

Afterpay Limited ASX: APT

ASX Announcement

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Market Announcements Office
Australian Securities Exchange
20 Bridge Street, Sydney NSW 2000

2021 Annual General Meeting – Address and Presentation

Afterpay Limited attaches the following documents to be presented at its 2021 AGM being held today:

- Chair's address;
- Co-CEOs' presentation;
- AGM presentation slides; and
- proxies received on each resolution.

The results of the AGM will be communicated to the ASX shortly after the conclusion of the AGM.

Authorised by:

Anthony Eisen
Co-CEO & Managing Director

ENDS

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2021 Annual General Meeting – Chair's address

COVID 19

It has been yet another remarkable year for Afterpay and the world as we experienced a further 12 months influenced by the pandemic. Thankfully, much progress has been made in terms of vaccine advancement and medical improvements worldwide.

It is a testament to the resilience and strength of our team that Afterpay continued to execute its strategic objectives amid ongoing and varying restrictions and health responses globally.

Throughout this period, the Board and management of Afterpay have remained focused on the wellbeing and mental health of our teams. Engagement during such a long period of dislocation has been paramount. We know that some of our team members live alone, are looking after elderly family members, or are primary carers.

What I was really pleased about was the comments in our employee surveys, that showed while some of our teams found periods very challenging, they also felt supported. This was great feedback regarding our culture and reinforces the importance of doing the right thing for our people.

The pandemic has meant lasting changes to the way we approach mental health and wellbeing at Afterpay and in many ways, we have been further empowered as a result. From my own personal perspective, I am very pleased to be back in our new offices here in Melbourne today, and look forward to being able to meet with shareholders and members of our teams in person again soon.

FY21 RECAP

Turning now to financial and operating performance.

From the Board's perspective, last financial year was a very successful year. Afterpay successfully launched in Canada, Europe, across Spain, Italy, and France, and continued to grow in our newer markets of the US and UK. And of course, Australia and New Zealand continue to be very important markets for us, both in terms of performance and sentiment.

With a team of more than 1300 people across Australia and New Zealand, North America, the UK, and Europe, we have truly cemented Afterpay as a global company.

During FY21, Afterpay generated more than \$21 billion in total underlying sales. We grew our active customer base to more than 16 million, an increase of more than 60% on the prior year and we have since partnered with more than 100 thousand merchants globally.

In FY21 for the first time, North America was our largest contributor to underlying sales, reflecting our rapid expansion in that region since launching in 2018.

We strengthened our balance sheet via a capital raising early in the financial year and more recently with a corporate bond issue. The funds were used to accelerate our investment into existing regions and expand into new locations. It also means that Afterpay has the capacity to fund an additional \$40 billion in underlying sales.

Notwithstanding our continued growth and expansion into new markets, the team closely managed our gross losses. Late fees, which we consider to be an important behavioural control, further reduced year on year.

As we have grown, we have continually enhanced our risk analytics. And that has been a critical differentiator for Afterpay.

During the course of this year, we have continued to scale with rapid growth in all geographies. We continued to attract a globally diverse shareholder base and were pleased to deliver a 94% total shareholder return for FY21. To support our global evolution, we continued to invest in the diversification of our business during the year.

We launched a range of initiatives that create value for both sides of our network. These include the launch of the instore card, which is now live across Australia, New Zealand, the US, and most recently the UK. This enables our merchants to capitalise on the omnichannel frequency of customers that spend in-store and online. And in the last week, the team launched Money by Afterpay offering to the entire Afterpay customer base here in Australia.

Afterpay's strategy has always been about unlocking scale and innovation. We believe this is the best way to drive long-term value for shareholders. As we moved through FY21 we remained true to our commitment to investing for growth, and believe that this is the best use of our capital. This investment will see us take advantage of opportunities globally and set us up well for the future. Any decision to pay dividends in the future will be based on the capital needs of the business at the time.

There's a lot more underway which I know Ant and Nick will speak to in more detail shortly.

LEADERSHIP AND CO-CEOS

Today marks 12 months since we announced the appointment of Ant and Nick as Co-CEOs. The Board thanks both of them for their leadership, focus, and tenacity in delivering against strategy.

Supporting our co-founders is a team of highly capable individuals, with diverse, world-class experiences. It was the first full year that we had the full complement of our Global Senior leadership team and we made key regional leadership appointments. We have been very pleased to see how well the team has worked collaboratively across functions and regions.

At items 2A and 2B of today's AGM, both myself and Dana Stalder are standing for re-election to the Board. Dana and I will address the meeting separately on these items.

GOVERNANCE AND REMUNERATION

FY21 was another very busy year for the Board, which continues to be well supported by its Audit, Risk and Compliance Committee and its People, Remuneration and Nomination Committee. During FY21, Gary Briggs replaced me as Chair of the People, Remuneration and Nomination Committee. Gary brings with him significant Silicon Valley, global remuneration, and benefits experience.

Talent acquisition, remuneration, and benefits have been a critical focus for us as we again doubled the size of our team to more than 1300 people around the world. Having Gary's experience has been enormously helpful in how we approach talent acquisition and retention.

The Afterpay global remuneration framework is leveraged to equity to create greater alignment between Executives and shareholders, by rewarding long-term performance. The FY21 Remuneration Report outlines the outcomes of the balanced scorecard used to determine the FY21 short-term incentive.

The business achieved 93% of the total available vesting against targets set, which included both financial and non-financial metrics, and the ability for the Board to exercise discretion around doing the right thing.

The remuneration of the two co-CEOs is heavily weighted to LTIs, and the exercise price is set at a 20 percent premium. Their packages exclude any RSUs and STI, and their cash remuneration is well below market.

As was the case in FY20, both co-CEOs elected to forgo an STI for FY21. It is important that shareholders consider these features when asked to vote on resolution 3 at today's meeting.

D&I AND WELLBEING

We continued to build out our Diversity & Inclusion and Health & Wellbeing Programs through the year with dedicated resourcing.

We refreshed the principles that guide our D&I goals and initiatives. In addition, the Board approved D&I measurable objectives. These are actionable measures that demonstrate our commitment to diversity and foster an inclusive culture.

Something particularly dear to my heart is increasing the participation of women in tech. This year we're proud to participate with the social enterprise 'Code like a Girl' to enable and promote young women in tech.

We also launched a partnership with the Australian Retailers Association to promote financial literacy among retail workers who are often younger, often women, and working part-time. It is important that we support the next generation as they grow their financial understanding and empower them for the future.

