

Afterpay Limited ASX: APT

ASX Announcement

14 December 2021

Afterpay Scheme Meeting

Chair's address and presentation

Afterpay Limited (ASX: APT) (**Afterpay**) refers to the proposed acquisition by Lanai (AU) 2 Pty Ltd, a wholly-owned indirect subsidiary of Block, Inc. (NYSE: SQ) (**Block**) (formerly known as Square, Inc.), of Afterpay by way of a Scheme of Arrangement (**Scheme**).

In accordance with ASX Listing Rule 3.13, attached to this announcement are the following documents to be presented at Afterpay's Scheme Meeting being held at 9.00 AM (AEDT) today:

1. Chair's address; and
2. Scheme Meeting presentation slides.

Shareholders are encouraged to attend, participate in and vote at the Scheme Meeting online at <http://web.lumiagm.com/354553219> (meeting ID 354553219).

The voting results of the Scheme Meeting will be communicated to the ASX shortly after the conclusion of the Scheme Meeting.

A copy of the Scheme Booklet was provided to Afterpay shareholders on 5 November 2021 and is available online at <https://corporate.afterpay.com/investors/egm-2021>.

Authorised by

Anthony Eisen
Co-CEO & Managing Director

For further information:		
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Scheme Meeting – Chair’s address

Tuesday, 14 December 2021

Slide 1: Scheme Meeting 2021

Good morning everyone. My name is Elana Rubin. I am the Chair of Afterpay Limited and I will be chairing today’s Scheme Meeting.

On behalf of the Afterpay Board, I would like to welcome our shareholders, or their proxies, attorneys or representatives present – thank you for attending today.

We have a quorum present and I’m delighted to declare the Scheme Meeting open.

Slide 2: Acknowledgement of Country

In doing so, I acknowledge the Traditional Custodians of the land of the various places where we meet and recognise their continuing connection to land, waters, and communities. I pay my respects to their Elders past, present, and emerging.

I would also like to recognise all First Nations Peoples and diverse communities.

Slide 3: Elana Rubin

Today’s Scheme Meeting has been convened pursuant to an order of the Supreme Court of New South Wales made on 4 November 2021.

The purpose of this meeting is for Afterpay shareholders to vote on the proposed Scheme of Arrangement, amended by the Scheme Implementation Deed on 7 December 2021, in relation to the acquisition of Afterpay by Block, (formerly Square) Inc.

Block is a global fintech company incorporated in Delaware. Founded in 2009, Block builds tools that aim to empower businesses and individuals. Block’s Class A Shares are listed on NYSE under the symbol SQ.

The combination of Afterpay and Block will bring together two of the fastest-growing global payments companies, to advance a shared mission of economic empowerment and financial inclusion and provide Afterpay shareholders with an opportunity to share in the future growth of an innovative company with an aligned vision.

Today’s virtual meeting via the online platform gives shareholders an opportunity to engage, ask questions about the transaction, and vote in real-time.

The online platform is now open for shareholder questions, which I encourage you to submit as early as possible.

Also, in order to provide everyone with an opportunity to vote, and in case anyone cannot stay for the entire meeting, I will now formally open the poll on the Scheme resolution.

Slide 4: Afterpay Board

I will now introduce my fellow directors and members of management:

- Joining us online are:
 - Afterpay Co-founders and Co-CEOs Anthony Eisen and Nick Molnar
 - and our non-executive directors Pat O'Sullivan, Gary Briggs, Sharon Rothstein, and Dana Stalder
 - our CFO and Chief People Officer, Rebecca Lowde, and our Company Secretary, Amanda Street
- And joining me from the Melbourne office, is our Senior Director, Investor Relations, Rhianna Fursdon.

Before I commence my address, Rhianna will provide an overview of the online platform, including how to ask questions and vote.

Slide 5: Procedural matters

Thank you, Elana.

First, I would like to provide an overview of the online platform you are now viewing. If at any stage you have difficulties with the platform you will see a helpline number displayed at the top of the page which you can call. That number is +61 3 9415 4024.

On the online platform, you will see a video stream on the left, and presentation slides on the right. We lodged these presentation slides with the ASX this morning so they are also available on the ASX website.

You can submit written questions or you may ask questions verbally using the audio questions facility available via the online platform.

Written questions can be submitted at any time. If you have one prepared, please submit it now so that the Chair can answer as many questions as possible.

If you prefer to ask your question verbally by connecting to the audio questions line, please note that you will not be able to see the speaker or the presentation slides while you are queuing to ask your question.

