



tyro

FY20 INVESTOR PRESENTATION

18 AUGUST 2020

Tyro Payments Limited
ABN 49 103 575 042

Setting businesses
free to get on with
business

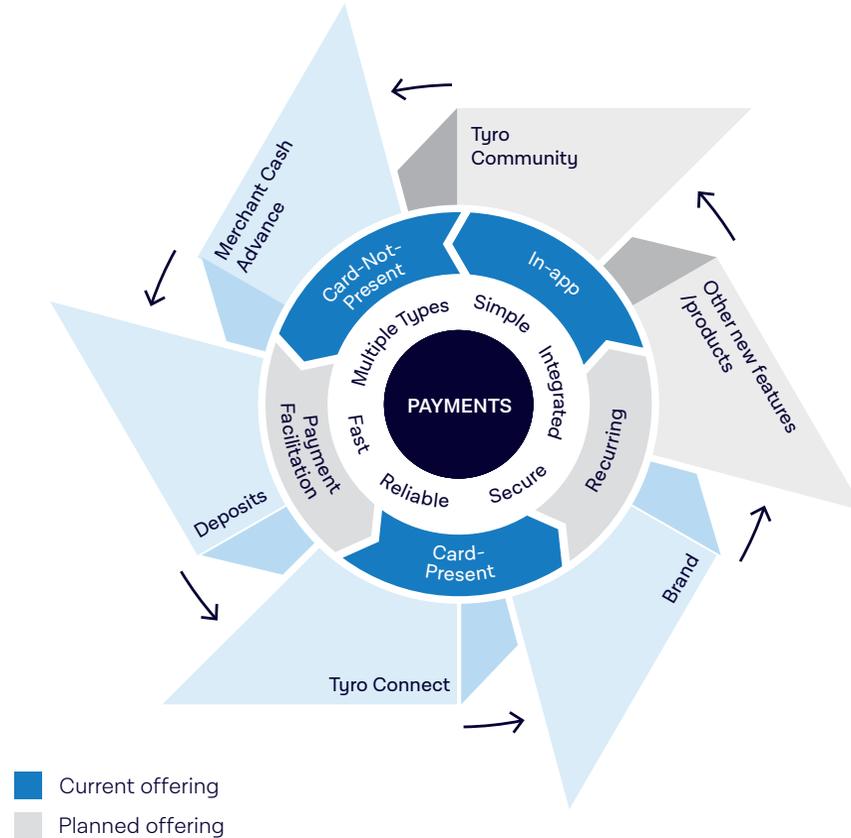
by

simplifying payments
+ banking solutions



The Tyro Ecosystem

- Tech focused values driven company
- Integrated ecosystem with payments at our core
- Enhanced by value-adding features and products
- Designed to attract new merchants and retain existing merchants



NPS Score of 43



99.99% availability of core acquiring platform



Highly trained in-house team servicing merchants



Market leader with 300+ POS integrations



Focus on assisting merchants recovery from COVID-19 + bushfires

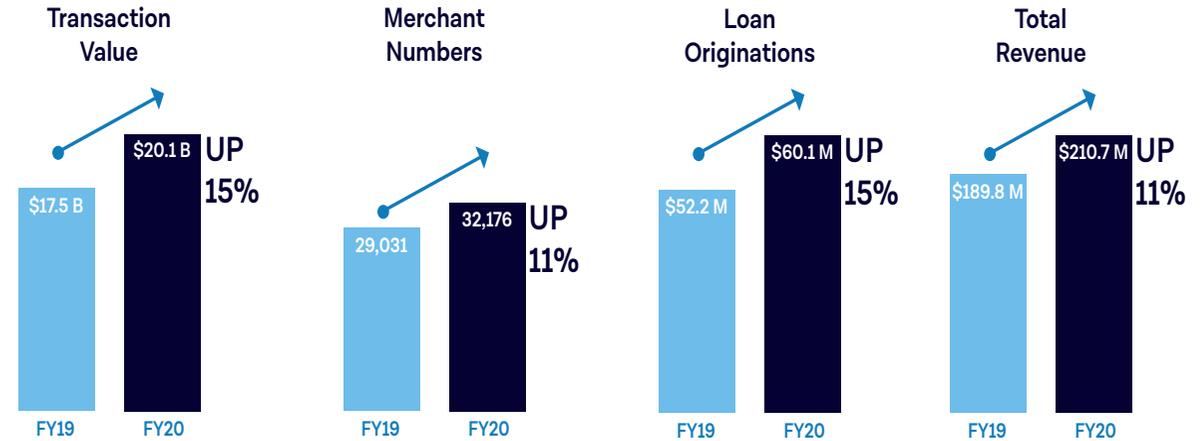


Results Highlights - FY20



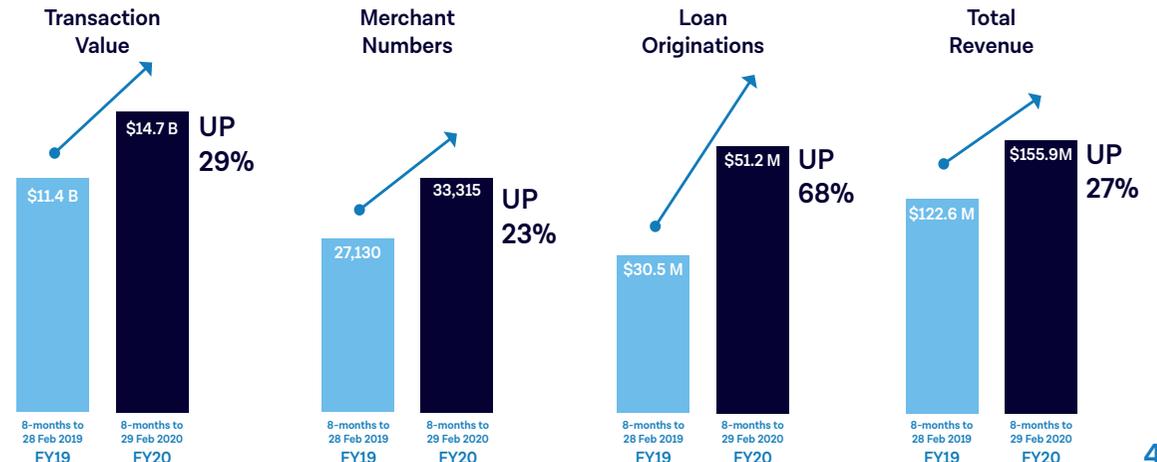
FY20 - Strong financial performance

- ↑15% in transaction value to \$20.1 billion (FY19: \$17.5 billion)
- ↑11% in merchants to 32,176¹ (FY19: 29,031)
- ↑15% in loan originations to \$60.1 million (FY19: 52.2 million)
- ↑11% in total revenue to \$210.7 million (FY19: \$189.8 million)
- ↑12% in gross profit to \$93.5 million (FY19: \$83.3 million)
- Operational leverage - operating costs controlled - up 6.5%
- EBITDA loss of \$4.4 million (FY19: loss of \$8.6 million)
- Strong liquidity position - \$188.3 million in cash and investments available (\$68.8 million at 30 June 2019)



Pre-COVID (8-months to 29 Feb 2020)

- ↑29% on pcp in transaction value to \$14.7 billion
- ↑23% on pcp in merchants to 33,315
- ↑68% on pcp in loan originations to \$51.2 million
- ↑27% on pcp in total revenue to \$155.9 million
- ↑24% on pcp in gross profit to \$67.6 million



¹ This excludes 3,250 merchants who are inactive due to COVID-19 at 30 June 2020

Results in Overview



- Revenue ↑ 11.0%
- Gross Profit ↑ 12.3%
- EBITDA ↑ 49.2%
- Operating Leverage achieved

