



Afterpay Limited

SGX Announcement

3 February 2022

A\$1,500,000,000 Zero Coupon Convertible Notes due 2026 (the “Notes”) Noteholder’s’ Redemption Option

Please see the attached notice.

Authorised by

Amanda Street
Company Secretary

3 February 2022

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Afterpay Limited (“**Afterpay**”) confirms that the acquisition by Lanai (AU) 2 Pty Ltd, a wholly owned indirect subsidiary of Block, Inc. (formerly known as Square, Inc.) (NYSE: SQ) (“**Block**”), of Afterpay by way of scheme of arrangement (the “**Scheme**”) was implemented on 1 February 2022. Capitalised terms in this announcement have the meaning given to them in the offering circular dated 10 March 2021 in relation to the Notes and which sets out the terms of the Notes (the “**Notes Terms**”) (unless otherwise defined).

On 21 December 2021, Afterpay issued a Notice of Change of Control to Noteholders (the “**Relevant Event Notice**”) informing Noteholders that a Change of Control under the Notes Terms had been deemed to occur on 14 December 2021. As a result of the deemed Change of Control, Noteholders were entitled to elect to:

- (1) exercise their Conversion Rights to require Afterpay to convert some or all of their Notes into Ordinary Shares of Afterpay at the Adjusted Conversion Price within 30 calendar days following the date of the Relevant Event Notice (the “**Conversion Option**”); and/or
- (2) require Afterpay to redeem some or all of their Notes at 100% of their principal amount within 60 calendar days following the date of the Relevant Event Notice (the “**Redemption Option**”),

in each case as provided under and in accordance with the Notes Terms.

The Conversion Option expired on 20 January 2022. However, the Redemption Option may still be exercised by Noteholders at any time before 5.00 p.m. (Hong Kong time) on 18 February 2022.

The purpose of this notice is to remind Noteholders of their Redemption Option.

Pursuant to the Change of Control, Noteholders are entitled (at such Noteholder’s option) to require Afterpay to redeem all or some only of their Notes on the Relevant Event Redemption Date (as defined below) at 100% of their principal amount within 60 calendar days following the date of the Relevant Event Notice (which was given on 21 December 2021), subject to and as provided in the Notes Terms.

To exercise such right, Noteholders must submit their electronic instruction(s) through the relevant clearing systems in respect of such Noteholders’ Redemption Option in accordance with the relevant clearing systems’ requirements by not later than 19 February 2022 (being 60 days following the date of the Relevant Event Notice).

As 19 February 2022 falls on a Saturday, Noteholders who wish to exercise their Redemption Option should submit their duly completed electronic instruction(s) through the relevant clearing systems before 5.00 p.m. (Hong Kong time) on 18 February 2022.

The “**Relevant Event Redemption Date**” will be 4 March 2022 (being the 10th business day after the expiry of such period of 60 days as referred to above).

A Relevant Event Redemption Notice, once delivered, will be irrevocable and, on the Relevant Event Redemption Date, Afterpay will redeem the Notes that are the subject of such Relevant Event Redemption Notice.

Principal Paying and Conversion Agent

The contact details of the Principal Paying and Conversion Agent are set out below:

Principal Paying and Conversion Agent***The Hongkong and Shanghai Banking Corporation Limited***

Level 24, HSBC Main Building

1 Queen's Road Central

Hong Kong

Fax no.: +852 3478 9198

Email: hkpayingagentctla@hsbc.com.hk

Attention: Issuer Services

Afterpay's Redemption Option

If 85% or more of the aggregate principal amount of the Notes originally issued are converted, redeemed or purchased and cancelled, Afterpay will have the option, at any time, to redeem all but not some only of the remaining outstanding Notes at 100% of their principal amount. To exercise this option, Afterpay must give not less 30 nor more than 60 calendar days' notice to the Noteholders, the Trustee and the Principal Paying and Conversion Agent in accordance with the Notes Terms.

Afterpay intends to exercise its right to redeem the balance of the Notes that are outstanding once at least 85% of the principal amount of the Notes have been converted or redeemed. Block has indicated to Afterpay that, to the extent Noteholders do not elect to convert or redeem their Notes in connection with the Scheme, and the 85% redemption or conversion threshold is not met, Block intends to use the general compulsory acquisition power under the *Corporations Act 2001* (Cth) to acquire the remaining Notes on foot.

Please refer to the Notes Terms for the full details on the consequences of the Scheme. The Notes Terms shall prevail if there are any inconsistencies. This Notice does not take into account an individual Noteholder's circumstances. Please consult your professional advisers for information and advice on dealing with the Notes.

Authorised by

Amanda Street

Company Secretary

Afterpay Limited