You will however still be able to listen to the meeting.

Please ask one question at a time, and please keep your question short and to the point. This will allow as many shareholders as possible to ask a question.

Slide 6: How to ask a written question

To ask a written question, select the messaging tab at the top of the screen. Type your question, and then hit the arrow symbol to send.

Written questions may be moderated or amalgamated to avoid repetition, and if questions are particularly lengthy, we may need to summarise them in the interest of time.

Slide 7: Asking an audio question

If you wish to ask a question verbally, you will need to pause the broadcast on the platform and then click on the link in the "asking audio questions" section of the homepage.

A new page will open where you will be asked to enter your name and the topic of your question before being connected and placed in the audio questions queue.

You will be able to listen to the meeting on this page while you're waiting to ask your question.

Once you have asked your question please return to the online platform to continue watching the meeting and vote.

Each question will come through to our Chair. Either Elana will answer the question or she will direct it to the most appropriate person to answer it.

Slide 8: Voting

As outlined in the Scheme Booklet, the Scheme resolution will be conducted by a poll.

If you are eligible to vote today and are logged in to the online platform, a voting tab will appear. Once you click this, the resolution will appear and you can select a voting option. There is no need to hit a 'submit' or 'send' button, as the vote is automatically recorded.

You can change or cancel your vote at any time until the Chair declares voting closed at the end of the meeting.

Proxy holders are reminded that you must vote in accordance with the proxy holder's directions.

The Chair will vote all available proxies in favour of the Scheme resolution and during the meeting, we will display the number of proxy votes received prior to the meeting in relation to the Scheme resolution.

The voting results will be communicated to the ASX as soon as available today.

I will now pass back to Elana.

Slide 9: Overview of the Scheme

Thank you, Rhianna.

Before moving to the formal business, I will make a few comments on the proposed Scheme of Arrangement¹ details of which were made available to shareholders in accordance with the orders of the Supreme Court of New South Wales. I will also provide an update in relation to the next steps towards the implementation of the Scheme.

¹ Amended by the Scheme Implementation Deed on 7 December 2021, in relation to the acquisition of Afterpay by Block, (formerly Square) Inc.

Slide 10: Overview of the Scheme - Block and Afterpay

As announced on 2 August, Afterpay entered into a Scheme Implementation Deed with Block pursuant to which Block would acquire all of the issued shares in Afterpay by way of Scheme of Arrangement.

The Afterpay Board believes the complementarity of the Afterpay and Block businesses will deliver strong strategic and commercial outcomes and represents a compelling opportunity. The combination will enable the companies to deliver financial products and services that expand access to more customers and drive revenue growth for merchants of all sizes.

From Afterpay's perspective, this will further accelerate growth in the US and globally, enable access to a new category of in-person merchants, and broaden the platform of new and valuable capabilities to its merchants and customers.

If the Scheme is approved and implemented, Afterpay shareholders will be entitled to receive the Scheme Consideration for each Afterpay Share held on the record date. The Scheme Consideration will comprise 0.375 Block Class A Shares or CDIs per Afterpay Share, representing an ownership interest in Block Class A Shares.

This is a **fixed ratio**, which means that shareholders will receive the ratio of 0.375 regardless of the number of shares on issue at the time of completion.

The all scrip consideration provides Afterpay shareholders with the opportunity to realize long-term value for their shares from the potential expected synergies from the combined companies.

As at 10 December 2021, being Block's last practicable trading day prior to this Scheme Meeting, the implied value of the Scheme Consideration was A\$94.82 per share.

As we have previously announced, the regulatory conditions precedent relating to the Scheme including those regulatory conditions set out in detail in section 3.11(a)(1) of the Scheme Booklet, including Australian Foreign Investment Review Board, New Zealand Overseas Investment Office, Spanish FDI, US HSR, and the Australian Tax Office have been satisfied, with the exception of the Bank of Spain condition. Afterpay and Block are confident that the Bank of Spain condition will ultimately be satisfied.

Slide 11: Bank of Spain - Condition Subsequent

While the Bank of Spain condition has not been satisfied prior to this Scheme Meeting, Afterpay has obtained Court orders in connection with holding the meeting and amending the Scheme, so that the Bank of Spain approval is a Condition Subsequent (rather than a condition precedent) to be satisfied by 14 April 2022².

²Afterpay, Block, Inc and Lanai entered into a corresponding amendment to the Scheme Implementation Deed on 7 December 2021 to implement this change.