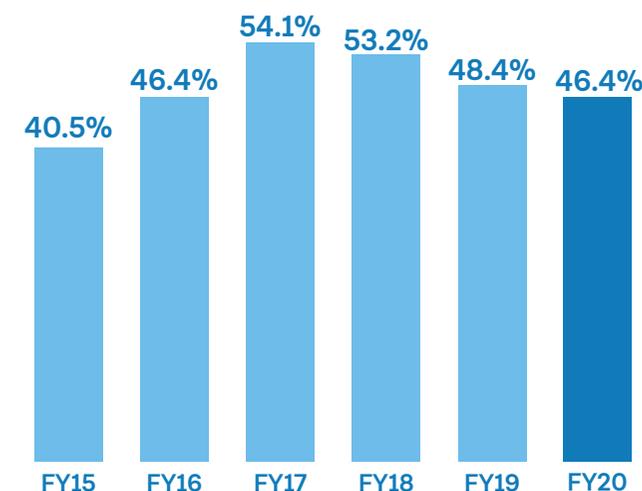
	FY20 \$'000	FY19 \$'000		GROWTH %
Payments revenue and income	202,826	183,685	▲	10.4%
Lending and investment income	3,600	5,271	▼	31.7%
Other revenue and income	4,249	814	▲	422.0%
Revenue	210,675	189,770	▲	11.0%
Less: Direct expenses	(117,200)	(106,510)	▲	10.0%
Gross Profit	93,475	83,260	▲	12.3%
Less: Operating expenses (excl. share-based payments)	(97,847)	(91,871)	▲	6.5%
EBITDA	(4,372)	(8,611)	▲	49.2%
Less: Share-based payments expense	(10,896)	(3,788)	▲	187.6%
IPO expenses	(9,730)	-	▲	100.0%
Depreciation & Amortisation	(12,524)	(7,864)	▲	59.3%
EBIT	(37,522)	(20,263)	▼	85.2%
Less: Net lease interest expense	(535)	-	▲	100.0%
Loss before tax	(38,057)	(20,263)	▼	87.8%
Income tax benefit	-	1,824	▼	100.0%
Loss after tax	(38,057)	(18,439)	▼	106.4%

Discrepancies between totals and sums and components in tables are due to rounding

PAYMENTS BUSINESS PERFORMANCE	FY20 \$'000	FY19 \$'000		GROWTH %
Revenue	202,826	183,685	▲	10.4%
Gross Profit	86,142	77,451	▲	11.2%

BANKING BUSINESS PERFORMANCE	FY20 \$'000	FY19 \$'000		GROWTH %
Revenue	1,818	2,938	▼	38.1%
Gross Profit	1,302	2,662	▼	51.1%

Operating expenses (excl. share-based payments) - % of revenue



Response to COVID-19

Assistance to our Merchants

- Repayment holidays provided to support ~30% of all borrowers experiencing hardship
- Terminal rental relief to impacted merchants - \$1.6 million in rental relief
- Merchants offered access to the Federal Government Coronavirus SME Guarantee Scheme - all new loans written from 12 May 2020 under the Scheme
- Outbound contact program provided merchants awareness of support available

Safety of our Team

- ~99% of all team members worked from home during lockdown
- Access to JobKeeper enabled us to keep entire team employed
- High service standards and reliability maintained - 99.99% availability of core acquiring platform in COVID-19 impacted months

New solutions offered to assist Merchants to adapt

- Fast-tracking access to the Tyro eCommerce platform
- Assisted our hospitality merchants in introducing mail order/telephone order processing for those introducing take-away services
- Implementing a telehealth payments system for our health practitioner merchants

Protecting capital and liquidity

- Reducing discretionary expenditure
- Freezing hiring
- Suspending all remuneration increases



Key Market Deliverables



Merchant focus #1

- Current NPS 43 (37 at 30 June 2019)
- Prompted brand awareness - 14% (FY19: 10%)
- Least-cost routing first mover advantage
- 99.99% availability of core acquiring platform
- 8.0% transaction value churn (FY19: 9.3%)
- 11.7% merchant number churn (FY19: 11.7%)

COVID-19 Response - Recovery Journey

- Focus on merchant assistance + recovery
- Terminal rental relief provided
- SME Guarantee Scheme loans offered
- Loan repayment holidays granted
- High service standards + reliability maintained
- Telehealth processing launched

Tyro Connect - New Frontier

- Tyro Connect in pilot phase
- An integration hub that plugs a range of different apps that may be required by a merchant to conduct their business into the merchant POS
- Integrated with me&u, Marsello + Google Food

Value-adding Banking Products

- Record deposits at year end - \$50.5m
- New term deposit product launched
- Mambu banking platform in place - ledger for new banking products + scaling
- All merchants can check loan availability via app

Unified Payments Solution in Market

- eCommerce launched March 2019 - growth accelerating through COVID-19
- Record eCommerce transaction value achieved in June 2020 at \$2.0 million from 384 merchants
- Offering:
 - ✓ Single-settlement
 - ✓ Real-time reporting
 - ✓ 'Card-present' + 'card-not-present'
 - ✓ Faster settlement

New vertical created

- New Services Vertical
- 5,370 merchants in this vertical (FY19: 3,862)
- \$2.0 billion in transaction value - up 27.8% from FY19
- Piloting new mobile terminal - key enabler for further expansion in Services

Payments - Operational Highlights

Strong transaction value growth

- Transaction value of \$20.1 billion ↑ 15% (FY19: \$17.5 billion)
- Transaction value growth ↑ 29% accelerated to 29 February 2020 - normalised growth exceeded 5-year CAGR of 27%
- New Services vertical recorded impressive FY20 growth of 28% - \$2.0 billion in transaction value
- eCommerce transaction value \$10.6 million - from a zero base
- Alipay transaction value \$24.1 million - launched in October 2018

Merchant base continues growth

- 11% lift in merchants to 32,176 (FY19: 29,031)
- Up to 29 February 2020 run rate of 1,050+ new merchants per month - slowed in March to May to an average of 740 new merchants
- Marked improvement in acquisition in June 2020 with 907 new merchants
- 5th largest merchant acquiring bank in Australia
- Over 8,600 merchants opted-in to least cost routing (27% of terminal fleet)
- Current NPS of 43 - up from 37 at 30 June 2019
- Prompted brand awareness of 14% - up from 10% at 30 June 2019

Stable margins¹

- Stable Merchant Service Fee (MSF) 0.90% (FY19: 0.93%)
- 0.3205% Merchant Acquiring Fee (MAF) as a % of transaction value (FY19: 0.3240%)

Low merchant churn

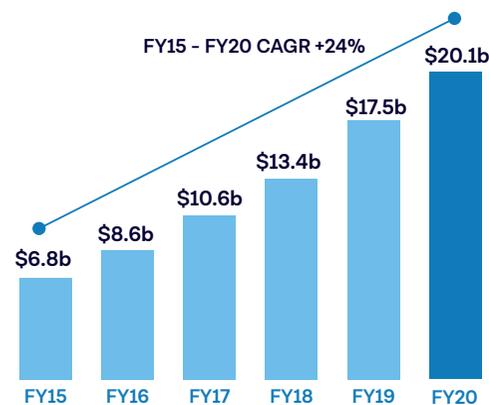
- Continued improvement with reduction in merchant transaction value churn 8.0% (FY19: 9.3%)
- Stable merchant number churn² 11.7% (FY19: 11.7%)

¹ Merchant Acquiring Fees (MAF) is the amount charged to Merchants for providing acquiring services, less the direct costs of providing these, expressed as a percentage of transaction value processed. Gross profit includes MAF plus additional income generated from providing payments related services, the most notable of which is terminal rental income, amongst others.

