

AFTERPAY LIMITED (ASX: APT)

ASX Announcement

22 January 2020

Afterpay closes Share Purchase Plan

Afterpay Limited (**Afterpay**) confirms that the offer period under its Share Purchase Plan (**SPP**) which was first announced on 11 June 2019, and was offered to eligible shareholders on 12 December 2019, closed at 5.00pm (Sydney time) on Friday 17 January 2020.

Afterpay offered eligible shareholders in Australia and New Zealand the opportunity to subscribe for up to \$15,000 worth of new, fully paid, ordinary shares in Afterpay, without incurring brokerage or other transaction costs.

Under the terms of the SPP, the issue price under the SPP has been determined to be \$23.00 per share, being the same price at which shares were issued in a placement to institutional and professional investors in June 2019. The market price of Afterpay shares was above \$23.00 at all times during the SPP offer period, and the closing price of Afterpay shares on ASX on 17 January 2020 (the SPP closing date) was more than 44% higher than the offer price.

The SPP offer was sent to approximately 40,000 eligible securityholders and over 15,000 valid applications were received, representing a participation rate of 37% based on registered holdings. As the value of applications, approximately \$240 million, significantly exceeded the cap of \$30 million for the SPP, the Afterpay Board has decided to exercise its discretion under the SPP terms to scale back applications to a total of approximately \$33 million. All SPP applications will be scaled back on a pro rata basis, subject to:

- a minimum allocation of \$506 worth of Afterpay shares (22 shares at \$23.00 per share); and
- generally rounding up other scaled back allocations to the next multiple of five (5) Afterpay shares. An application for the maximum amount of \$15,000 will be allocated \$1,955 worth of new shares (85 shares at \$23.00 per share).

The Board considered increasing the maximum size of the SPP offer, however, in order to preserve the original record date of 7 June 2019 and the capped issue price of \$23.00 per share for the SPP, the terms of the SPP (including the maximum size of the offer) had to remain materially unchanged from those originally announced on 11 June 2019. The Board considers this approach is in the best interests of all securityholders.

Approximately 1.4 million shares will be issued under the SPP. It is expected that new shares under the SPP will be issued by Afterpay and allotted to successful applicants on Wednesday 29 January 2020. Refunds for application money where applications were scaled back will be processed on Monday 3 February 2020.

Authorised by:

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