Throughout COVID we've had a very strong focus on the health and wellbeing of our employees, customers, and partners. During the year we appointed a Director of Wellbeing - we chose this role title deliberately because this isn't about compliance, but rather about a proactive and holistic approach. We want it to be part of our employee value proposition and a key part of what makes people want to work for Afterpay.

We also spent a lot of time on our sustainability program and were pleased to have received positive shareholder feedback for these efforts. We are now very close to achieving carbon-neutral certification from Climate Active, after independently calculating and auditing our carbon footprint across global operations.

We know that climate change and good environmental stewardship are important to our team members. Likewise, Millennials and Gen Zs are placing increased focus on brands that minimize environmental impact. We're very pleased to have established this discipline within Afterpay.

This week we are announcing our newest partnership with Patch, a climate action tool that enables customers to review the emissions profile of their purchases and take positive action by selecting from a variety of high-quality global carbon offset and removal projects, all within the Afterpay app. Together, Afterpay and Patch are focused on educating customers on their relationship with climate change.

For Afterpay, the Environment, Social and Governance elements of ESG are of equal importance. We're keenly aware of the importance of growing the circular economy in fashion and have developed partnerships that reflect this. Such partnerships include our enhanced partnership with Thread Together, an initiative that redirects excess new clothing from retailers to vulnerable people.

Our roots are deeply entwined with the fashion industry and this year we were pleased to be able to sponsor Fashion Weeks across a number of regions. Here in Australia, the Fashion industry contributes more than \$27 billion to the Australian economy and employs almost half a million Australians - more than the mining and utilities sectors combined.

We are incredibly proud to partner with Australian Fashion Week in recognition of an industry that has championed us since day one. Being able to give back to a sector that was one of our earliest supporters was a privilege for us, and we look forward to building on this partnership in years to come.

REGULATORY

Regulation continues to be a core focus for the business, as the Buy Now Pay Later sector increases in global relevance. We continue to ensure that regulators see us as transparent, proactive, and open to engagement.

We continue to work collaboratively to explain what we are and what we're not as well as how the Afterpay model and its inbuilt protections work.

It's pleasing to see that even where there is some movement in relation to regulation including recently in the UK, that the response is proportionate to the risk, supportive of innovation, and also recognises our efforts to grow responsible spending.

Although there has been recent commentary on the narrow issue of surcharging, we look forward to engaging with the Australian Treasury as they take on a greater role in leadership of the payments system. We consider that the Australian Code of Conduct, which commenced in March, and the extensive work completed by a number of wide-ranging reviews into the sector has established a best-in-class framework that is working as intended.

To be clear, we are not anti-regulation but we believe regulation should be fit-for-purpose, reflective of the risk, and not stifle innovation and competition. We look forward to working with regulators to achieve this.

SQUARE TRANSACTION

Turning now to the SQ transaction. While it is not one of the formal items for today's meeting, I did want to briefly recap the key reasons for the Board recommending in favour of the transaction.

The rapid growth of Afterpay and our commitment to improving financial wellbeing aligns us well with Square. Square and Afterpay have a shared purpose to improve customer outcomes, to make the financial system fairer and more inclusive.

The complementary nature of the two businesses presents an opportunity to grow both organizations via strategic synergies and deepen the relationships between merchants and customers. It also provides an exceptional opportunity for our team members to become part of a high-growth global company.

For our merchant partners, we believe the value that Afterpay has driven to date will grow even further on successful completion of the transaction with Square.

Likewise, it will bring added value and differentiation to Afterpay, enabling the business to further grow with Square's 70 million annual active Cash App customers and millions of merchant Sellers. Afterpay US customers will also have the benefit of Cash App's financial tools, including money transfer, Stock, and Bitcoin purchases.

Prior to announcing the SQ transaction, the Board established a dedicated Subcommittee which includes myself, as well as two other Non-Executive Directors to assess the deal.

We were supported by highly experienced financial and legal advisors. The Board, recognising the significance of the transaction, appointed its own independent advisor to advise on key issues and how they were being addressed throughout.

Shareholders should now have received a copy of the Afterpay Scheme Booklet, inclusive of the Independent Experts Report which recommends shareholders vote in favour of the transaction in the absence of a superior proposal.

This follows the Square shareholder vote in favour of the transaction earlier this month. We look forward to meeting our shareholders again in early December for the dedicated EGM to vote on the transaction.

If the Scheme is approved at the EGM, Afterpay shareholders will be entitled to receive the Scheme Consideration for each Afterpay share they hold on the Record Date. The Scheme Consideration will comprise 0.375 New Square securities per Afterpay share held.

This is a fixed ratio which means that shareholders will receive the ratio of 0.375 regardless of the number of shares on issue at the time of completion. The Board encourages all shareholders to thoroughly review the Scheme Booklet and other disclosure materials and to contact the dedicated shareholder information line for any queries ahead of the meeting.

2021 Annual General Meeting – Co-CEOs' presentation

Anthony Eisen

Good morning everyone, I'm pleased to be here with my Co-Founder and Co-CEO Nick Molnar, addressing you from San Francisco.

As Elana mentioned, it's been another year that's both shaped and accelerated our business. But what's continued to stand the test of time here at Afterpay is the commitment of our world-class team to building an incredible business that is focused on creating financial fairness and financial freedom for customers.

At the centre of our approach remains a focus on how we show up, support and empower our customers, merchants and employees, especially during another challenging year. A year ago, I would not have thought that we would face another twelve months of intermittent restrictions across all of our operating regions. And while it's been a difficult period, it also served to reinforce our commitment to a range of permanent health and wellbeing measures for our teams.

These included the introduction of a weekly wellbeing hour, where teams are encouraged to step away from their desk and to do something focused on their mental and physical wellbeing. We also held quarterly Wellness days and encouraged staff to use that time as part of a long weekend with friends or family, or however they wanted, to help them rest and recharge.

More recently, we've had the privilege of partnering with the Resilience Project to roll out a 10-week series on gratitude, empathy and mindfulness for our global team. It's a fantastic initiative that is being led by team members across our organisation who have been sharing their insights and experiences along the way.

FY21 saw Afterpay deliver strong growth

Notwithstanding the challenging circumstances we have all faced as a result of the pandemic, we have continued to execute our global strategy which saw us surpass all expectations.

- We grew by 102% YOY in FY21 on a constant currency basis
- This saw us exceed our \$20 billion target for underlying sales, 12 months early
- More than 16 million customers paid with Afterpay
- And we partnered with more than 100 thousand merchants
- We held our merchant margin in line with FY20 and kept gross losses low
- And we doubled the size of our global team who were critical in launching a range of new product innovations.