This means that the Scheme may become effective prior to the satisfaction of the Condition Subsequent, but the transaction will not close until the Condition Subsequent is satisfied.

The outcome of varying the Scheme in this way and approving the Scheme as varied is that:

- the terms of the Scheme would be final at the time of approval of the Scheme on the Second Court Date;
- the Scheme would remain subject to the Bank of Spain condition being satisfied by 14 April 2022;
- if the Bank of Spain condition is satisfied by 14 April 2022, the Scheme will take effect without the need for a further shareholder or Court approval; and
- if the Bank of Spain condition is not satisfied by 14 April 2022, the Scheme will not proceed.

If the resolution to approve the Scheme is passed today by the requisite majorities of shareholders, and all other conditions have been satisfied or waived on or before the Second Court Date (except those relating to the Bank of Spain and Court approval), the Second Court Date to approve the Scheme will be held on Friday, 17 December 2021.

If the Condition Subsequent is not satisfied, the Scheme will not proceed, and we must consult in good faith for 20 business days to determine whether to pursue an alternative transaction. If we are unable to reach an agreement, then either party may terminate the Scheme Implementation Deed.

If the Scheme is approved by the requisite majorities of shareholders at today's meeting, the holders of the A\$1.5bn SGX-listed Afterpay convertible bonds will be entitled to redeem the convertible bonds for their full face value, irrespective of whether the Condition Subsequent is ultimately satisfied.

This may require Afterpay to redeem all or a portion of the outstanding SGX Notes at their face value where the date for repayment falls prior to the Condition Subsequent being met, at which time it will not yet be certain whether the Scheme will proceed.

The Afterpay Board has carefully considered these scenarios, and expects that Afterpay will have sufficient funding arrangements in place to satisfy the redemption of the full face value of the SGX Notes, should that be required prior to implementation³.

Slide 12: Reasons to vote for the Scheme

The Afterpay Board has identified reasons why shareholders might vote in favour of the Scheme. These are set out in detail in the Scheme Booklet and are summarised on the slide now showing.

In making our recommendation, the Board considered a broad range of matters and our overarching responsibility to act in the best interests of all shareholders.

³ As detailed in Afterpay's announcement on ASX on 7 December 2021.

The Board considers that while the future growth prospects of a standalone Afterpay are strong, we believe that the combination of Afterpay with Block will deliver an unprecedented opportunity for both companies.

For Afterpay, the combination is expected to further accelerate growth in the US and globally, offer access to a new category of in-person merchants, and provide a broader platform of new and valuable services to its merchants and customers.

It also provides an exceptional opportunity for our team members to become part of a high-growth global company.

For Block, Afterpay is expected to further build on the strategic priorities for its Square (formerly known as Seller) and Cash App ecosystems, supported by shifting customer preferences away from traditional credit, especially among younger customers.

It will also help Block meet the consistent demand from merchants for new ways to grow their sales, and further support the global growth in omnichannel commerce. The all scrip Scheme Consideration provides Afterpay shareholders with the opportunity to gain greater long-term value for their shares from the combination of Afterpay and Block and realisation of potential synergies.

Slide 13: Other considerations

Shareholders may also choose to vote against the Scheme. Reasons not to vote in favour of the scheme are set out in detail in the Scheme Booklet and are summarised on the slide now showing.

Slide 14: Independent Expert's conclusion

The Afterpay Board appointed Lonergan Edwards & Associates Limited (**Lonergan Edwards**) to prepare an Independent Expert's Report, which has concluded that the Scheme Consideration is fair and reasonable and, therefore, the Scheme is in the best interests of Afterpay shareholders, in the absence of a Superior Proposal.

On 7 December, Afterpay released a supplementary letter from the Independent Expert regarding a revision to the valuation range for the transaction.

The Independent Expert updated the value of the Scheme Consideration to be in the range of A\$89.16 - \$104.90 based on the recent trading range for Block shares and on a 100% controlling interest basis.

In their opinion, it is reasonable to assume that any potential adverse market movements or conditions, that result in a material decline in the listed market price of Block shares, are likely to also have a similar adverse impact on the listed market price of Afterpay shares in the absence of the Scheme.

Lonergan Edwards has therefore adopted a revised market value for 100% of Afterpay of A\$92 - \$108 per share, which they consider reasonable and appropriate given current market conditions.

