

**AFTERPAY TOUCH GROUP LIMITED
(ASX: APT)**

ASX Announcement

12 June 2019

Not for release to US wire services or distribution in the United States

Capital Raising Update

(all currency figures are in Australian dollars unless otherwise stated; where relevant figures are quoted on a pro forma basis excluding accounting changes unless otherwise stated)

Afterpay Touch Group Limited (ASX: APT) ("**Afterpay**" or the "**Company**") is pleased to provide an update in relation to key developments regarding the capital raising.

Successful Completion of \$317.2 million Capital Raising

Summary

- Successfully raised \$317.2 million via a fully underwritten institutional placement ("**Placement**")
- Placement was strongly supported by existing and new shareholders
- Placement priced at \$23.00 per share, the top end of the Placement price range
- A Share Purchase Plan to raise approximately \$30 million will follow the Placement with eligible Afterpay shareholders offered the opportunity to acquire additional new shares
- Proceeds will be used to underpin Afterpay's mid-term plan.

Afterpay is pleased to advise that it has successfully completed a fully underwritten institutional Placement of 13.8 million ordinary shares at \$23.00 per share, to raise \$317.2 million.

On behalf of Afterpay's Independent Directors, Elana Rubin said:

"We are pleased by the strong investor support shown in the capital raising for the Afterpay business and our global growth strategy as outlined in our previously announced mid-term plan. The Placement was oversubscribed, and we are also pleased to welcome several new high-quality institutions onto our register."

Placement

Pricing for the Placement was determined via an institutional bookbuild, with an underwritten floor price of \$21.75 per share. The Placement ultimately priced at \$23.00 per share which was at the top end of the Placement price range and represents a 4.8% discount to the close of trade on 7 June 2019.

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New shares issued under the Placement will rank equally with Afterpay's existing shares. No shareholder approval is required for the Placement, as the Company will utilise a portion of its existing placement capacity under ASX Listing Rule 7.1.

Settlement of the Placement is scheduled to occur on 14 June 2019 with the Placement Shares scheduled to be allotted through the ASX and to commence trading on 17 June 2019.

Secondary Sell-down

Concurrent with the Placement, Anthony Eisen, Nicholas Molnar and David Hancock have sold 2.05m, 2.05m and 0.40m shares respectively under a secondary sell-down to two US cornerstone investors, Tiger Management and Woodson Capital ("**Secondary Sell-down**") at the Placement price of \$23.00 per share. The Placement was fully subscribed and as such there was no shortfall to be allocated to Tiger Management and Woodson Capital prior to the Secondary Sell-down.

Mr. Eisen, Mr. Molnar and Mr. Hancock have each confirmed their intention to remain as supportive and committed investors in the Company, and have committed to not sell any further shares until at least 120 days from the announcement of the Placement. Further details of the changes to the selling shareholders' holdings as a result of the Secondary Sell-down will be provided in Change of Director's Interest Notices which will be lodged with ASX.

Share Purchase Plan

As previously announced, Afterpay will offer eligible shareholders the opportunity to purchase new shares in Afterpay under a Share Purchase Plan ("**SPP**"). Shares issued under the SPP will be issued at the lower of \$23.00, being the Placement price, and the 5-day VWAP of Afterpay shares up to the SPP closing date.

Shareholders on the Afterpay register at 7:00pm (Sydney time) on 7 June 2019 (Record date), with a registered address in Australia or New Zealand will be entitled to subscribe for up to \$15,000 worth of Afterpay shares through the SPP (net of any SPP shares allotted in the 2018 SPP), subject to eligibility criteria and other terms and conditions of the SPP which will be set out in the SPP booklet and dispatched to eligible shareholders in due course.

The SPP aims to raise approximately \$30m. The SPP will not be underwritten and Afterpay may decide to scale back applications under the SPP at its absolute discretion.

Highbury Partnership Pty Limited is acting as financial adviser to Afterpay on the Placement and SPP; Baker McKenzie is acting as legal adviser.

Afterpay appointed a lead manager to lead manage the offer and underwrite the Placement (Lead Manager). Please refer to the Disclaimer below.

ENDS

For further information, contact:

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About Afterpay Touch Group

Afterpay Touch Group (ATG) is a technology-driven payments company with a mission to make purchasing feel great for a global customer base. ATG comprises the Afterpay and Touch products and businesses. Afterpay is driving retail innovation by allowing leading retailers to offer 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 4.3 million active customers and approximately 30,600 active retail merchants on-boarded. Touch comprises innovative digital payment businesses servicing major consumer-facing organisations in the telecommunications, health and convenience retail sectors in Australia and overseas.

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Determination of eligibility of investors to participate in the Placement is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Afterpay and/or the Lead Manager. Afterpay, the Lead Manager and each of their respective Beneficiaries disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Lead Manager may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Placement without having independently verified that information and the Lead Manager does not assume responsibility for the accuracy or completeness of that information.

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