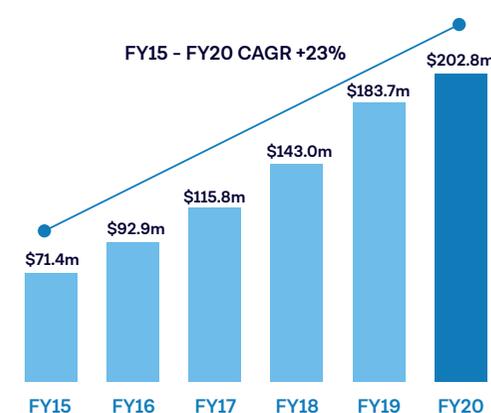
² Merchant number churn of 11.7% is based on Merchants confirmed as leaving Tyro, including those merchants that have gone out of business. Given the impacts of COVID and lockdowns, 3,250 merchants were inactive at 30 June 2020 and are neither included in the Merchant number or the calculation of churn.

	FY20 \$'000	FY19 \$'000		GROWTH %
Transaction value	20,131,045	17,496,322	▲	15.1%
Revenue	202,826	183,685	▲	10.4%
Gross Profit	86,142	77,451	▲	11.2%
MAF margin as a % of Transaction value	0.3205%	0.3240%	▼	0.35bps

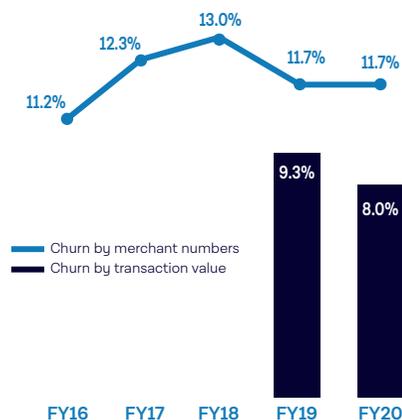
Transaction Value (\$'billion)



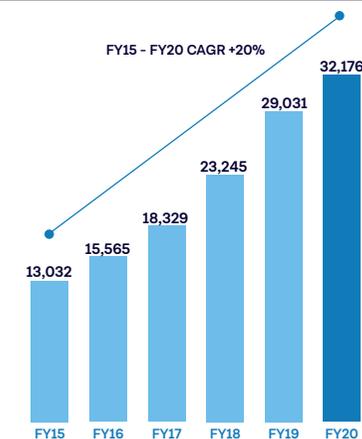
Payments Revenue (\$'million)



Transaction Value & Merchant Number Churn (%)



Merchants (#)



Payments - Operational Highlights (cont.)

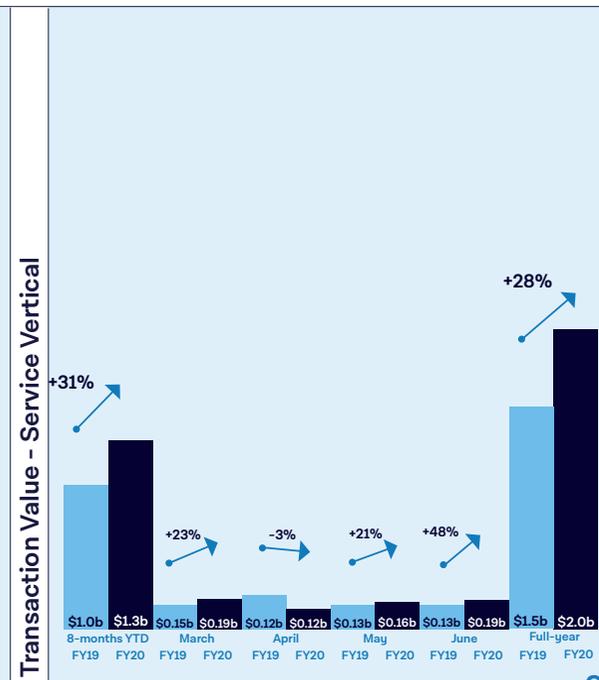
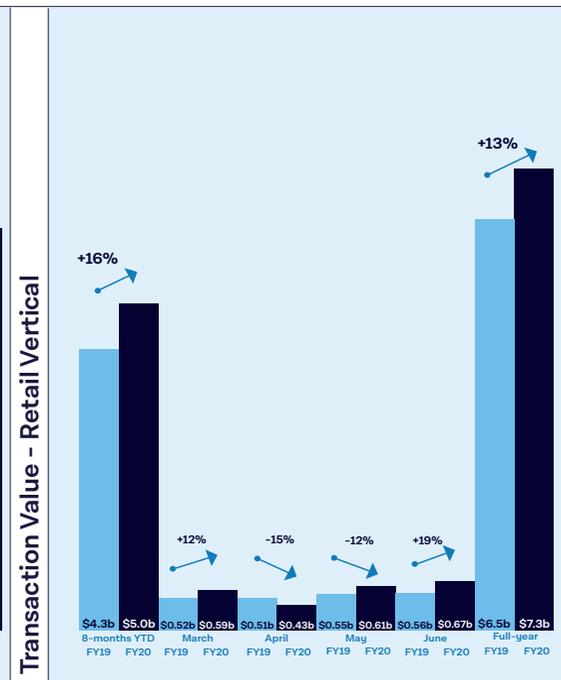
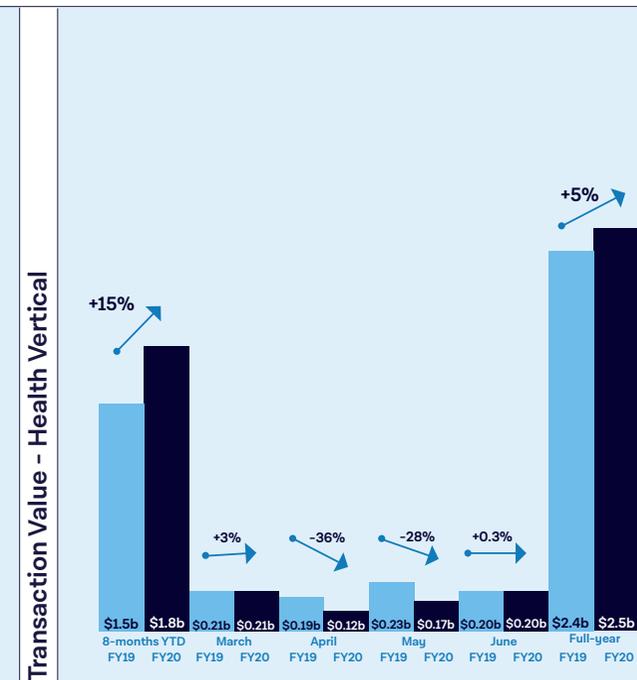
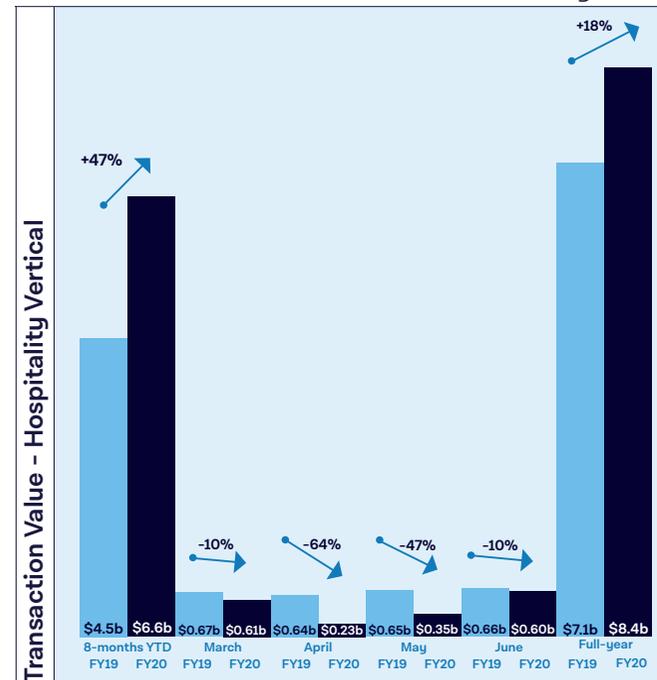
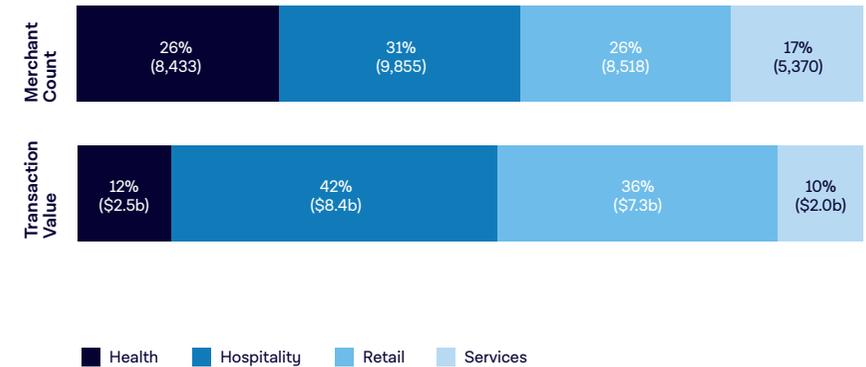