As there is a high degree of overlap and the assessed mid-point of the consideration offered lies with the valuation range for Afterpay, Lonergan Edwards remains of the opinion that the Scheme is fair and reasonable, and in the best interests of Afterpay shareholders in the absence of a Superior Proposal.

A complete copy of the Independent Expert's Report, with their full commentary in relation to the Scheme, is included in Attachment C of the Scheme Booklet.

Slide 15: Afterpay Directors' recommendation

Prior to announcing the Block transaction, the Afterpay Board established a dedicated Sub-committee chaired by myself, and which included two other non-executive directors to assess the deal.

We were supported by highly experienced financial and legal advisors. The Afterpay Board, recognising the significance of the transaction, appointed its own independent advisor to advise on key issues and how they were being addressed throughout.

The Board confirms that as at the time of this meeting, no Superior Proposal has emerged nor is it aware of any Superior Proposal likely to emerge. Accordingly, the Board unanimously recommends that shareholders vote in favour of the Scheme.

Prior to this meeting, the Afterpay directors submitted votes in favour of the Scheme in relation to shares held or controlled by them.

In relation to the recommendation of Co-CEOs Anthony Eisen and Nick Molnar, Afterpay shareholders should have regard to the information set out in section 10.1 of the Scheme Booklet.

Slide 16: Revised implementation timetable

If the resolution to approve the Scheme is passed today by the requisite majorities of shareholders, and all other conditions have been satisfied or waived apart from the condition subsequent and Court approval, the Second Court Date to approve the Scheme will be held on Friday, 17 December 2021.

If and when the Condition Subsequent has been satisfied, Afterpay will announce the implementation timetable on ASX, noting that the dates for implementation will be set in accordance with the framework now showing on the screen. Afterpay has obtained an updated waiver from ASX Listing Rule 7.40 in relation to the revised timetable.

Afterpay shares will continue to trade on ASX after the Effective Date but the Scheme will remain subject to the Condition Subsequent being satisfied.

These dates are subject to satisfaction of the Condition Subsequent. Any changes will be announced to the ASX.

Before we move to the formal business of the meeting, I would like to invite Co-CEOs, Anthony Eisen and Nick Molnar, to address shareholders.

Slide 17: Anthony Eisen

Thank you, Elana. Good morning everyone, thank you for joining us today.

As the story goes, Nick and I started Afterpay, having met by chance as neighbours in Sydney. We were passionate about developing an alternative to traditional finance and credit products.

In six short but very fulfilling years, Afterpay has become a leader in the global buy now pay later space, offering a truly customer-centric way to pay.

In providing customers with a genuine alternative to traditional credit we've also built an incredible base of more than 100 thousand merchants that see the benefit of offering Afterpay online and in-store.

Since our first meetings with the Block team, we've known that we share a vision of financial empowerment. And while we've been limited in the extent that we can bring our companies physically together since announcing the transaction, I've been proud to see how the teams of both companies plan to design, optimize and integrate post-completion.

We've built a phenomenal movement that's attracted some of the world's leading talent across all facets of our business. And it makes me very proud to think that with the support of our shareholders, this team will be joining forces with Block and seizing a new and powerful opportunity.

All this would not have been possible without the valued support of our employees, customers, merchants, and shareholders. We thank you for this and we look forward to driving long-term value for all shareholders as part of the combined business.

We're incredibly humbled by your investment and partnership as we pursue our growth ambitions.

I'll now hand over to Nick.

Slide 18: Nick Molnar

Hi everyone, it's an absolute pleasure to join you today.

I am here today because of my Co-founder and Co-CEO, Anthony Eisen, who only a few years ago sat down with me over some vegemite on toast around his kitchen table to discuss how we could improve the financial wellbeing of the next generation - to empower them to spend responsibly without having to revolve in debt, interest payments or service fees.

I am thankful every single day that Ant and my paths crossed and that we, and our families, had the privilege to go on this journey together.

It's been an incredible six or so years since, often doubling the size of our business year on year, building a loyal global base of 'Afterpayers' and a network of merchants who see increased retail opportunity through our partnership. We're continuing to expand across regions, moving from online to in-store to create a truly omnichannel experience.

At Afterpay we've been long-term admirers of the Block team, and in many ways have lived a parallel journey as entrepreneurs focused on creating more inclusive commerce opportunities. I'm incredibly humbled that with your support we'll soon be joining forces to further scale and shape our businesses with a shared purpose.

Today we're at the start of an amazing partnership and I know our team across the globe share the excitement and enthusiasm at the opportunity to come.

