



Afterpay Limited

8 November 2021

SGX Announcement

A\$1,500,000,000 Zero Coupon Convertible Notes due 2026 (“Convertible Notes”) Consequences of the proposed merger between Afterpay Limited and Square, Inc.

We refer to the ASX announcement dated 2 August 2021 whereby Square, Inc. (“**Square**”) and Afterpay Limited (“**Afterpay**”) announced that they have entered into a Scheme Implementation Deed under which Square, via its indirect wholly-owned subsidiary, has agreed to acquire all of the issued shares in Afterpay by way of a recommended court-approved Scheme of Arrangement (“**Scheme**”) under Australian corporations legislation. Capitalised terms in this announcement have the meaning given to them in the offering circular dated 10 March 2021 in relation to the Convertible Notes and which sets out the terms of the Convertible Notes (“**Note Terms**”) (unless otherwise defined).

Pursuant to the Note Terms:

- If the shareholders of Afterpay approve the Scheme by the requisite approval thresholds, a “Change of Control” (as defined in the Note Terms) will be triggered. Following the Change of Control, each Noteholder may, at its election, take one of the following options:
 - require Afterpay to redeem the Notes at 100% of principal (“**Redemption Option**”); or
 - convert the Notes at the relevant conversion price (which will be adjusted for the Change of Control Period as contemplated in the Note Terms) (“**Conversion Option**”). Based on the current timetable, the adjusted conversion price is expected to be A\$140.80.
- Afterpay notes that the Scheme is not a “Newco Scheme” under the Note Terms, and as such Noteholders will not have the option to convert their Notes into shares in Square.

As required under the Note Terms, should the Change of Control be triggered:

- Afterpay will send to Noteholders the Relevant Event Notice no later than 5 business days following the occurrence of a Change of Control; and
- the record date for the Scheme (“**Scheme Record Date**”) will be no less than 30 calendar days following the Change of Control.

Any Noteholder who has elected to convert their Notes and is recorded on the Afterpay share register prior to the Scheme Record Date will be able to participate in the Scheme. Noteholders who have not elected to take either the Redemption Option or the Conversion Option by the Scheme Record Date will not be able to convert the Notes into Square shares in the future.



Afterpay released the Scheme booklet on ASX on 5 November 2021.

Following the implementation of the Scheme, Afterpay will be delisted from ASX Limited.

The above description of the options available to Noteholders is a summary only. Please refer to the Note Terms for the full details on the consequences of the Scheme. This announcement is general in nature and does not take into account an individual Noteholder's circumstances. Please consult your professional advisers for information and advice on dealing with the Notes.

Further announcements to Noteholders in relation to the Scheme will be made in accordance with the Conditions.

ENDS

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