Strong performance from core verticals

- Core Health, Hospitality and Retail verticals drive:
 - 83% of merchants
 - 90% of transaction value
- Hospitality vertical growing strongly up \uparrow 47% pre-COVID / post-COVID \downarrow 32%
- Health vertical also significantly impacted by COVID-19 - transaction values \downarrow 15% post-COVID
- Retail vertical held up reasonably well through lockdown - transaction value \uparrow 8% post-COVID

Services vertical delivering out-performance

- Services vertical established including 5,370 merchants
- Impressive transaction value growth - \uparrow 31% pre-COVID and \uparrow 23% post-COVID
- Key merchants in this vertical include National Billing Group, Vet Partners Australia and Belgravia Leisure Group
- Trial initiated of new mPOS terminal - key form factor for this vertical



Payments - New Payments Product Offerings



eCommerce

- eCommerce launched March 2019 - 384 merchants activated to use solution (FY19: nil)
- Integrated to 11 popular shopping carts and hosted payment pages
- \$10.6 million in transaction value generated (FY19: Nil)
- Fast-tracked access to the Tyro eCommerce platform to assist merchants to innovate and adapt during COVID
- eCommerce transaction value generated in June 2020 - \$2.0 million



Telehealth

- Telehealth launched in FY20 - processing both Medicare Benefits Schedule bulk-billed telehealth claims and gap fee payments
- Payments processed through Tyro EFTPOS, mail order/telephone order processing, direct invoicing and via virtual terminal on the Tyro eCommerce platform
- \$222.3 million in transaction value generated in FY20 from Telehealth processing (incl. MOTO)



Alipay

- Alipay payment solution launched October 2018 - 31,910 merchants have payment option available
- \$24.1 million in transaction value generated (FY19: \$12.6 million)
- Transaction value growth of 325% pre-COVID - post-COVID transaction value down 68% over pcp due to lockdown of international borders with only \$2.4 million generated since March 2020



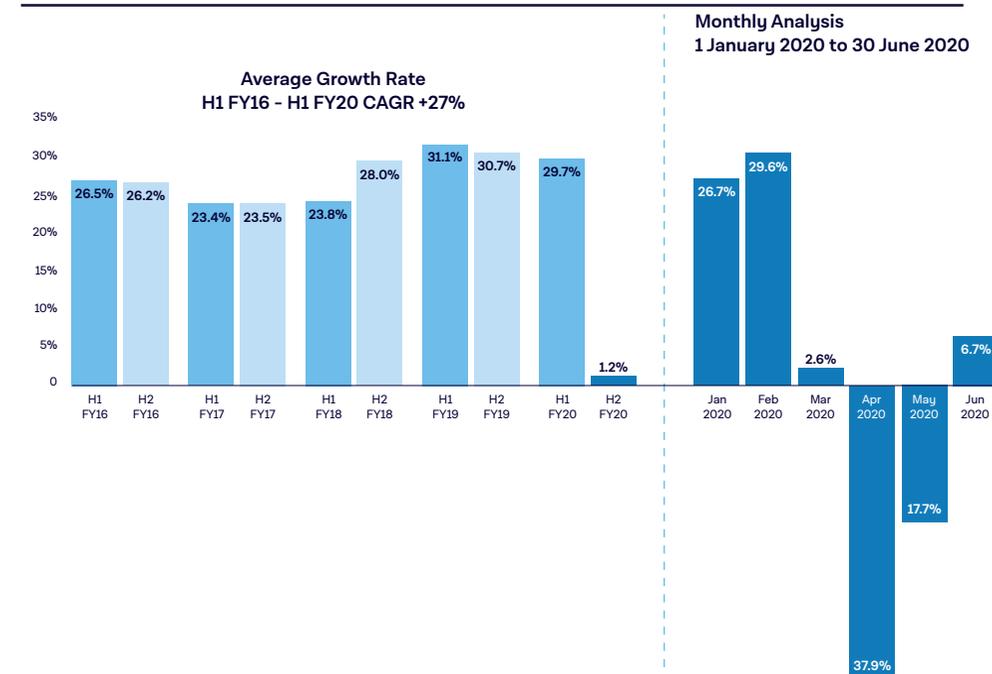
Pre-COVID vs Post-COVID*

Impact on Payments Business

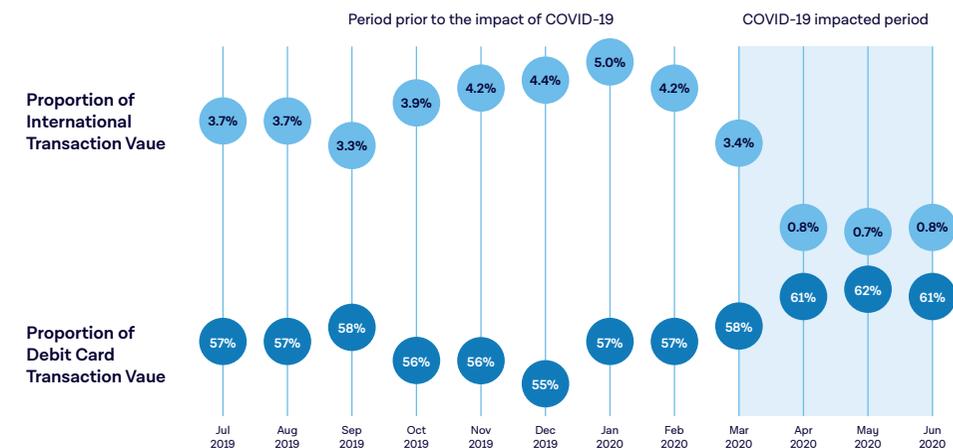
- Pre-COVID ↑29% growth in transaction value
- Post-COVID lockdown savaged transaction value growth
 - › March ↑2.6%
 - › April ↓37.9%
 - › May ↓17.7%
 - › June ↑6.7%
- Hospitality vertical most severely impacted
 - › Pre-COVID ↑47%
 - › Post-COVID ↓32%
- Card mix impacted
 - › Pre-COVID
 - International credit cards 4.0% of transaction value
 - Domestic credit cards 38.4% of transaction value
 - Domestic debit cards 56.6% of transaction value
 - › Post-COVID
 - International credit cards 1.4% of transaction value
 - Domestic credit cards 37.3% of transaction value
 - Domestic debit cards 60.7% of transaction value
- Revenue impact relatively neutral - lower MSF on debit and domestic credit cards accompanied by lower interchange and scheme fee
 - › MAF FY20 - 0.3205%
 - › MAF FY19 - 0.3240%
- Merchant acquisition also impacted
 - › Pre-COVID - average run rate of 1,050+ new merchants per month
 - › Post-COVID
 - March 861 new merchants
 - April 614 new merchants
 - May 747 new merchants
 - June 907 new merchants

