

AFTERPAY HOLDINGS LIMITED

(ASX: AFY)

ASX Announcement

29 May 2017

Trade Me – New Zealand agreement

Afterpay Holdings Ltd (ASX: AFY) is excited to announce that it has entered into an agreement with Trade Me Group Ltd (ASX: TME). The agreement will make Afterpay the exclusive buy now, pay later option offered on Trade Me's Marketplace and will provide Afterpay with a large channel to on-board both New Zealand customers and retailers.

Trade Me continues to be one of the most influential brands in New Zealand and its marketplace maintains the largest online retail market share. Trade Me's marketplace represents a very strong foundation for Afterpay to launch into the New Zealand market.

Key Trade Me statistics include:

- New Zealand's most visited ecommerce website
- Gross Merchandise Sales of \$422 million (NZD) for six months ended 31 December 2016
- Trade Me has over 4.7 million listings live onsite
- Over 4.1 million user accounts
- Trade Me has a unique audience of 1,775,000 per month

To date, Afterpay has remained solely focused on the Australian market and on establishing its service as the preferred buy now pay later solution, prior to embarking on its first international expansion.

Given the growth of the business and operating foundation established in Australia, Afterpay's launch into the New Zealand market represents a logical first-step of an international expansion strategy.

Afterpay Chief Executive Officer Nick Molnar said the Trade Me agreement provides the opportunity for Afterpay to start generating a strong New Zealand market presence in the short to medium term.

"It was very important for Afterpay to find a partner who was equally passionate about providing an unashamedly customer centric product and from the outset Trade Me clearly understood our retail approach," he said. "We feel extremely privileged to be able to partner with such a household name in the New Zealand market."

Trade Me's Head of Marketplace Stuart McLean said: "We are continually looking at how we can make buying and selling on Trade Me as easy and flexible as possible. We think both our buyers and our sellers will be really excited about the choice and ease Afterpay will offer them.

"We believe Afterpay's instalment payment service will be as popular in New Zealand as it has been in Australia."

The terms of this contract are confidential.

ENDS

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About Afterpay:

Founded in 2014, Afterpay is a leading Australian retail payments innovator that facilitates commerce between retail merchants and their end-customers. Afterpay offers a 'buy now, receive now, pay later' service that does not require end-customers to enter into a traditional loan or pay any upfront fees or interest to Afterpay. Afterpay currently has over 650,000 customers and over 4,300 retail merchants and in May 2016, listed on the Australian Securities Exchange. For more information, visit www.afterpay.com.au.

About Trade Me:

Trade Me (www.trademe.co.nz) is the place where Kiwis buy and sell online, and is the leading online marketplace and classified advertising platform in New Zealand.