Thank you to everyone who joined us and helped to make this such an amazing company and I can't wait to see how much more is possible as we combine our efforts with Block.

I'll now hand back to Elana.

Slide 19: Scheme vote

Thank you, Nick.

We will now move to the formal business of this meeting. The sole item of business today is the Scheme resolution.

Slide 20: Scheme resolution

The Scheme resolution is also now shown on screen and is as follows:

"That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Afterpay Limited ("Afterpay") and the holders of its fully paid ordinary shares, the terms of which are contained in and more particularly described in the Scheme Booklet (of which the notice convening the Scheme Meeting forms part) as amended by the amended Scheme Implementation Deed dated 7 December 2021, is approved (with or without alteration, or conditions as approved by the Supreme Court of New South Wales and agreed to by Afterpay and Block, Inc. (formerly known as Square, Inc.)) and, subject to approval of the Scheme by the Court, the Afterpay Board is authorised to implement the Scheme with any such alterations or conditions."

For the Scheme to be binding, the Scheme resolution must be agreed first by a majority of shareholders present and voting on the resolution either in person, by proxy or attorney, or in the case of a corporate holder, by duly appointed corporate representatives, and secondly, by at least 75% of the total number of votes cast by those shareholders.

Slide 21: Proxies received

The proxies received in respect of the Scheme resolution are now shown on-screen and are as follows:

- 198,940,695 votes in favour from 1,936 shareholders;
- 316,937 open votes from 202 shareholders, which I will vote in favour; and
- 96,543 votes against from 104 shareholders.

90,453 proxies from 38 shareholders abstained and are accordingly not counted when determining the outcome of the Scheme resolution.

Slide 22: Shareholder questions

I will now respond to questions regarding the scheme resolution. I will endeavor to answer your questions straight away. However, I may take a question on notice if necessary.

If you have any questions, please submit them now if you have not already done so.

Slide 23: Voting

Thank you. I now ask shareholders to cast their vote on the Scheme resolution if they have not already done so. The poll will close in approximately 60 seconds.

The final poll results will be released to the ASX and made available on our website later today.

I will now pause to allow you to finalise your voting.

Thank you. The poll is now closed.

Slide 24: Thank you

That concludes the business of this meeting.

Just before I close the meeting, as this is likely to be the last time I'll address shareholders, I'd like to take a moment to thank those involved in the remarkable story of Afterpay.

Firstly to our team, those here today, and those that came before. Each of you has contributed to growing a company from a concept just a few years ago, into a global leader, which changed how we shop and engage.

We couldn't have done it without you. I hope you all feel incredibly proud of what you've achieved and the part you've played in Afterpay's success.

To our shareholders who supported us through our journey, and had the courage to invest in something new, thank you for having faith in our vision. In addition to being a good investment, I hope you feel proud having supported Australian innovation and entrepreneurship.

To our customers and merchants who understood what we were about, who got the 'two-sided network' earlier than many, thank you. Your stories of how we made it easier for you to manage your finances day-to-day, and grow your business, encouraged us to keep going.

To our broader stakeholders, advisors, and regulators, thank you for recognizing our commitment to our customers, and for supporting innovation and competition, while helping us strengthen our processes to better deliver on our mission.

To the Afterpay directors, who are each exceptional in their field, and have worked so well – and so hard - together. Your commitment, diligence, thoughtfulness, debate, and friendship have been instrumental in helping us get to where we are today. To former directors, thank you for giving us the platform to grow.

I'd also like to recognise Adrian Cleeve, who as CEO of Touchcorp, was one of the earliest supporters of Afterpay. Adrian provided the encouragement, advice, and importantly the technology, to enable Afterpay to get off the ground.

Sadly Adrian passed away unexpectedly in 2016 and wasn't able to see what he helped achieve. Without Adrian's shared vision and support, it would be a different story today.

And finally, to Ant and Nick. Two extraordinary individuals and an even more extraordinary partnership. Much has been said about their story - two people who lived next door and started a conversation about Millennials and their dislike of credit.

A conversation that led to Afterpay, which became not just an iconic Australian company but in the space of a few years, became a company that started a global movement and became a verb.

Describing Nick and Ant as visionary, smart, driven and brave leaves so much unsaid. They are caring, open, inclusive, and curious. They are a lesson in resilience and determination to stay on course despite the noise and naysayers.

They work harder than anyone else I know. They are genuinely humble and seek out other views. They have a partnership based on trust that sets the standard for all the relationships within Afterpay. They are truly a unique combination.

