

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► _____

Sections 1001 and 1012.

18 Can any resulting loss be recognized? ► **Loss may be recognized in connection with the organizational action.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____

The adjustment would generally be reportable in the tax year ended December 31, 2022 for holders utilizing a calendar year-end; however, holders are advised to consult their own tax advisor regarding the proper reportable tax year.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

DocuSigned by:
Philip M. Seabrease
08F027D76F78410...

Signature ►

Date ► 3/14/2022

Print your name ► **Philip M. Seabrease**

Title ► **Head of Tax**

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Afterpay Limited

Attachment to IRS Form 8937

Date of Organizational Action: January 31, 2022 (2:06 PM Pacific Standard Time) /
February 1, 2022 (9:06 AM Australia Eastern Daylight Time)

Unless otherwise stated, all dates herein are in United States Pacific Standard Time.

Disclosure regarding tax advice: The information contained herein does not constitute tax advice and does not purport to be complete or describe the consequences that may apply to all categories of holders of Afterpay Limited ("Afterpay") equity. Each holder is advised to consult his or her tax advisor regarding the tax treatment of the transaction.

Part II, Box 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

On January 31, 2022 (2:06 PM Pacific Standard Time), Lanai (AU) 2 Pty Limited, an indirect wholly owned subsidiary of Block, Inc. ("Block"), completed its acquisition of the issued and outstanding equity of Afterpay pursuant to a Scheme Implementation Deed dated as of August 1, 2021, as amended by the Amending Deed dated as of December 7, 2021 (the "Acquisition"). Pursuant to the Scheme Implementation Deed, Afterpay shareholders exchanged each Afterpay ordinary share for 0.375 shares of Block Class A common stock. Afterpay shareholders received a total of 113,387,895 shares of Block Class A common shares with an aggregate fair value of approximately \$13.9 billion based on the closing price of Block's Class A common shares on the acquisition date.

Part II, Box 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

The transfer of Afterpay ordinary shares in exchange for Block Class A common shares pursuant to the Acquisition described above is intended to be treated as a taxable transaction for U.S. federal income tax purposes under Section 1001 of the Internal Revenue Code of 1986, as amended. Therefore, a shareholder's tax basis in each share of Block Class A common stock received in the Acquisition is generally equal to the fair market value of such share at the time of the Acquisition. One possible method of determining the fair market value of the Block Class A common stock for this purpose is to use the NYSE closing price of Block Class A common shares on January 31, 2022, the closing date of the Acquisition, which was \$122.29 per share. Other reasonable methods for determining fair market value may exist. You should consult your independent tax adviser to determine the appropriate method of determining the fair market value of the Block Class A common stock received in the Acquisition for purposes of determining stock basis.

Part II, Box 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:

For U.S. federal income tax purposes, the aggregate tax basis of the Block Class A common stock received in the Acquisition is generally equal to the fair market value of Block Class A common stock at the time of the Acquisition. See Box 15 above.