* Pre-COVID = 1 July 2019 to 29 February 2020
 Post-COVID = 1 March 2020 to 30 June 2020

Transaction Value Growth - FY16 to FY20



Card Mix FY20



Pre-COVID vs Post-COVID* (cont.)

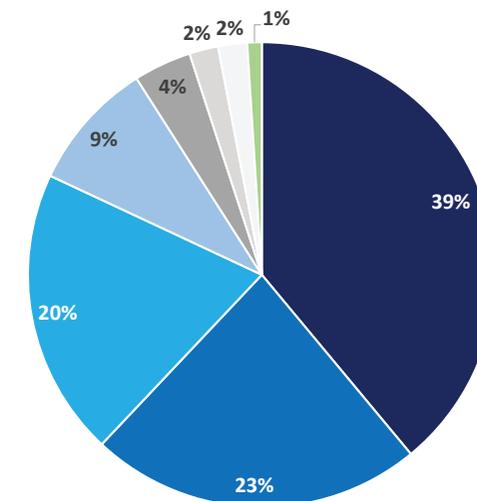


Geographical performance impact on Payments Business

- Different states experienced varying levels of transaction value impact from COVID
- Queensland ↑26% and South Australia ↑21% experienced the lowest level of impact
- Post year-end, Victoria and NSW, our largest states by transaction value contribution, experienced a more significant impact due to:
 - › second wave in Victoria
 - › consumer confidence impact in NSW

Geographical transaction value performance	GROWTH RATE PRE-COVID %	GROWTH RATE POST-COVID %	GROWTH RATE FOR FY20 %	PROPORTION OF TOTAL TRANSACTION VALUE %
NSW	28.1%	(15.1%)	13.0%	39%
Victoria	26.5%	(20.2%)	10.1%	23%
Queensland	38.4%	3.5%	26.0%	20%
Western Australia	25.5%	(5.0%)	14.9%	9%
South Australia	33.2%	(1.1%)	21.0%	4%
Tasmania	15.1%	(15.5%)	4.8%	2%
ACT	27.9%	(3.2%)	17.0%	2%
NT	28.5%	(7.7%)	14.9%	1%

Proportion of total transaction value by state - FY20



■ NSW ■ Victoria ■ Queensland ■ Western Australia ■ South Australia ■ Tasmania ■ ACT ■ NT

¹ Geographical transaction value performance is based on internal management systems

Banking - Operational Highlights

Tyro Business Loan

- \$60.1 million in loan originations (FY19: \$52.2 million)
- \$51.2 million pre-COVID - ↑68% on pcp
- Only \$9.0 million loans written post-COVID resulting in overall FY20 growth moderating to 15%
- Non-cash negative fair value adjustment of \$2.4 million made reflecting risks of COVID on loan balances - significant overall impact on FY20 revenue and gross profit
- Average loan size of \$32,200 (FY19: \$32,800)
- \$11.9 million loans on the balance sheet at 30 June 2020 (FY19: \$15.7 million)
- 1.8% lending loss to originations - equating to \$1.1 million (FY19: 1.0%)

Tyro Bank Account

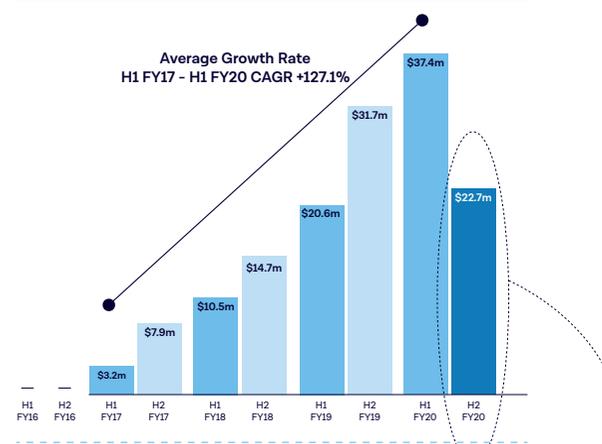
- \$49.7 million in deposits on the balance sheet at 30 June 2020 (FY19: \$26.9 million)
- 3,675 active accounts
- Average account balance of \$13,800 (FY19: \$11,200)
- Average interest rate 1.3% (FY19: 1.4%)

Tyro Term Deposit Account

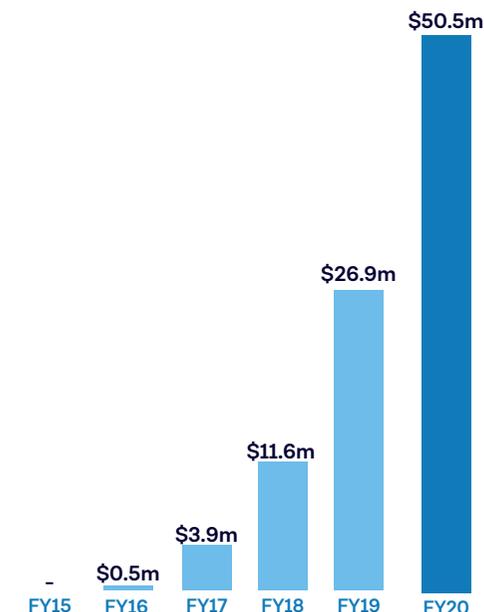
- Pilot launched on 10 December 2019
- General release to all eligible merchants from 1 July 2020
- \$0.9 million in deposits on the balance sheet at 30 June 2020 (FY19: Nil)

	FY20 \$'000	FY19 \$'000		GROWTH %
Loan Originations	60,107	52,249	▲	15.0%
Revenue	1,818	2,938	▼	38.1%
Interest income on loans	4,179	2,912	▲	43.5%
Fair value (loss)/gain on loans	(2,361)	26	▼	9,180.8%
Gross Profit	1,302	2,662	▼	51.1%
Gross Profit margin as % of Revenue	71.6%	90.6%	▼	19 points

Loan originations (\$'million)



Merchant deposits - including term deposits (\$'million)



Value-adding Banking Products



Tyro Business Loan

Merchant Cash Advance

- An unsecured merchant cash advance designed to help merchants finance working capital and investment needs
- Tyro selected to participate in the Federal Government's Coronavirus SME Guarantee Scheme. The Scheme is designed to help provide businesses access to working capital and assist them through the impact of COVID-19. It has the benefit of a partial Government guarantee. All loans provided to our merchants from 12 May 2020 were made under the provisions of this new Scheme
- Merchants select a percentage (typically between 10% and 30%) of daily card transaction value to be repaid each day as part of the loan acceptance process
- A fixed loan fee calculated at the time the loan is taken out and repaid over the duration of the loan
- Maximum size of each loan is determined by the merchant's annual card transaction value with us, and is currently capped at 10% of that amount to a maximum of \$100k for the first loan and \$120k for subsequent loans
- Key data points considered currently in determining a merchant's eligibility for a loan include the historic value of transactions processed with us, company director credit scores, standard adverse reporting research and ABN validity