This leads me to their families, it would be a glaring omission not to recognize Ant and Nick's families as a key part of the Afterpay story. Their advice, support, plain speaking, their principles, and values have been part of every discussion and decision since day one.

Ant and Nick wouldn't be who they are without the influence of their families, and Afterpay wouldn't be what it is without Nick and Ant.

And for me, it's been an absolute privilege to have been part of this amazing company.

Subject to the receipt of approval by the Bank of Spain, this meeting heralds the close of this chapter on Afterpay as a stand-alone company. But the innovation, customer centricity, and desire to empower an economy where everyone wins will remain.

I, like you, can't wait to see the next phase of the company's evolution.

On behalf of the Board, thank you for your attendance today and your support of Afterpay. I now also declare the meeting closed.

afterpay 

Scheme Meeting 2021

Acknowledgement

Afterpay respectfully acknowledges the Traditional Owners of the land, sea and waters on which we work and the various lands from which you are all joining today. We also pay respects to Elders past and present and future leaders.



Elena Rubin

Chair's address

Afterpay Board



Elana Rubin AM

Chair, Independent non-executive Director



Anthony Eisen

Co-CEO and Managing Director



Nick Molnar

Co-CEO and Managing Director



Gary Briggs

Independent non-executive Director

Pat O'Sullivan

Independent non-executive Director



Sharon Rothstein

Independent non-executive Director



Dana Stalder

Independent non-executive Director





Procedural matters

How to ask a written question

The screenshot shows the Afterpay mobile app interface. At the top, there's a dark header with the number '123-456-789'. Below this is a navigation bar with three icons: a house for 'HOME', a speech bubble for 'MESSAGING', and a bar chart for 'VOTING'. The 'MESSAGING' icon is circled in red. Below the navigation bar, the 'Messaging' section is active, showing a text input field with the placeholder 'Ask a question' and a red send arrow icon to its right. The send arrow is also circled in red. Below the input field is a grey box with a red exclamation mark icon and the text 'Moderator'. The text inside the grey box reads: 'Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic'.

When the question function is available, the messaging icon will appear at the top of the screen



To submit a question, type your question in the 'Ask a question' box and press the send arrow



Your question will be sent immediately



Received

Asking an audio question

When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue

123-456-789

HOME

MESSAGING

VOTING

Instructions

Watching the Webcast

Press **play** to begin the broadcast. Ensure your device isn't muted and the volume is turned up. On mobile devices, the broadcast can be minimised and audio will continue to play.

Asking Text Questions

Select the **MESSAGING** tab at the top of this page, then type your question in the box provided and press the send arrow.

Asking Audio Questions

If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.

Voting

When voting opens, a **VOTING** tab will appear at the top of the screen. Selecting this tab will open a list of resolutions, select **For**, **Against** or **Abstain** to cast your vote. There is no enter or send button. You may however cancel your vote and enter a new selection while voting is open.

Voting



123-456-789

HOME MESSAGING VOTING

Poll Open
You have voted on 0 of 2 items

Scheme resolution
Select a choice.

For ☐

Against ☐

Abstain ☐

CANCEL

The vote is accessible by selecting the voting tab at the top of the screen



To vote, select either For, Against or Abstain. The selected option will change colour

For ☒

Against ☐

Abstain ☐

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



Overview of the Scheme

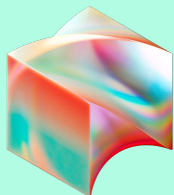
Elana Rubin, Chair

Overview of the Scheme Afterpay & Block, Inc.

If the Scheme is approved and implemented, shareholders will be entitled to receive the Scheme Consideration for each Afterpay Share held on the Record Date.

The Scheme Consideration will comprise 0.375 Block Class A Shares or CDIs per Afterpay Share, representing an ownership interest in Block Class A Shares.

This is a **fixed ratio** which means that shareholders will receive the ratio of 0.375 regardless of the number of shares on issue at the time of completion.