I wanted to call out the incredible contribution of our globally leading product, engineering and data teams. They have gone above and beyond this year, to create an array of experiences and enhancements for Afterpay. In particular, they have:

- Leveraged machine learning models to create personalised shopping experiences across the Afterpay App & CRM
- Created new app features like wishlists, personalised product collections, and an enhanced search experience that has grown monthly active app users by 80% year on year
- Developed new ways to increase sales for our merchants through solutions like Express checkout, cross border and the Afterpay button which is a quick and easy integration
- Scaled our in-app single-use payment solution to US merchants including Target, Nike, and Converse which Nick will speak to shortly.

We've continued to deliver because of the great work of our teams globally.

Built for the next generation

The pandemic has forced the world to adapt to living and working differently. It's changed the way customers relate to their finances and how they expect to participate in future commerce.

The next generation of customers trust Afterpay because we enable them to spend their own money on the things they want, with full transparency of their financial position, and without the fear of entering revolving debt or exorbitant interest.

90% of our Australian customers state that Afterpay helps them with budgeting. And during the last 12 months, these same customers saved more than \$110 million in credit card fees by using Afterpay instead of a credit card.

It's no surprise that one million credit cards were cancelled in Australia in the last year alone as more and more people use Afterpay to get rid of debt and improve their financial wellbeing.

Empowering a Money Positive mindset

We've always been anchored in our mission of creating financial fairness and freedom for customers, and we're excited that our newest product release, Money by Afterpay, is giving us yet another way to engage with our customers about personal financial management and in the process, shake up the incumbents.

We announced our collaboration with Westpac just over 12 months ago, and last week we launched it to Australia - a pretty remarkable engineering and product team feat, one that you could argue usually takes up to 24 months.

Our EVP of New Platforms, Lee Hatton, and her team have done a great job to bring this to life with more than 2,100 hours of conversations, content, and insights gathered from our Gen Z and Millennial customers.

Money by Afterpay is now immediately available to more than 3.6 million Afterpay customers. One of the most exciting new features of the product is the inclusion of 'Money Stories', a data-driven approach, providing personalised financial insights.

The Money by Afterpay experience is one shaped entirely by the generation for which it was built. An overwhelming 81% of Aussies believe the topics of finances and money are still taboo. Of these, two-thirds (65%) wish this wasn't the case and it's even more pronounced with the next generation, rising to 86% amongst Gen Z and 78% amongst Millennials who wish money could be more openly discussed.

As customer needs change, Money Stories gives a customer daily and weekly bespoke insights into earnings, spending, and saving within the app, as well as their BNPL balance.

With this level of insight and visibility, a customer can build money confidence in a simple and easy-to-digest way. The overall proposition is strongly aligned with our core commitment to responsible spending. I am especially proud of the fact that the Money product has been developed and launched right here in Australia, for the world to see. It really is a new high watermark for us at Afterpay and for the financial industry globally.

Rewarding responsible spending, saving and loyalty

During FY21, we also announced our refreshed PULSE Loyalty program to reward responsible spending with Afterpay.

The refreshed program includes features that enable a customer to personalise their repayments to better match their cash flows, and secure exclusive offers and promotions from merchants.

Pulse is also going to serve as a key integration point for our Money by Afterpay offering. When using Money, customers can accumulate points for setting up a daily transaction account and get extra points for reaching their first savings goal with \$50 deposited. This is about providing a customer that little bit extra to feel confident in reaching their goals - and to feel rewarded when they reach them.

Pulse now has more than three million members worldwide who are frequent users, highly engaged with our merchants and spending responsibly.

Lockdown liberation and the return of retail

As the world re-emerges from this unprecedented period, we've been looking deeply at the future of retail.

In Australia, the recent Lockdown Liberation Report highlighted the way in which Millennial and Gen Z customers are reclaiming their lives.

While shopping online for things like health and exercise equipment, pet-related goods, and apparel, featured heavily during lockdown, more than two-thirds of Aussies missed being able to physically look through stores and to see and feel their purchases.

The report found that 55% missed trying clothes on before they bought them. This underscores the importance of our diversification with instore and ultimately our long-term investment into omnichannel commerce.

Afterpay everywhere - commerce flexibility for customers

As the world reopens physical retail, Afterpay and our merchant partners have been welcoming customers back in store. We know in-store is important, not just because it is so much larger than online, but because customers purchase more frequently when they can use both channels.

We've invested into visual merchandise, training for our retail partner workforces and providing a seamless in-store card experience that can be used across Australia, New Zealand, the United States and most recently the United Kingdom.

We know from scaling the in-store card across ANZ and the US, that more than a third of customers make their first purchase online before heading in-store¹.

Through our data and insights we know that customers who only shop online do so on average six times per year, compared to customers who have shopped online and in-store have an average frequency of 24 times.

Omnichannel customers are more engaged, more frequent, and are of higher value to a merchant.

The in-store card can now be used at close to 60 thousand storefronts globally and we're very confident that this will continue to grow following the successful launch in the UK where we are live with brands including Pandora and Foot Locker.

During FY21 we also launched the Afterpay virtual prepaid card enabling our US customers to purchase from a range of e-commerce merchants that have no direct integration with Afterpay. This has been a highlight for customers with first time users returning to make their second purchase within 30 days.

Our global customers transact on average 36 times per year, across seven verticals and 15 merchants. Customer frequency continues to grow across each of our regions.

As we look beyond the pandemic, we know that customers are looking to reconnect with family and friends either through travel or a good meal. That is why we have extended our partnerships and broadened our verticals to include Webjet, Jetstar, Luxury Escapes, Agoda Hotels, and more recently, Australian Venue Co & Merivale.

Our focus areas for FY22

Turning now to FY22.

As we make our way through the first half of FY22 we continue to act on our strategy, which includes:

- Consolidating Afterpay's leadership position across our existing geographies
- Further enhancing the customer experience and growing habituation via our new revenue streams

¹ 34% across ANZ and US.

- Investing in our omnichannel approach and leveraging data and insights across new initiatives, including Afterpay iQ, our new merchant insights platform which Nick will speak to shortly
- And maintaining our customer-aligned, low-risk, and self-reinforcing business model that is capital efficient and strongly differentiated.

Square transaction

I also wanted to echo Elana's earlier sentiments on the opportunity that the future combination with Square presents.

I acknowledge we have the EGM in a few weeks and so I will keep my comments brief, but I know I speak on behalf of everyone at Afterpay when I say that we are tremendously excited by the prospect of bringing together the ecosystems of these two fantastic businesses.