Tyro Bank Account

Deposit Account

- A fee-free, interest-bearing transaction account available to our merchants
- Deposits are protected under the Financial Claims Scheme¹
- Can be linked to Xero accounting software enabling bank feed reconciliation, batch payments and approval of payroll and bill payments
- Managed through the Tyro app which includes features such as just-in-time reminders for scheduled bill payments and the ability to track daily card transactions
- Prerequisite for accessing Flexible Settlements and the Tyro Business Loan



Tyro Term Deposit

Term-Deposit Account

- Pilot launched on 10 December 2019 - went live to active banking merchant base on 1 July 2020
- Provides merchants with an opportunity to lock away their savings at competitive rates
- 30, 60 and 90 day fixed terms on balances as low as \$1,000
- Facilitated through the Tyro app
- Deposits are protected under the Financial Claims Scheme¹

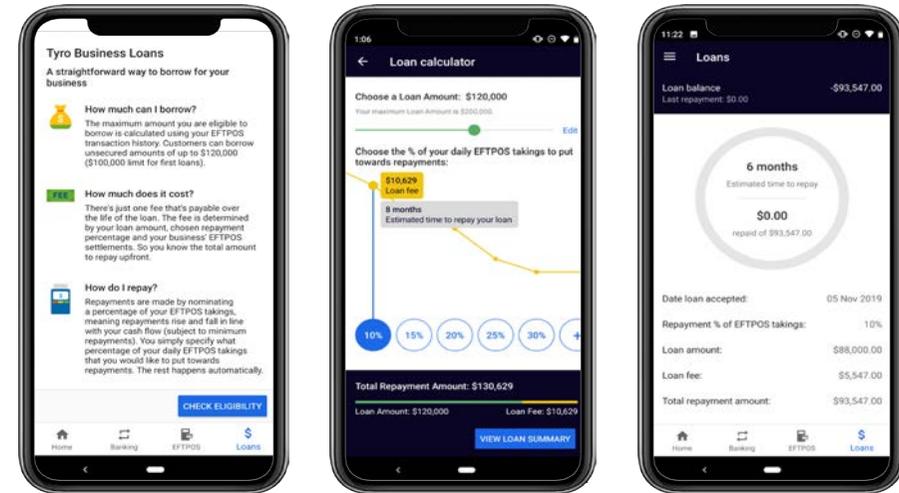
¹ The Financial Claims Scheme is an Australian Government initiative that protects depositors of Authorised Deposit-taking Institutions (banks, building societies and credit unions) and policyholders of general insurance companies from potential loss due to the failure of these institutions.

Banking - Operational Highlights (cont.)

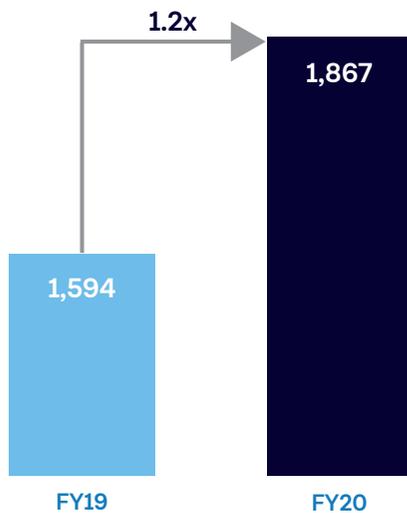


Scaling our Banking products to our entire merchant base

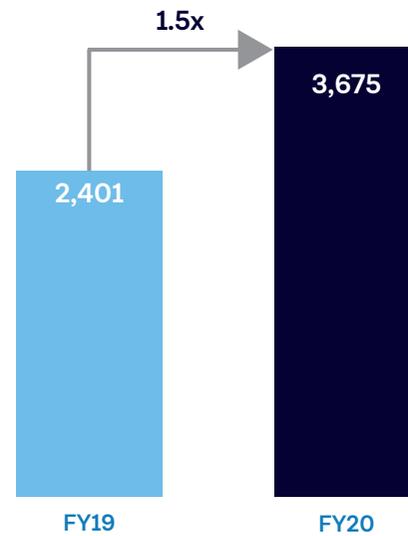
- All 32,176 of Tyro's merchants can now check their eligibility for a loan through the Tyro app (compared to ~7,500 merchants in prior periods)
- The Government Coronavirus SME Guarantee Scheme is available to our merchants - designed to help provide access to working capital and assist merchants through the impact of COVID-19
- A credit team review can be conducted if eligibility is not met through the automated process to determine lending eligibility
- First loan amounts were increased from a maximum eligible loan amount of \$50k to \$100k



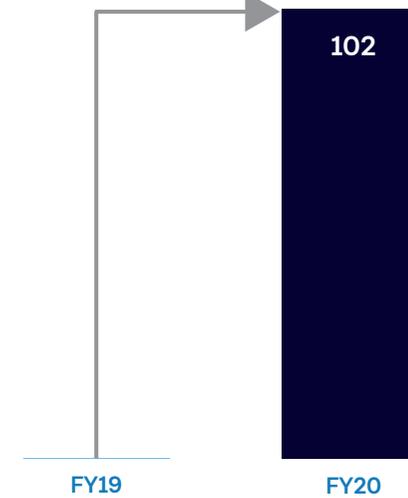
Number of loan originations*



Number of active bank accounts*



Total term deposit accounts opened



* At 30 June 2020

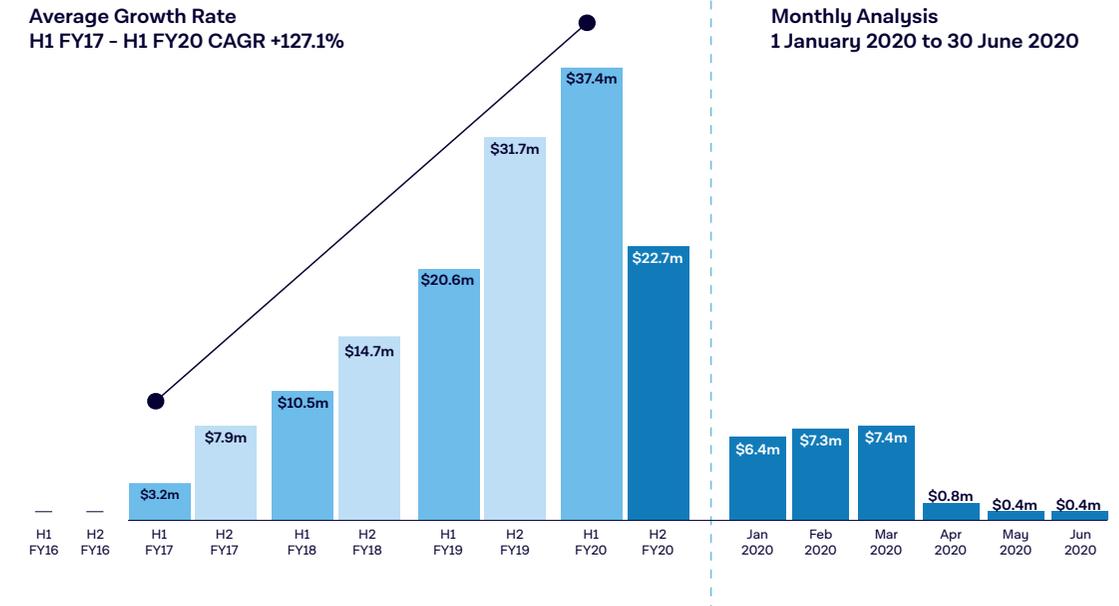
Pre-COVID vs Post-COVID* (cont.)



