

**AFTERPAY TOUCH GROUP LIMITED**  
**(ASX: APT)**

**ASX Announcement**

25 September 2019

**AUSTRAC Update - Interim Report**

Afterpay Touch Group Limited (ASX: APT) (“**Afterpay**” or the “**Company**”) is pleased to provide the following update in relation to AML/CTF matters.

Further to the Company’s updates of 26 June 2019 and 29 July 2019, the confidential interim report of external auditor Mr Neil Jeans has now been provided to AUSTRAC. It does not provide any recommendations, which will be left to the final report.

Mr Jeans has advised that work is now underway to complete the assessment of, and test implementation and compliance with, the various AML/CTF Programs in place during and after the notice period.

As previously stated, Afterpay has not identified any money laundering or terrorism financing activity via our systems to date. Afterpay’s systems include several features that help to control our money laundering and terrorism financing risk, including the implementation of strict spending limits. Afterpay is used by our customers for discrete, small value (around \$150 average), non-cash transactions and does not allow for international funds transfers.

Afterpay launched its service in 2015 as a start-up and is part of a new and innovative technology sector that is maturing and being better understood over time by consumers, regulators and other stakeholders. We are committed to continuous improvement as our business evolves.

Afterpay recognises the important work undertaken by AUSTRAC. The Company reiterates that it welcomes the opportunity to continue to work cooperatively with AUSTRAC and will approach this formal process as an opportunity to ensure that our AML/CTF compliance is robust.

We will provide a further update once the final report is delivered to AUSTRAC.

**ENDS:**

For further information, contact:

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**About Afterpay Touch Group**

Afterpay Touch Group (ATG) is a technology-driven payments company with a mission to make purchasing feel great for a global customer base. ATG comprises the Afterpay and Touch products and businesses. Afterpay is driving retail innovation by allowing leading retailers to offer a 'buy now, receive now, pay later' service that does not require end-customers to enter into a traditional loan or pay any upfront fees or interest to Afterpay. As at 23 August 2019 Afterpay has over 5.2 million active customers and approximately 35,300 active retail merchants on-boarded. Touch comprises innovative digital payment businesses servicing major consumer-facing organisations in the telecommunications, health and convenience retail sectors in Australia and overseas.