

Afterpay Limited ASX: APT

## ASX Announcement

(all currency figures are in Australian dollars unless otherwise stated)

8 July 2020

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#### CAPITAL RAISING UPDATE

Afterpay Limited (**Afterpay** or the **Company**) is pleased to provide an update in relation to key developments regarding the capital raising.

#### SUMMARY

- Successfully raised \$650 million via a fully underwritten institutional placement (**Placement**)
- Placement was strongly supported by existing and new shareholders
- Placement priced at \$66.00 per share
- A Share Purchase Plan to raise approximately \$150 million will follow the Placement with eligible Afterpay shareholders offered the opportunity to acquire additional new shares
- Proceeds will be used to accelerate investment in growing underlying sales, and prioritising global expansion in the short term to maximise shareholder value in the longer term

Afterpay is pleased to advise that it has successfully completed a fully underwritten institutional Placement of 9.8 million ordinary shares at \$66.00 per share, to raise \$650 million.

On behalf of Afterpay's Independent Directors, Elana Rubin said: "*The market has responded strongly to our aspiration to further accelerate our investment in growing underlying sales and expanding our global footprint, with the placement being oversubscribed. We are very pleased with the support we have received from our existing shareholders and we welcome our new investors to the register. We look forward to our retail shareholders being able to participate in the SPP in the coming days.*"

#### 1. PLACEMENT

Pricing for the Placement was determined via an institutional bookbuild, with an underwritten floor price of \$61.75 per share. The Placement ultimately priced at \$66.00 per share, which represents a 2.9% discount to the close of trade on 6 July 2020.

Final pricing and allocation decisions were determined on behalf of Afterpay by an independent sub-committee of its Board in consultation with the joint lead managers and financial adviser.

Eligible shareholders, who bid for up to their 'pro-rata' share of New Shares under the Placement, at the final price, were allocated their full bid, on a best endeavours basis.

For the remaining shares under the Placement, Afterpay sought to prioritise allocations to existing shareholders and then introduce new shareholders, in each case based on factors including likelihood of long term support, the strategic alignment of the investor, support to date and the size and timeliness of bids into the book.

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. Shares issued under the Placement, once issued, will represent a 3.7% increase to total shares on issue.

Settlement of the Placement is scheduled to occur on 10 July 2020, with the Placement Shares scheduled to be allotted through the ASX and to commence trading on 13 July 2020.

## 2. CO-FOUNDER SELL-DOWN

Concurrent with the Placement and as part of the institutional bookbuild, Anthony Eisen and Nicholas Molnar have sold 2.05 million shares each at the Placement price of \$66.00 per share.

Mr. Eisen and Mr Molnar 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 after the Company's 2020 AGM. Further details of the changes to the selling shareholders' holdings as a result of the Co-founder Sell-down will be provided in change of Director's Interest Notices which will be lodged with the ASX.

## 3. 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 \$66.00, 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 6 July 2020 with a registered address in Australia or New Zealand will be entitled to subscribe for up to \$20,000 worth of Afterpay shares through the 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 \$150 million. The SPP will not be underwritten and Afterpay may decide to scale back applications under the SPP at its absolute discretion.

### Authorised by:

Anthony Eisen  
CEO & Managing Director



**ENDS**

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#### **FUTURE PERFORMANCE**

*This announcement contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" "outlook", "guidance" and other similar expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of the Company, the outcome and effects of the Offer, and the use of proceeds from the Offer. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Neither the Company, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this announcement will actually occur.*

*You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Afterpay, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of Afterpay's business strategies. The success of any of these strategies is subject to uncertainties and contingencies*

beyond Afterpay's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Refer to Appendix A 'Key risks' of Afterpay's investor presentation dated 7 July 2020 for a summary of certain risk factors that may affect Afterpay.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Several important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this announcement. Other risks may materially affect the future performance of Afterpay and the price of Afterpay shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Afterpay's business.

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