As Elana mentioned, we strongly believe in the compatibility, not just of our operations, but of our team culture and our commitment to improving financial well-being.

Bringing our 16 million customers together with Square's 70 million annual active Cash App customers is a significant first step post-completion.

But we can also see opportunities to share experiences and initiatives - whether that's crypto, millennial investing, or omnichannel commerce.

We look forward to sharing the experience with our shareholders, employees, customers, and partners.

On that, I want to offer our sincere gratitude to everyone in the Afterpay team for their outstanding contribution to our business over the last year. It's been a privilege to watch our team grow and expand globally as we continue to scale our business.

And of course, thank you to our shareholders, our customers, and merchants who continue to support us. We're incredibly humbled by your investment and partnership as we pursue our growth ambitions.

I'll now hand over to Nick to talk through some of the work being done on behalf of our merchant partners.

Nick Molnar

It's been a phenomenal year, a true testament to the teams everywhere who went above and beyond for Afterpay. I am proud to be able to share some of the amazing achievements from our awesome team this morning.

Personally, I've spent some time in the last few months with our teams in the US, Australia and the UK and it has been awesome to see the world reopening. Particularly for a global business such as ours, the connection has certainly been enabled by technology, but the chance to reconnect in person again, has been incredible.

Continued global expansion

Notwithstanding the dynamic and unprecedented conditions of the last twelve months, we've been privileged enough to continue to expand our global reach.

In March, we launched into Spain, Italy and France where we now have more than 500 merchants contracted or integrating. These include huge names such as Shein, Boohoo, JD Sports, Pandora and Superdry, which have gone live right across the EU.

We released our Global API, and the recent expansion of channel and PSP partnerships in Europe will likewise accelerate merchant onboarding in the future.

In particular, our expansion into Germany remains a priority based on retailer-led demand and will see our teams evaluating other regions for FY22 and beyond.

During FY21 we unlocked the opportunity for US and Canadian merchants to sell cross-border with trade now live for customers and merchants across the US, Canada, ANZ and the UK. While cross-border trade is a small but growing contributor to underlying sales, it is a key value-add for merchants looking to tap into our global customer base without needing to establish their own local presence.

Afterpay cross-border trade customers transact around 24% more frequently than domestic-only shoppers making them a valuable cohort for our merchants.

100,000 of the world's most loved brands partnered with Afterpay

During the year we reached an important milestone, with more than 100,000 brands now live and integrated with Afterpay across online and in-store.

And as customers return to brick and mortar storefronts, massive enterprise names such as Lululemon, Michael Kors and Petsmart are all reaping the benefits of going omnichannel with Afterpay.

More recently, we've been pleased to partner with global brands such as Wayfair, Zappos and Nordstrom. Year to date, with these brands and others, we have launched approximately \$50 billion in addressable GMV in the US across online and in-store.

North America remains our biggest growth opportunity

While we continue to grow our offering internationally, the size and scale of the US retail economy makes it our biggest growth opportunity.

Since launching in the US in 2018, the region has become a very important part of the Afterpay growth trajectory.

During FY21, underlying sales generated in North America exceeded those of ANZ for the first time.

A new research study released in October showed that Afterpay is driving meaningful benefits to US merchants and customers alike.

In 2021, merchants using Afterpay stand to gain \$4.5 billion in net benefits, which includes almost \$1.2 billion in net benefits for small to medium businesses.

At the same time, our US customers are set to save up to \$459 million in fees and interest by making their purchases with Afterpay instead of credit cards or other APR or interest-bearing products.

And this activity is helping to support more than 70,000 jobs employed in the American economy during 2021. A meaningful commitment when considering the effects of COVID on employment.

Afterpay is uniquely positioned...retail intelligence

As we look ahead, we know our value to our merchant partners is not just in the dollar. We offer the currency of retail intelligence and customer-centric insights, via our newest analytics offering - Afterpay iQ.

Afterpay iQ is providing customer-centric analytics to our merchant partners

Launched in September, Afterpay iQ is now used by more than 1,200 of our merchants globally.

The platform offers our merchants in-depth analytics, enabling them to better understand what's driving results and how to optimise and enhance their retail offering.

The analytics platform provides AI-powered insights, visualisations, and real-time data in one, highly accessible, self-service user interface.

Merchants can access real-time business performance at the specific store level. This provides a single source to evaluate marketing performance, omnichannel shopping volumes, and payments conversion.

With an ability to monitor sales, AOV and order trends over time, merchants can also develop a better understanding via key customer personas and demographics, with the platform able to recommend next best actions to optimise business performance.

Pandora case study

One of the biggest recent names to join Afterpay and one of the first users of our Afterpay iQ product is Pandora.

It's been our absolute pleasure to work with the Pandora team and all of our merchants, to enhance their marketing decisions with data and improve their capacity to target new audiences.

Pandora has likewise gone live with another of our new product initiatives, and one that I'm particularly excited about, Afterpay Advertising.

Afterpay Ads - in the last 6 months we've proved product-market fit

Afterpay Ads give brands new ways to connect with our engaged next-generation audience. Brands now have access to premium inventory as well as the opportunity to promote offers, products, and collections to Afterpay's highly engaged global audience.

As with all of our new revenue initiatives, in-app advertising is successfully extending the power of our ecosystem and enabling us to monetise this beyond direct merchant integration.

Demand for Afterpay ads in the US has certainly exceeded our initial expectations. There are more than 150 brands signed up ahead of the key retail holiday period. Early results show a lift of 20% in sales, on average, when brands choose to promote their products using Afterpay ads.

Customers start their shopping journey with Afterpay - curating wish lists, favorites, and buying in and out of the network.

As Afterpay sends millions of referrals to retailers, and as we further build out our advertising and insights capabilities, global retailers are increasingly recognising us as a global marketing and commerce partner.

As Ant touched on earlier, we're going to continue to invest in these attributes during FY22. In particular, we are intending to expand our advertising capabilities by introducing new innovative ad products that help merchants capture high intent audiences.

This includes the launch of a sponsored search pilot later this month. Separately, we are looking at bringing these capabilities to other regions in the second half of FY22.

These innovations result in greater customer frequency via the Afterpay app and deliver value to our merchant partners globally via a combination of higher conversion, higher sales, and increased AOV.

Global fashion partnerships

Before I finish, I wanted to say a big thank you to the global fashion industry, which has been so important to the successful growth of Afterpay.

Designers and merchants globally have embraced Afterpay and enabled a generation of customers to access fashion in a financially responsible way.

