



Announcement Summary

Entity name

AFTERPAY LIMITED

Announcement Type

New announcement

Date of this announcement

Monday August 24, 2020

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Convertible Note	1

Proposed +issue date

Thursday December 31, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

AFTERPAY LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ACN

Registration Number

618280649

1.3 ASX issuer code

APT

1.4 The announcement is

New announcement

1.5 Date of this announcement

Monday August 24, 2020

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
Other (please specify in comment section)	Thursday December 31, 2020	<input checked="" type="checkbox"/> Estimated	

Comments

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

New class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

Convertible Note



+Security type

+Convertible debt securities

Number of +securities proposed to be issued

1

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

The Convertible Note is being issued by the Company's wholly owned subsidiary, Clearpay (Europe) Limited as the deferred consideration payable 3 years post-completion in connection with the proposed acquisition of all of the shares in Pagantis SAU and PMT Technology SLU (collectively, Pagantis).

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

74,000,000.000000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

+Convertible debt securities details

These securities are:

Convertible

Type of security

Convertible Bond

+Security currency

EUR - Euro

Face value

EUR

Interest rate type

Zero coupon/no interest

Frequency of coupon/interest payments per year

No coupon/interest payments

s128F of the Income Tax Assessment Act status applicable to the +security

Not applicable

Is the +security perpetual (ie. no maturity date)?

No

Maturity date

Sunday December 31, 2023



Select other features applicable to the +security

None of the above

Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?

No

Details of the type of +security that will be issued if the securities to be quoted are converted, transformed or exchanged

APT : ORDINARY FULLY PAID

Number of +securities that will be issued if the +securities to be quoted are converted, transformed or exchanged

Unknown, as the actual number of shares to be issued will depend on the future value of the Pagantis business and the exercise by Afterpay of an election to pay in cash or shares. See below URL

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

<https://www.asx.com.au/asxpdf/20200824/pdf/44lt058sjbkb9q.pdf>

Part 7C - Timetable

7C.1 Proposed +issue date

Thursday December 31, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Unknown, as the actual number of shares to be issued will depend on the future value of the Pagantis business and the exercise by Afterpay of an election to pay in cash or shares.

The maximum deferred consideration for the Pagantis acquisition is capped at 3% of the total number of Afterpay shares on issue at the date of issue of the Convertible Note, multiplied by the Afterpay share price (on a 5 day VWAP basis) at the time of conversion. Only the amount of deferred consideration which exceeds the principal value of the Convertible Note may be converted into Afterpay shares, or paid in cash, at Afterpay's election. Any amount so converted will be converted at the same 5 day VWAP price.

ASX has confirmed that the issue of the Convertible Note will be counted as 3% out of the 15% placement capacity under listing rule 7.1.



7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

No

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

N/A

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

The Convertible Note is being issued by the Company's wholly owned subsidiary, Clearpay (Europe) Limited as the deferred consideration payable 3 years post-completion in connection with the proposed acquisition of Pagantis.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No



7F.2 Any other information the entity wishes to provide about the proposed issue

As noted above, the Convertible Note is being issued by the Company's wholly owned subsidiary, Clearpay (Europe) Limited in order to provide the deferred consideration component of the Pagantis acquisition. The Convertible Note is unquoted, with the following key terms:

- ∩ a total principal value of EUR 45 million, which is repayable in cash at maturity three years after the date of issue;
- ∩ no interest payable;
- ∩ the amount of the deferred consideration will be determined by reference to the equity value of Pagantis at maturity;
- ∩ the amount by which the deferred consideration exceeds the principal value of the Convertible Note may be converted into Afterpay shares at the 5 day VWAP of Afterpay shares at the time of conversion, or (at the sole discretion of Afterpay) paid in cash; and
- ∩ the maximum total value of the deferred consideration is capped at 3% of the total number of Afterpay shares on issue at the date of issue of the Convertible Note multiplied by the 5 day VWAP of Afterpay shares at the time of conversion.

Further details on the material terms of the Convertible Note will be set out in a convertible note cleansing notice to be released to the ASX around the date of issue of the Convertible Note.