Impact on Banking Business

- Loan originations
 - › Pre-COVID ↑68%
 - › Post-COVID ↓59%
- Minimal loans post-COVID - \$9.0 million (pcp: \$21.8 million)
 - › Pre-COVID ↑48%
 - › Post-COVID ↓32%
- Lending losses minimal
 - › 1.8% lending loss to Originations
 - › \$1.1 million vs \$0.5 million in FY19
- Non-cash fair value adjustment on loans \$2.4 million due to COVID-19 - resulting in Banking gross profit declining 51%

Loan Originations - FY16 to FY20



* Pre-COVID = 1 July 2019 to 29 February 2020
Post-COVID = 1 March 2020 to 30 June 2020



OVERVIEW OF FY20 FINANCIAL PERFORMANCE



Financial Performance - P&L



	FY20	FY19	Growth	
	\$'000	\$'000		%
Transaction value	20,131,045	17,496,322	▲	15.1%
Payments revenue and income	202,826	183,685	▲	10.4%
Lending and investment income	3,600	5,271	▼	31.7%
Other revenue and income	4,249	814	▲	422.0%
Revenue	210,675	189,770	▲	11.0%
Payments direct expenses	(116,684)	(106,234)	▲	9.8%
Interest expense on deposits	(516)	(276)	▲	87.0%
Total direct expenses	(117,200)	(106,510)	▲	10.0%
Gross profit	93,475	83,260	▲	12.3%
Operating expenses:				
Employee benefits expense (excl. share-based payments)	(67,662)	(60,813)	▲	11.3%
Administrative expenses	(16,598)	(17,775)	▼	6.6%
Contractor and consulting expenses	(5,913)	(7,715)	▼	23.4%
Marketing expenses	(5,716)	(4,771)	▲	19.8%
Lending and non-lending losses	(1,958)	(797)	▲	145.7%
Total operating expenses	(97,847)	(91,871)	▲	6.5%
EBITDA¹	(4,372)	(8,611)	▲	49.2%
Share-based payments expense	(10,896)	(3,788)	▲	187.6%
IPO expenses	(9,730)	-	▲	100.0%
EBITDA after share-based payments and IPO expenses	(24,998)	(12,399)	▼	101.6%
Net lease interest expense	(535)	-	▲	100.0%
Depreciation and amortisation	(12,524)	(7,864)	▲	59.3%
Loss before tax	(38,057)	(20,263)	▼	87.8%
Income tax benefit	-	1,824	▼	100.0%
Loss after tax	(38,057)	(18,439)	▼	106.4%

Discrepancies between totals and sums and components in tables are due to rounding

¹ Tyro uses EBITDA as a non-IFRS measure of business performance, which excludes the non-cash impact of share-based payments expense and expenses associated with the IPO.

Other revenue and income

- \$3.9 million from JobKeeper scheme ensured no team retrenchments

Strong cost control in a challenging year

- Operating leverage demonstrated - total operating expenses ↑6.5% vs gross profit ↑12.3%
- Employee benefits expense ↑11.3% reflecting:
 - › full-year impact of prior year headcount increases
 - › freeze on new employee hires from March 2020
- Administrative expenses ↓6.6% reflecting:
 - › reclassification of rent in accordance with AASB16
 - › offset by increased licence fees and growth related expenses
- Contractor and consulting expenses ↓23.4%:
 - › increased headcount and expertise brought in-house
 - › resultant reduction in contractors
- Marketing expenses ↑19.8%:
 - › increased brand awareness
 - › growth in merchant acquisition
- Lending and non-lending losses ↑145.7% to \$1.96 million reflecting:
 - › 60% increase in loan originations pre-COVID
 - › \$1.1 million in lending losses
 - › \$0.87 million in non-lending losses

EBITDA

- Operating leverage maintained despite COVID-19
- Improvement in EBITDA:
 - › loss FY20 - \$4.4 million
 - › loss FY19 - \$8.6 million
- Positive operating expense to revenue margin outcome
 - › FY20 - 46.4%
 - › FY19 - 48.4%

Share-based payments expense

- Increase of 187.6% includes \$2.4 million in one-time grant of LEPRs partially expensed in FY20

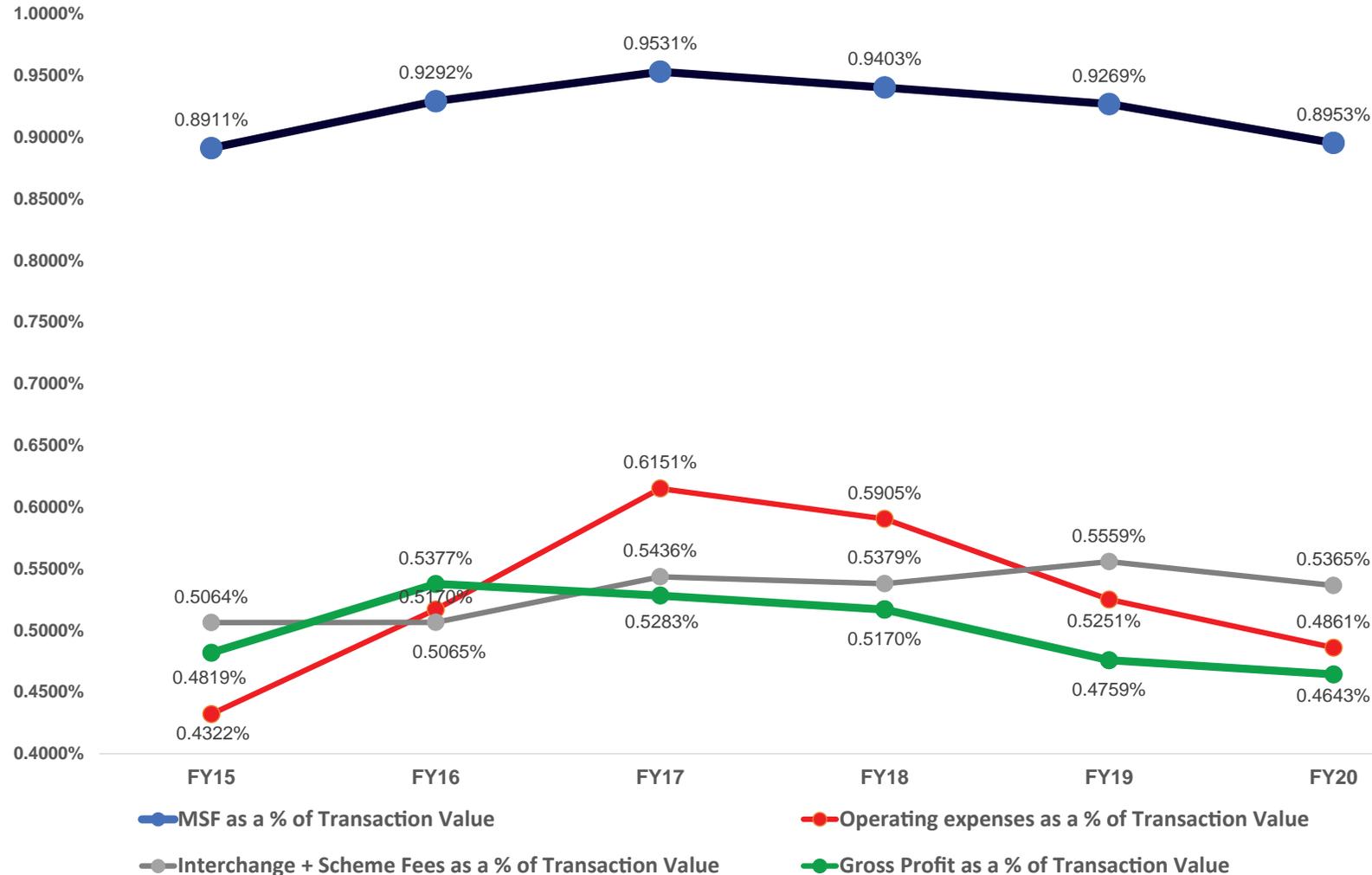
Proforma net loss before tax

- Proforma net loss before tax for FY20 of \$25.9 million (FY19: \$19.1 million)