When we started this journey a little over six years ago, I would never have thought that we'd end up the principal partner to Fashion Week in Australia, London, and New York.

Even more incredible was to see the Empire State Building in New York, lit up in Afterpay's 'Bondi Mint' colour.

The opportunity to support the sustainable success of the industry in which we grew up, was a really proud moment for all of the Afterpay team.

Bringing the themes of diversity and inclusion, sustainability, and accessibility to the forefront of our conversations through these partnerships was important and rewarding.

Thank you

This has been yet another huge year for Afterpay and we couldn't have done it without the tenacity and commitment of our talented teams.

A little over a month ago we opened our new office in San Francisco. As I walked into the building, it was incredible to see our team and feel their energy and enthusiasm. Sharing these moments is exactly why I love Afterpay.

To our merchant partners and customers - thank you for your ongoing loyalty. You are the reason we get up every morning.

To our shareholders - those who have been with us from the beginning and those who have recently joined - thank you for supporting our journey and providing us with an opportunity to move towards our vision.

As we look ahead to the Afterpay EGM and shareholder vote in a few weeks' time, I cannot emphasise enough that the combination of what Afterpay has built, together with Square's extensive customer and merchant base, is something that will supercharge our business and team 10 times over.

From this perspective, we're also very excited at the opportunities ahead, particularly in North America, where we believe there is scope to enable Afterpay BNPL for millions of Square Sellers, supporting their growth through higher transaction sizes and conversion rates.

Likewise, we look forward to an opportunity in which we can introduce the Seller ecosystem to Afterpay's merchants and grow our combined presence in-store and into new verticals.

We're constantly evolving at Afterpay.

And Square presents the next step in our journey and is one that we believe can bring tremendous benefits to both companies, but more importantly, to the customers and merchants that form our ecosystem.

We believe that the combination with Square is the most compelling next step for our teams and our business. I look forward to speaking about this with shareholders in further detail in early December.

afterpay

Annual General Meeting 2021

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Anthony Eisen

Co-CEO's address

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Notwithstanding
the ongoing effects
of the Pandemic,
**FY21 saw Afterpay
deliver strong growth**

Built for the next generation

Afterpay is a

trusted brand

More than **16 million** customers globally

~70% are Millennial or Gen Z

Choosing Debit over Credit



Focused on financial fairness and freedom

We empower people to use their money for the things they want – we put the **customer first**.

We **don't charge interest** or hidden fees.

We **cap late fees** and they don't accumulate.

Accounts are paused when customers miss a single payment.

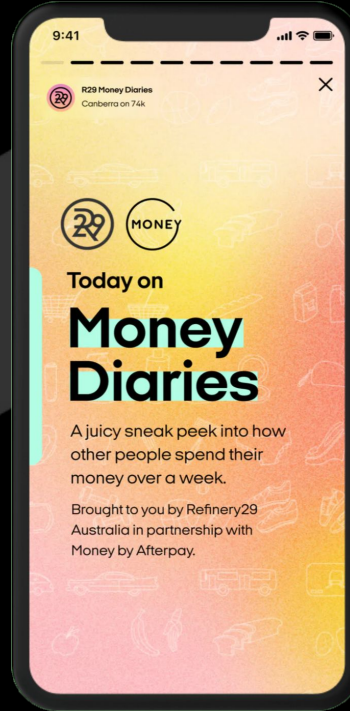
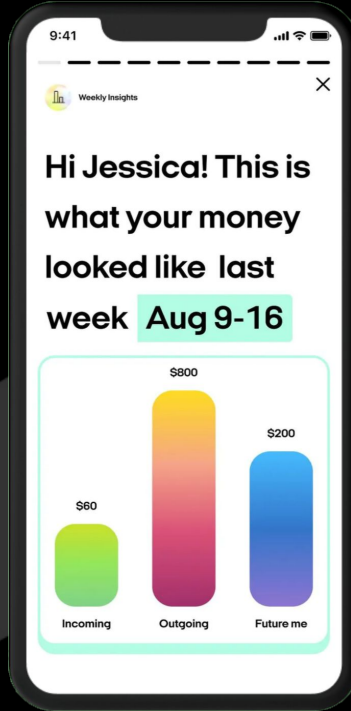
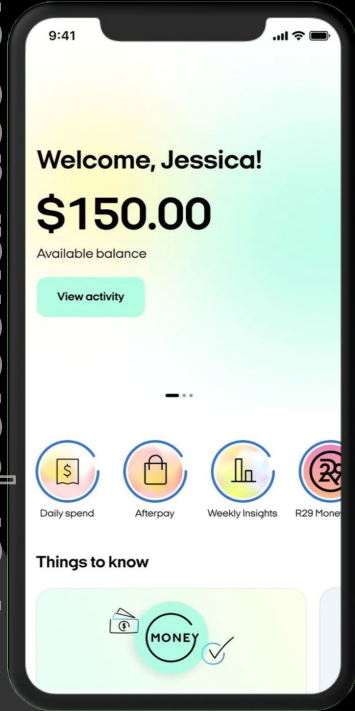
98% of all FY21 purchases incurred **no late fees**

Low average order value¹ (\$153) and low average outstanding balances² (\$216).

We only increase customer limits as **good repayment behaviours** are demonstrated.

Empowering a 'money positive' mindset

Money by Afterpay

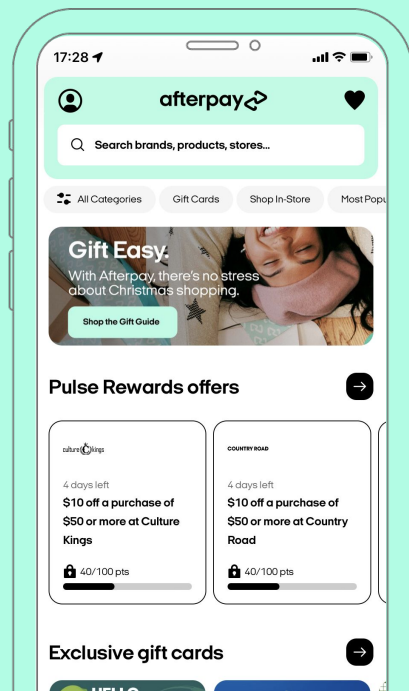
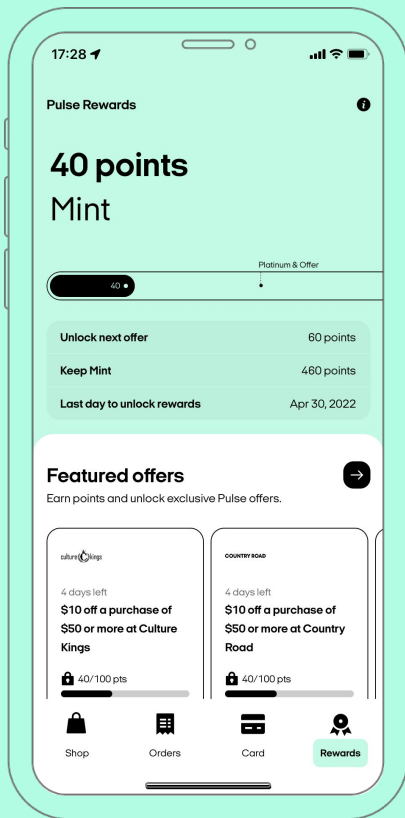


