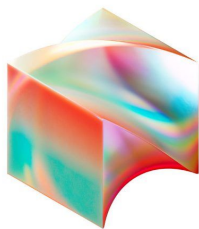


Various synergies drove Block (formerly Square) to target an acquisition of Afterpay

Block (formerly Square) announced deal to acquire Afterpay for \$29B in August 2021



BLOCK

afterpay 

Purchase price 30% premium over stock price; deal completed in February 2022.

Synergies include customer, mission, and operational value creation opportunities

- **Customer:** More products to sell existing customers, **new customers** to sell existing products, **expanded geographic** presence
- **Mission:** Additional avenue to promote development of “fair, accessible, and inclusive financial system”
- **Operational:** **Cost** synergies (e.g. negotiating power, shared service model, etc.), absorption of top **fintech talent** (engineering, data analytics, etc.)

Block can reach more customers across the globe and provide sellers another solution to increase sales

Customer

Afterpay has many customers in locations where Block doesn't have strong presence



"[Block]'s presence is mainly in the U.S. [Block] could **leverage Afterpay's presence** in Europe, Australia, and New Zealand."

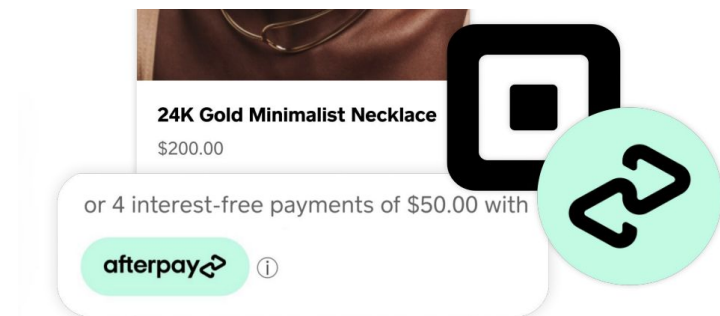
- [The Motley Fool](#)

"Afterpay served more than **16 million consumers** and nearly **100,000 merchants globally**"

- [TechCrunch](#)

Customer

Sellers able to use previously unavailable Buy Now Pay Later (BNPL) solution

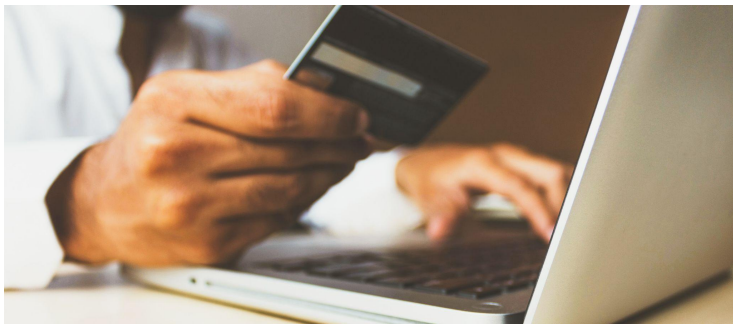


- With BNPL, Block customers (sellers) can offer their customers more **payment flexibility**
- Increased flexibility to **increase merchant sales**, and in turn, **increase Block revenues**

Block & Afterpay missions aligned; operational benefits include cost and talent synergies

Mission

Block will be able to scale their mission with an extended product line



“We built our business to make the financial system more **fair, accessible and inclusive**, and Afterpay has built a trusted brand **aligned with those principles**.”

- Jack Dorsey, [TechCrunch](#)

Operational

Many operational synergies are expected from the transaction



Cost synergies

- Higher negotiating power with suppliers
- Decreased costs through scale efficiencies



People synergies

- Access to top FinTech talent
- Knowledge sharing and capability development opportunities