

Afterpay Limited ASX: APT

ASX Announcement

26 February 2021

Afterpay successfully upsizes and prices A\$1.5 billion convertible notes

Afterpay Limited (**Afterpay** or the **Company**) is pleased to provide an update in relation to the Convertible Notes Offering announced on 25 February 2021.

SUMMARY

- Successfully upsized and priced an offering of A\$1.5 billion unsecured zero coupon convertible notes due 2026 (**Notes**). The Notes are convertible into fully paid ordinary shares in Afterpay (**Ordinary Shares**).
- The Convertible Notes Offering was strongly supported by eligible investors globally.
- The initial Conversion Price of the Notes is A\$194.8220 per Ordinary Share, which represents a conversion premium of 45.0% over the Reference Share Price (A\$134.36 per Ordinary Share), subject to adjustments in the manner set out in the final terms and conditions of the Notes.
- As previously announced, Afterpay intends to use the proceeds of the Convertible Notes Offering to fund the Matrix Transaction, fund the cash component of the Tender Offer, and provide additional capital to continue to accelerate underlying sales growth.

CONVERTIBLE NOTES OFFERING

The Notes will mature on or about 12 March 2026, unless redeemed, repurchased, or converted in accordance with their terms.

The Joint Bookrunners have completed the delta placement of Ordinary Shares at a clearing price of A\$134.36 per Ordinary Share, which is equal to the close of trade on 24 February 2021. This acts as the Reference Share Price to determine the initial Conversion Price of the Notes.

The Reference Share Price will also be used to determine the final price of the Matrix Transaction.

Settlement of the Convertible Notes Offering is expected on or about 12 March 2021 and is subject to satisfaction of customary conditions precedents.

Highbury Partnership Pty Limited acted as financial adviser to Afterpay across the Matrix Transaction, Tender Offer and Convertible Notes Offering.

Citigroup Global Markets Limited, Goldman Sachs International and J.P. Morgan Securities plc acted as joint bookrunners on the Convertible Notes Offering (**Joint Bookrunners**).

CO-CEO SELL DOWN

In response to very strong anticipated demand, the Joint Bookrunners recommended the previously announced sell-down by Co-CEOs and Executive Directors Anthony Eisen and Nicholas Molnar (**Co-CEOs**) take place in conjunction with the delta placement.

An independent sub-committee of the Afterpay Board determined that it was in the best interests of Afterpay shareholders to enable this transaction. As a result, the Co-CEOs have sold 450,000 shares each at the Reference Share Price.

DISCLAIMER

The Joint Bookrunners, together with their respective related bodies corporate, shareholders and affiliates, and each of their respective officers, directors, employees, affiliates, agents and advisers (each a Limited Party) have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this announcement and there is no statement in this announcement which is based on any statement made by the Joint Bookrunners or any other Limited Party. To the maximum extent permitted by law, the JLMs and each other Limited Party expressly disclaim all liabilities (including for negligence) in respect of, and take no responsibility for, any part of this announcement, and make no representation or warranty (whether express or implied) regarding any part of this announcement, including as to the currency, accuracy, reliability or completeness of any information in this announcement.

Neither the Joint Bookrunners nor any other Limited Party makes any recommendation as to whether any potential investor should participate in the Convertible Notes Offering. Further, neither the Joint Bookrunners nor any other Limited Party accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the Convertible Notes Offering or otherwise, and by accessing this announcement each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Convertible Notes Offering and any other transaction or other matter arising in connection with this announcement.

The Joint Bookrunners and other Limited Parties may have interests in the securities of Afterpay. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities.

Authorised by

Anthony Eisen
Co-CEO & Managing Director

Ends

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KEY TERMS OF THE NOTES

Item	Description
Issuer	Afterpay Limited
Issue Size	A\$1.5 billion
Status	Direct, unconditional, unsubordinated and unsecured obligations of the Issuer
Maturity Date	On or about 12 March 2026 (5 years)
Coupon / Yield to Maturity	Zero
Conversion Premium	45.0% above the Reference Share Price
Reference Share Price	A\$134.36 per Ordinary Share
Conversion Price Adjustment	Standard anti-dilutive adjustments including Conversion Price adjustment for all dividends paid by Afterpay.
Listing	SGX-ST
Selling Restrictions	Reg S (Cat 1) only