 merchants and approximately 500,000 users globally. At the date of appointment of Receivers, the Laybuy Group had effectively ceased to trade, with new transaction originations having ceased on 12 June 2024.

The New Zealand business was operated by LHL and its parent Laybuy Group Holdings Limited (**LGHL**), over which we were also appointed Receivers.

The assets of LHL predominantly consisted of:

- Accounts receivable (customer payments due); and
- Merchant and customer relationships.

Upon appointment, the Receivers of LGHL worked with the support of key Laybuy employees to maintain the operational systems of LGHL to enable LHL to collect monies due from customers, to protect the privacy of information held and to fulfil regulatory requirements. Please refer to the separate LGHL Receivers’ report for further information on the conduct of that receivership, including details on how the operating systems were maintained for the benefit of LHL and other Laybuy Group entities.

Customer collections via the operating platform ceased from 29 July 2024 and all remaining overdue and outstanding customer amounts were referred to a third-party collection agency. As at the date of this report the Receivers have recovered c\$7.5m of funds due to the company from customers and collections continue.

The Receivers also recovered a bond payment held by a customer.

On appointment, the Receivers commenced a sale process, which resulted in the sale of certain New Zealand assets and the operating platform to Klarna. The sale was separately communicated to Laybuy Group’s customers and merchants.

Proposals for the disposal of property in receivership

As noted above, all outstanding amounts due from customers, were referred to a third-party collection agency once the platform was decommissioned. The agency continues to liaise with customers and receipts are received by the Receivers on a daily basis. The Receivers continue to monitor ongoing collection rates and will consider a sale of the residual debtor’s ledger to a third party if it is economic to do so.

Summary of amounts received and paid in respect of the receivership

A statement of the realisations and distributions for the Company since the commencement of the receivership and the Receivers’ previous report is detailed in **Appendix A**. All amounts are GST exclusive.

The reference in Appendix A to ‘intercompany transfers’ refers to funding provided to LGHL to enable it to meet costs, including the operating platform and employee costs. The continued operation of the platform during the receivership, and a sale of the business, were required to be run in conjunction with each other but as the majority of realisations were credited to LHL, funding to LGHL was required. This was agreed to by our appointor, who was otherwise entitled to the funds.

Summary of fees paid to the Receivers

A summary of the fees, allowances, reimbursements and other benefits paid since the commencement of the receivership are as follows:

	\$000 (excl. GST)
Fees	395
Reimbursements	5
Total	\$400

Details of amounts outstanding and likely to become available for payment

The amounts owed to secured creditors, at the date of this report, are summarised in the table below:

Secured creditor	\$000
Kiwibank	544
BMW Financial Services New Zealand Ltd	0
Total secured creditors	\$544

The Receivers' first report noted the sum of c\$8.5m owed to the secured creditor, by whom they were appointed. A substantial distribution has been made by the receivers to the secured creditor, with the remaining balance as above. Distributions have also been made to the secured creditor from the Receivers of Laybuy Australia Pty Limited (In receivership).

At the time of appointment, there were no known preferential creditors. There were no employee claims as the employing entity was LGHL (refer to the Receivers' report in respect of this entity).

The Receivers' first report noted that Inland Revenue had confirmed no funds were due. We subsequently identified however that Laybuy Holdings Limited and Laybuy Group Holdings were registered for GST on a group basis, for which there was an outstanding liability. This amount has been paid to Inland Revenue in full by the Receivers (refer Appendix A).

There are no other known preferential creditors at the date of this report.

Further information

Should you have any queries on the contents of this report, please contact us at nzlaybuygroup@deloitte.co.nz.

Dated: 17 February 2025



Robert Campbell
Receiver
Receiver and Manager
Personal liability excluded

Statement of realisation and distributions

	\$
Opening Bank Balance (17 June 2024)	<u>0</u>
Realisations	
Cash at bank	1,132,806
Debtors collected	7,453,197
Sale of assets	674,994
Deposit recovered	25,000
Net interest	<u>17,897</u>
Total Receipts	<u>9,303,893</u>
Distributions	
Insurance	81,432
Cost of asset collection and sales	5,963
Bank fees	639
Regulators fee	1,000
Legal Fees	238,052
Receivers' Disbursements	5,074
Receivers' Fees	395,233
Distribution to preferential creditor	70,685
Distribution to secured creditor	7,550,000
Intercompany transfer of funds	751,032
GST Nett	<u>75,489</u>
Total Payments	<u>9,174,600</u>
 Closing Bank Balance (17 December 2024)	 <u><u>129,293</u></u>

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