BLOCK

Expand customer base

Consumers



Strengthen Afterpay's **consumer base** of more than 16 million with >70 million annual active Cash App customers

Bring Afterpay's **merchant base** more consumers through Cash App

Reach new **Cash App** audiences in global geographies

Merchants



Strengthen Afterpay's merchant base with **millions** of Square sellers

Attract new sellers to Square with Buy now, Pay later as an **acquisition tool**

Grow in **upmarket** and in new geographies together

Strengthen products and build connections

Add Afterpay to Cash App's ecosystem

Integrate commerce discovery from Afterpay App into Cash App to drive engagement

Afterpay consumers can **receive the benefits** of Cash App's ecosystem, including P2P, stock brokerage, bitcoin, Cash Card, Boost, taxes and more

Enable Afterpay BNPL for Square supporting their **growth through higher transaction sizes** and conversion rates

Introduce Square ecosystem to Afterpay's merchants

Grow Afterpay's presence with SMBs, in-person commerce, and new verticals

Bank of Spain - Condition Subsequent

Bank of Spain approval

Variation to Condition Subsequent:

The Scheme may become Effective prior to the satisfaction of the Condition Subsequent, but the closing of the transaction will not occur until the Condition Subsequent is satisfied.

The outcome of varying and approving the Scheme as varied is that:

- the terms of the Scheme would be final at the time of approval of the Scheme on the Second Court Date;
- the Scheme would remain subject to the Bank of Spain condition being satisfied by 14 April 2022;
- if the Bank of Spain condition is satisfied by 14 April 2022, the Scheme will take effect without the need for a further shareholder or Court approval; and
- if the Bank of Spain condition is not satisfied by 14 April 2022 the Scheme will not proceed.

If the resolution to approve the Scheme is passed by the requisite majorities of shareholders at today's meeting, and all other conditions have been satisfied or waived on or before the Second Court Date (except those relating to the Bank of Spain and Court approval), the Second Court Date to approve the Scheme will be held on Friday, 17 December 2021.

If the Condition Subsequent is not satisfied, the parties must consult in good faith for 20 business days to determine whether to pursue an alternative transaction. If the parties are unable to reach an agreement during such period, then either party may terminate the Scheme Implementation Deed.

Further information is set out in the ASX announcement released 7 December 2021

Reasons to **vote for** the Scheme

Benefits of the Scheme

Reasons to vote for the Scheme include:

1. Block brings added value, differentiation and scale to Afterpay's growth strategy
2. The combination brings together two shared visions and cultures to drive a common purpose
3. Afterpay Shareholders will benefit from any expected synergies generated by the transaction
4. The Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of Afterpay Shareholders in the absence of a Superior Proposal
5. No Superior Proposal has emerged as at the date of this Scheme Booklet
6. The Afterpay Share Price will continue to be subject to market volatility and may fall if the Scheme is not implemented and in the absence of a Superior Proposal
7. Afterpay Shareholders may be eligible to receive the Scheme Consideration in the form of New Block CDIs listed on ASX
8. Scheme Shareholders that are residents of Australia for tax purposes may be eligible for CGT roll-over relief for any gain made from the disposal of their Scheme Shares
9. Afterpay Shareholders will not incur any brokerage charges on the transfer of your Afterpay Shares if the Scheme proceeds

Further information in relation to these benefits is set out in **Reasons for recommendation and advantages of the Scheme.**

Other considerations

Other considerations

You should consider the reasons why you may not want to vote in favour of the Scheme. These reasons may include:

1. You may wish to maintain your direct investment in Afterpay as an ASX-listed company and prefer Afterpay to continue to operate as a standalone entity
2. There are risks associated with holding shares in the Combined Group which are different from those associated with your shareholding in Afterpay
3. You may believe that the Scheme is not in your individual best interests and disagree with Afterpay Board's recommendation and the Independent Expert's conclusion
4. The value of the New Block Securities which form the consideration is not certain until the Implementation Date
5. There are risks associated with implementing the Scheme which you may consider outweigh the benefits of the Scheme
6. You may consider that there is a possibility that a Superior Proposal could emerge in relation to Afterpay in the foreseeable future



BLOCK

afterpay

Further information on these reasons is set out in **Reasons why Afterpay Shareholders may consider voting against the Scheme and disadvantages of the Scheme.**



Independent Expert's conclusion

The Independent Expert recently reconfirmed its conclusion that the Scheme is **fair and reasonable**, and in the best interests of Afterpay Shareholders, in the absence of a Superior Proposal

As at 7 December 2021:

- Updated value of the Scheme Consideration to be in the range of A\$89.16 - 104.90 based on the recent trading range for Block shares and on a 100% controlling interest basis.
- Identified that the market prices of Afterpay's listed peers have declined substantially due to adverse market conditions, and in the absence of the Scheme, these conditions are likely to have had a similar impact on Afterpay's listed share price.
- Adopted a revised market value for 100% of Afterpay of A\$92 - \$108 per share, which they consider reasonable and appropriate given current market conditions.
- A high degree of overlap and the assessed mid-point of the consideration offered lies with the valuation range for Afterpay, the Independent Expert remains of the opinion that the Scheme is fair for Afterpay shareholders.