Money debit card



Rewarding responsible spending, saving and loyalty

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pulse
REWARDS

Pulse members spend

8x

more time on the Afterpay App than non members¹

~7%

increase in incremental spend driven by higher frequency

SINCE JUNE 2021 RELAUNCH

>3m

Active Pulse members

Notes: 1. Includes 12 month Active Customers for both Loyalty and Non-Loyalty members.

Lockdown liberation and the return of retail

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Dining out:

Restaurant and café dining (49%) eclipse the pub (36%) as the thing Next Gen Aussies are most excited about as restrictions ease.

Retail therapy:

Almost half (42%) are excited to shop in-store again, with a third (34%) prioritising personal care appointments.

Flights first:

28% of Next Gen Aussies said the first thing they will buy when restrictions end will be travel-related, while half (45%) are planning to book an overseas holiday in 2022.

Mind matters:

Almost half (45%) believe the importance of looking after their own mental health is the biggest lesson from the last 20 months.

Surprise savings:

52%

of Next Gen Aussies reached their savings goals during the pandemic, as 8 in 10 (82%) have become more conscious of their finances since COVID-19.



Afterpay everywhere - commerce flexibility for customers

In-Store

~6 Million customers have added the in-store card to their wallets

In-store now available across AU, NZ, US and UK

Online

Virtual prepaid card live across **>40% of US eCommerce**

Close to 30% make a second purchase made within **30 days**

Omnichannel

Customers who have shopped online and instore have **an average frequency of 24x**

New omni-channel Partnerships

ALDO Shutterfly lululemon

PETSMART THE GOOD GUYS JB HI-FI

The Container Store JOHNNY WAS VetPartners

priceline pharmacy MECCA MITRE 10

DICK'S SPORTING GOODS CHEMIST WAREHOUSE THE CHILDREN'S PLACE belk



Our focus areas for FY22

Unlock scale with innovation

We continue to accelerate our growth by

Consolidating our leadership across existing geographies

Further enhancing the customer experience and drive greater frequency and habituation

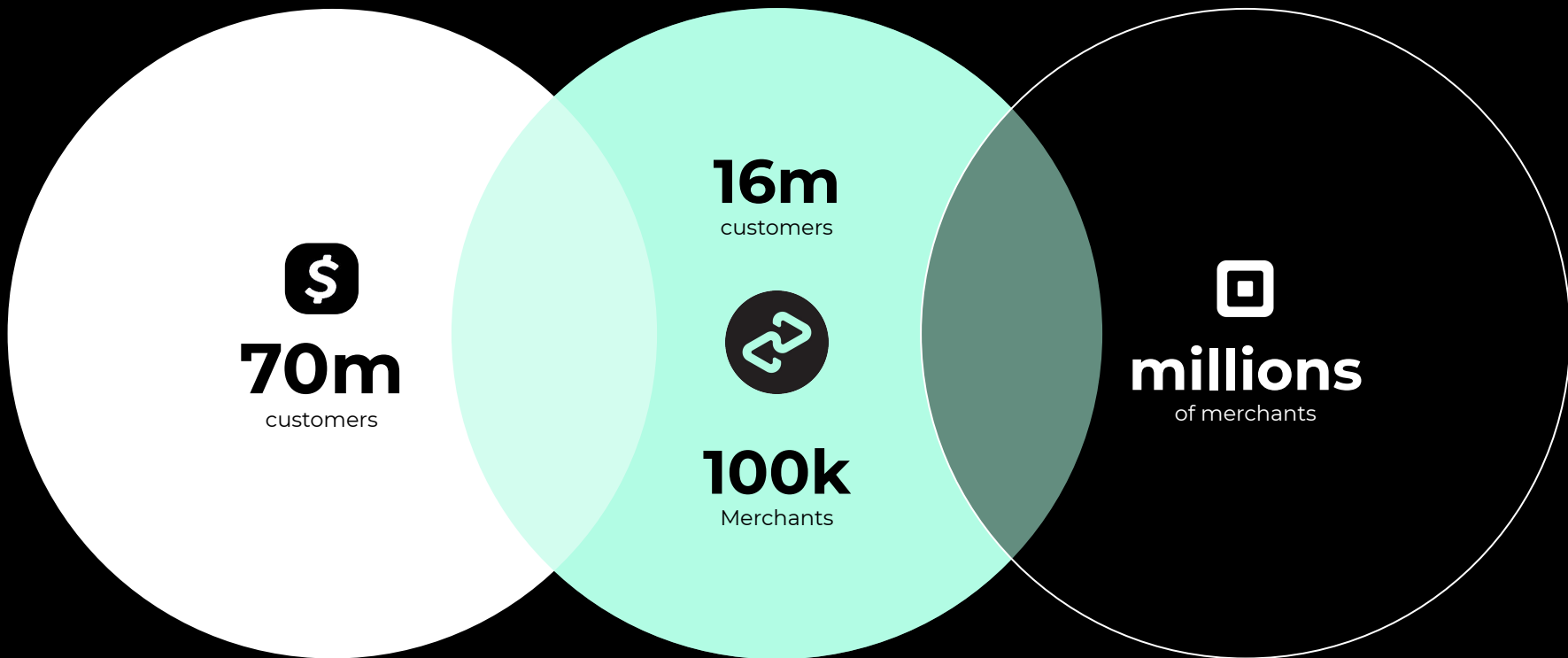
Expanding our omnichannel approach, curating new shopping experiences

Maintaining our customer-aligned, low-risk, and self-reinforcing business model that is capital efficient and strongly differentiated



