

Afterpay Limited ASX: APT

ASX Announcement

2 December 2021

Update on Scheme of Arrangement and Scheme Meeting date postponed

Afterpay Limited (**Afterpay**) refers to the proposed acquisition by Lanai (AU) 2 Pty Ltd, a wholly owned indirect subsidiary of Square, Inc. (NYSE: SQ) (**Square**), of Afterpay by way of scheme of arrangement (**Scheme**). Further to the announcement and the release of the scheme booklet (**Scheme Booklet**) on 5 November 2021, Afterpay notes that all the regulatory conditions set out in detail in section 3.11(a)(1) of the Scheme Booklet including FIRB, OIO, Spanish FDI and ATO have since been satisfied, with the exception of the Bank of Spain condition.

Afterpay and Square are confident that the Bank of Spain condition will ultimately be satisfied. Whilst the statutory deadline for Square's application for Bank of Spain approval is currently 21 February 2022, at present Square expects that the Bank of Spain condition will be satisfied in mid-January 2022.

In light of this, Afterpay has decided to postpone the Scheme Meeting that was scheduled for 10.00am (AEDT) on Monday, 6 December 2021. Afterpay and Square are in the process of considering options to proceed with a Scheme Meeting before the end of CY21, notwithstanding the fact that the Bank of Spain condition will not likely be satisfied prior to that time. If Afterpay and Square determine that this is not possible, it is likely the Scheme Meeting will be delayed until the new year. Implementation of the Scheme is still anticipated to occur in Q1 CY22.

Afterpay intends to open the Scheme Meeting at 10.00am (AEDT) on Monday, 6 December 2021 and immediately adjourn it to a time and date to be determined. Afterpay will notify shareholders of the details of the adjourned Scheme Meeting, Second Court Date and the revised implementation timetable as soon as they have been confirmed. Afterpay also intends to approach the New South Wales Supreme Court (**Court**) for orders in connection with the adjourned Scheme Meeting and Second Court Date and approving further materials for dispatch to Afterpay shareholders outlining the new Scheme Meeting details.

Afterpay also provides the following updates in relation to the conditions precedent (**Conditions**) to the Scheme:

- **Regulatory approvals:** The Conditions relating to FIRB (Australian Foreign Investment Review Board), NZ OIO (New Zealand Overseas Investment Office), Spain FDI Authority (Spanish foreign investment approval) and the expiration of the applicable waiting period under the US HSR Act have now been satisfied. As set out in the Scheme Booklet, the ACCC (Australian Competition and Consumer Commission) has confirmed that it does not intend to conduct a public review of the transaction.
- **Square Shareholder Approval:** As previously announced, Square Shareholder Approval was obtained on Wednesday, 3 November 2021 (US time).
- **NYSE quotation:** The Condition relating to the approval for quotation of New Square Shares on NYSE has been satisfied.
- **Australian tax ruling:** The Condition relating to the receipt of confirmation from the Australian Tax Office that it is prepared to issue a class ruling has been satisfied. The class ruling will confirm that qualifying Australian resident Afterpay shareholders who hold their Afterpay Shares on capital account will be eligible to choose roll-over relief under the Income Tax Assessment Act 1997 (Cth) to the extent to which they receive New Square Securities.

The Afterpay Directors continue to unanimously recommend that Afterpay shareholders vote in favor 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. Each Afterpay Director intends to vote all of the Afterpay Shares held or controlled by them in favour of the Scheme subject to the same qualifications.¹

Afterpay shareholders who have questions in relation to the Scheme or the Scheme Booklet should contact the Afterpay Shareholder Information Line on 1300 229 418 (within Australia), or +61 2 9066 4051 (outside Australia) between Monday to Friday (excluding public holidays in Australia) between 9.00am and 5.00pm (AEDT).

Authorised by

Anthony Eisen
Co-CEO & Managing Director

Ends

¹ In relation to the recommendation of Co-CEOs Anthony Eisen and Nick Molnar, Afterpay shareholders should have regard to the fact that, if the Scheme is implemented, each of Anthony Eisen and Nick Molnar will receive those entitlements as described in section 10.1 of the Scheme Booklet.

For further information please contact

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