Afterpay Directors' recommendation

The Afterpay Board unanimously recommends that you **vote in favour** of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Afterpay Shareholders and each Afterpay Director intends to vote all of the Afterpay Shares held or controlled by them in favour of the Scheme.

Prior to this meeting, the Afterpay Directors submitted votes in favour of the Scheme in relation to shares held or controlled by them.



Revised implementation timetable

Milestone

Second Court Date to approve the Scheme and **Effective Date** (date on which the scheme comes into effect and is binding on Afterpay Shareholders and subject only to the Condition Subsequent.

Announcement of receipt of Bank of Spain approval, Condition Subsequent is satisfied, implementation dates announced on ASX and published on Afterpay website If the Condition Subsequent is satisfied, Afterpay Shareholders who sell their Afterpay Shares after the Bank of Spain Announcement date and prior to the Record Date should be aware that they will not receive the Scheme Consideration on the Implementation Date. Block Class A Shares will continue to trade on NYSE between the Bank of Spain Announcement date and the Record Date.

Election Date – the latest time and date by which CDI Election Forms and Share Election Forms must be received by the Afterpay Share Registry, only if holders wish to make a Share Election or a CDI Election rather than receive their default Scheme Consideration. Shareholders wishing to make an election away from the default Scheme Consideration should ensure their CDI Election Forms and Share Election Forms are submitted as soon as possible.

Afterpay Shares suspended from trading

Commencement of trading of New Block CDIs on ASX under a symbol to be advised before implementation of the Scheme (deferred settlement basis).

Record Date - determination of entitlement of Scheme Shareholders to receive the Scheme Consideration.

Implementation Date – all Scheme Shareholders will be provided with the Scheme Consideration to which they are entitled on this date. To the extent the Implementation Date would fall on a Monday (AEDT), the Implementation Date will be the Business Day after, and a corresponding change to the Record Date may be made.

Commencement of trading of New Block Shares (including Block Class A Shares underlying any New Block CDIs) on NYSE.

Timing

17 December 2021

On receipt of Bank of Spain approval and satisfaction of the Condition Subsequent

5.00pm (AEDT) on the date that is two trading days after the Bank of Spain Announcement (but no earlier than 17 January 2022)

Two trading days after Election Date

The trading day after Afterpay Shares suspended from trading

5:00pm two trading days after the Afterpay Shares are suspended from trading (but not before 21 January 2022) or any other date as agreed by Afterpay and Block

Five business days after the Record Date or any other date as agreed by Afterpay and Block

The trading day after the Implementation Date



Anthony Eisen

Co-CEO's address



Nick Molnar

Co-CEO's address



Scheme vote

Elana Rubin, Chair

Scheme resolution

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Afterpay Limited (“Afterpay”) and the holders of its fully paid ordinary shares, the terms of which are contained in and more particularly described in the Scheme Booklet (of which the notice convening the Scheme Meeting forms part) as amended by the amended Scheme Implementation Deed dated 7 December 2021, is approved (with or without alteration, or conditions as approved by the Supreme Court of New South Wales and agreed to by Afterpay and Block (formerly known as Square, Inc.)) and, subject to approval of the Scheme by the Court, the Afterpay Board is authorised to implement the Scheme with any such alterations or conditions.”



Proxies received

Scheme resolution

	Number of votes cast	% of votes cast	Number of shareholders	Percentage of shareholders
FOR:	198,940,695	99.79%	1,936	86.35%
AGAINST:	96,543	0.05%	104	4.64%
OPEN*:	316,937	0.16%	202	9.01%
TOTAL:	199,354,175	100%	2,242	100%
ABSTAIN**:	90,453		38	
Required majority for resolution to pass		At least 75%		More than 50%

*Open proxies in favour of the Chair will be voted in favour of the resolution

**Votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities



Shareholder questions

Voting



123-456-789

HOME MESSAGING VOTING

Poll Open
You have voted on 0 of 2 items

Scheme resolution
Select a choice.

For ☐

Against ☐

Abstain ☐

CANCEL

The vote is accessible by selecting the voting tab at the top of the screen



To vote, select either For, Against or Abstain. The selected option will change colour

For ☒

Against ☐

Abstain ☐

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



Thank you



afterpay ↻