Afterpay & Square, Inc. Linking complementary ecosystems

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Nick Molnar

Co-CEO's address

Continued Global Expansion

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Canada

United States

United Kingdom

Spain

France

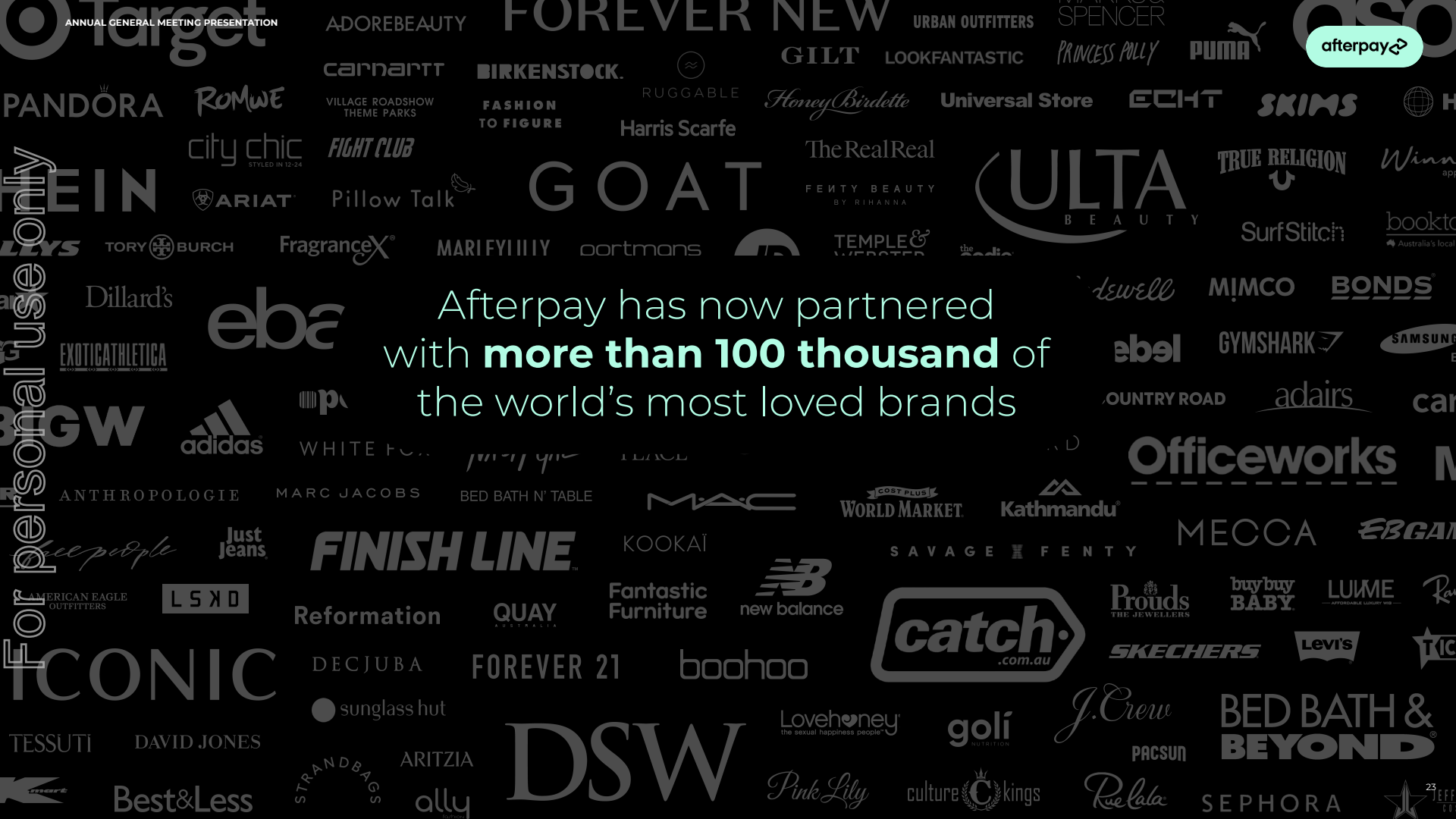
Italy

Shop across
regional
borders

Australia

New Zealand

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ANNUAL GENERAL MEETING PRESENTATION

afterpay

Afterpay has now partnered with **more than 100 thousand** of the world's most loved brands

North America remains our biggest growth opportunity

Spending on BNPL in the US has **increased rapidly in the last year – up 230% since the start of 2020**

US customers use BNPL because they like to pay in installments and find it **helps them with budgeting**

Merchants using Afterpay **gain \$4.5bn in net economic benefits** in 2021, including **\$8.2bn in new revenue**

Afterpay's Shop Directory sends **~1 million referrals globally to merchants each day**

Afterpay fashion spending is equivalent to **6.5% of US fashion e-commerce**

Customers save up to \$459m in credit card fees by making purchases with Afterpay, equivalent to \$6 per order

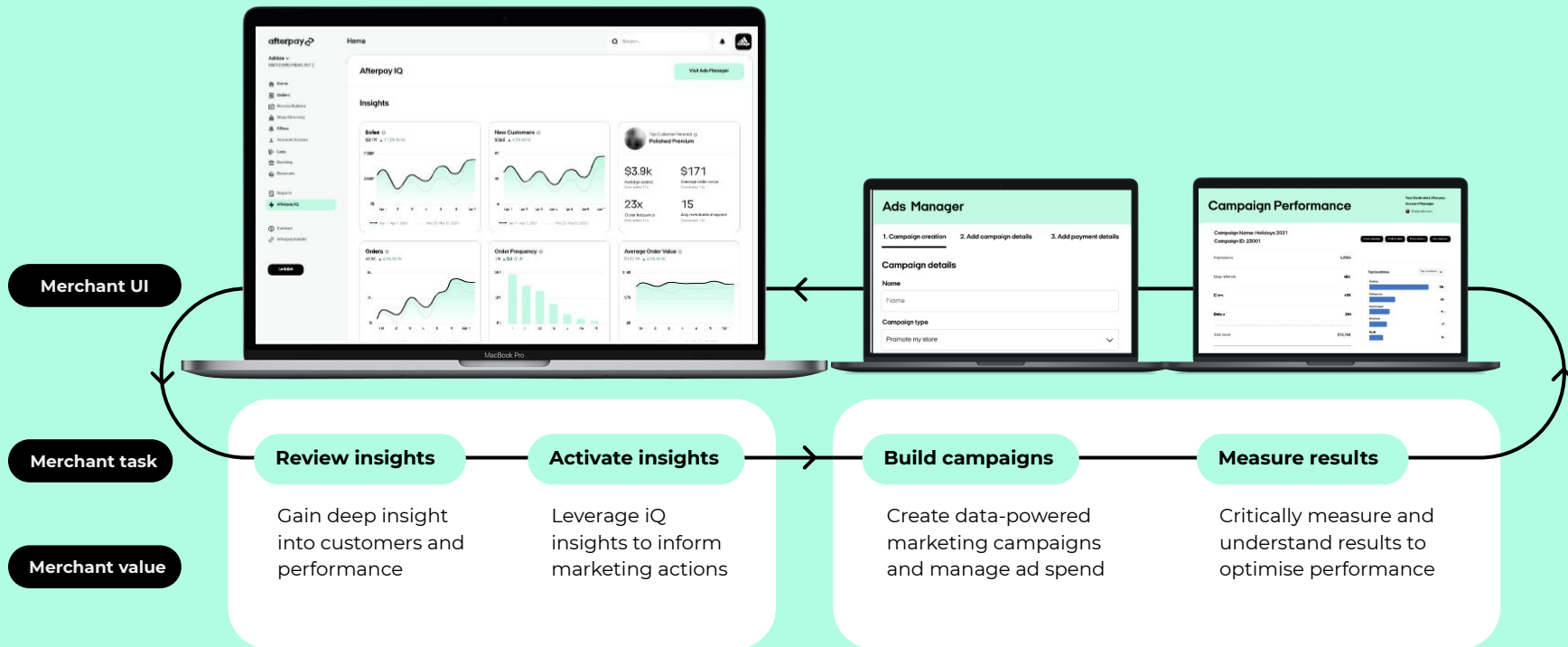
But our value doesn't stop there

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Afterpay is uniquely positioned to become the future currency for retail intelligence

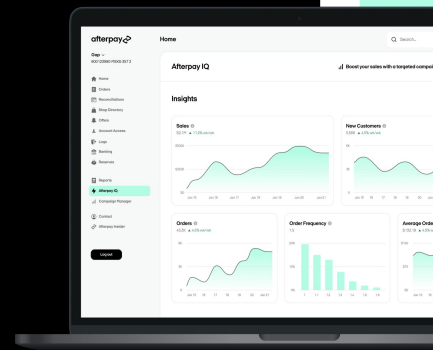
Afterpay iQ is providing customer-centric analytics to our merchant partners

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Our partnership with Afterpay has helped Pandora make data-powered marketing decisions which have improved our ability to target new audiences, which ultimately led to higher conversion rates and larger AOV.

Working together, we have been very successful in capturing new, highly engaged young customers for our business.



Jennifer Glass – Director,
Owned and Paid Digital Marketing, Pandora

PANDORA

In the last six months
we've proved product-
market fit

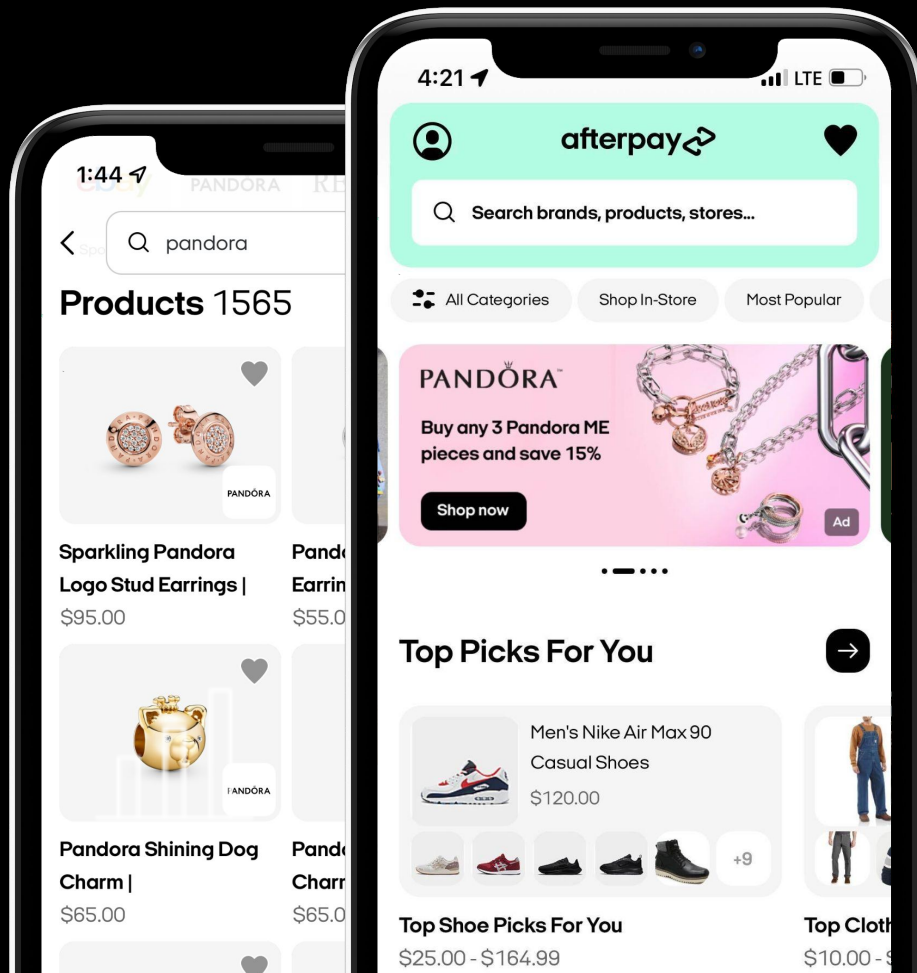
afterpay

ads

150+

Live Merchants

~20%

Lift in merchant
sales

Supporting sustainable success
of the fashion industry

afterpay

AAFW
afterpay AUSTRALIAN
FASHION WEEK

**LONDON
FASHION
WEEK**

PRESENTED BY clearpay

NYFW
PRESENTED BY afterpay

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Thank you

Voting resolutions

2A Re-election of **Elana Rubin** as a director

2B Re-election of **Dana Stalder** as a director

3 Adoption of the **Remuneration Report**

Proxies received on each resolution

RESOLUTION	VOTES FOR	VOTES AGAINST	VOTES OPEN	TOTAL
Resolution 2A % of vote	200,422,351 97.90%	4,167,169 2.04%	138,682 0.06%	204,728,202 70.50% of issued capital
Resolution 2B % of vote	203,129,378 99.23%	1,460,043 0.71%	138,472 0.06%	204,727,893 70.50% of issued capital
Resolution 3 % of vote	146,075,740 89.22%	17,496,190 10.69%	139,055 0.09%	163,710,985 56.37% of issued capital

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