Operating Metrics



Operating Metrics as a % of Transaction Value



Merchant Service Fee (MSF) reflects:

- Onboarding larger merchants - priced on an incremental profit basis
- Increase in lower MSF debit card usage - driven by COVID & 'Tap & Save'
- Reduction in expensive MSF international credit card usage - COVID impact
- Excludes terminal rental & other payments revenue

Interchange Fees + Scheme Fees

- Decrease due to change in card mix:
 - › 58% lower cost debit cards (FY19: 55%)
 - › 3.2% higher cost international cards (FY19: 4.6%)

Operating leverage increasing

- Scalability demonstrated notwithstanding COVID-19
- Cost increase from FY16 reflects scaling of the business for banking licence
- Operating leverage is highlighted as revenue grows

Financial Position



	30 JUNE 2020	30 JUNE 2019
	\$'000	\$'000
ASSETS		
Cash ¹	122,190	31,810
Loans to merchants	11,921	15,665
Other current assets	18,278	29,765
Financial investments	69,761	37,159
Property, plant and equipment	17,266	18,734
Other non-current assets	24,423	15,531
TOTAL ASSETS	263,839	148,664
LIABILITIES		
Customer deposits	50,542	26,918
Other current liabilities	19,351	27,631
Non-current liabilities	4,227	1,046
TOTAL LIABILITIES	74,120	55,595
NET ASSETS	189,719	93,069
Contributed equity	265,763	141,856
Accumulated losses and reserves	(76,044)	(48,787)
TOTAL EQUITY	189,719	93,069

Discrepancies between totals and sums and components in tables are due to rounding

¹ Cash includes all cash and cash equivalents and amounts due from other financial institutions

Strong balance sheet underwrites continued growth

Impact of the IPO

- Increase in contributed equity \$120.0m - primary offer of \$125.0m less capitalised tax effected offer costs of \$5.0m
- Non-capitalised IPO expenses - \$9.7 million
- Net increase in cash of \$109.0 million

Current assets

- Trade receivables from Schemes impacted by timing of end of period

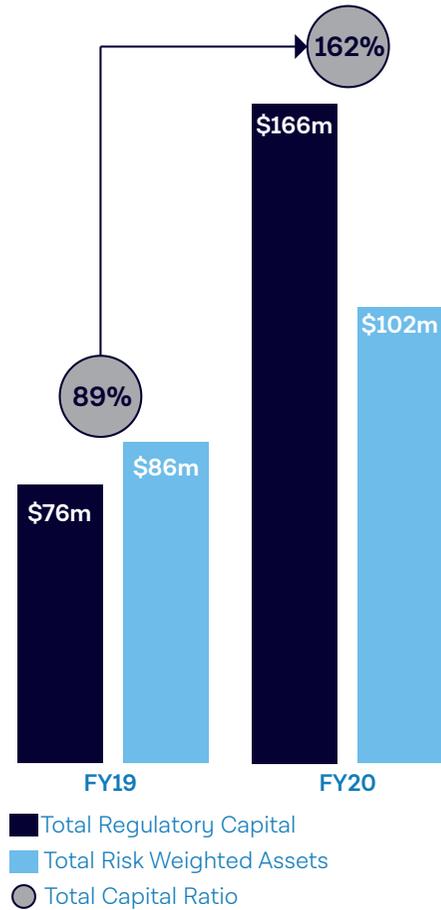
Capital expenditure

- FY20 full-year capex of \$11.9 million (FY19: \$11.7 million)
- \$6.5 million in terminal purchases included in working capital
- \$12.5 million total depreciation and amortisation (FY19: \$7.9 million) - increase partly due to AASB16

Impact of AASB 16 Leases

- Recognised operating leases on the balance sheet with adjustments to the lease liability and right-of-use asset
- \$4.5 million recognised in assets against \$7.5 million recognised in liabilities
- \$2.9 million recognised as a depreciation expense in FY20 (FY19: Nil)

Liquidity & Capital Adequacy



Total Capital Ratio increased to 162%

- IPO capital raised in December 2019

Total risk weighted assets increased by \$16.4 million

- Investments of funds raised from IPO
- Other assets held under AASB 16
- Decrease in lending balance due to impacts of COVID partly offset by -
 - › Decreases in receivables due to timing of scheme receivables at year-end

Cash Flow Analysis



	FY20 \$'000	FY19 \$'000
Net payments income	86,513	77,394
Net interest income	5,548	5,128
Other income	4,264	1,572
Employee expenses paid	(70,263)	(59,899)
Terminals purchased	(7,176)	(8,103)
Other operating expenses and IPO costs paid	(43,477)	(29,901)
Movement in net schemes and other receivables	8,867	(7,416)
Operating cash flows (excluding banking)	(15,724)	(21,225)
Net movement in customer loans	294	(8,061)
Net increase in deposits	23,624	15,355
Cash flows from operating activities	8,194	(13,931)
Net investment in term deposits, financial and equity investments	(42,775)	12,228
Net capital expenditure (excluding terminals)	(4,745)	(3,563)
Other investing activities	405	-
Cash flows from investing activities	(47,115)	8,665
Payments for lease liabilities	(4,815)	-
Proceeds from exercise of share options	3,913	598
Proceeds from issue of shares (net of transaction costs)	119,994	-
Cash flows from financing activities	119,092	598
Net movement in cash and cash equivalents	80,171	(4,668)
Effect of foreign exchange rates on cash and cash equivalents	(310)	4
Cash and cash equivalents at beginning of year	23,900	28,564
Cash and cash equivalents at end of year	103,761	23,900

Operating cash flows:

Net operating outflow before banking of \$15.7 million principally driven by:

- Cash spend of \$16.0 million relating to IPO costs
- Terminal purchases of \$7.2 million

Banking balances increased by \$23.9 million reflecting growth in deposits

Investing and financing cash flows:

- Cash flows increased \$119.1 million reflecting:
 - › proceeds from IPO of \$120.0 million
 - › exercise of share options of \$3.9 million
- Capital expenditure (excluding terminals) increased by \$1.2 million
- Net lease payments previously classified as operating cash flows - adoption of AASB16

TRADING UPDATE

tyro



tyro

FY21 PRIORITIES

- We continue to operate in uncertain times.
- Our prime focus is to assist our merchants as they navigate their recovery journeys.
- Our business model has proved its resilience and its ability to rebound rapidly.
- We are committed to our journey of building an ecosystem centred around payments, enhanced by value-adding features and products designed to attract new merchants and retain existing merchants.

Grow merchant share in existing core verticals	Tyro Connect
Enter new core verticals	Cross-sell and drive growth in lending and other value-adding services
Drive expansion into eCommerce + other payment types	M&A and strategic partnerships



TRADING UPDATE¹



- Challenges of COVID-19 continue
- Victorian lockdowns are impacting - representing 23% of transaction value
- Remain concerned with New South Wales COVID risks
- Prime focus on assisting our merchants in their recovery journeys

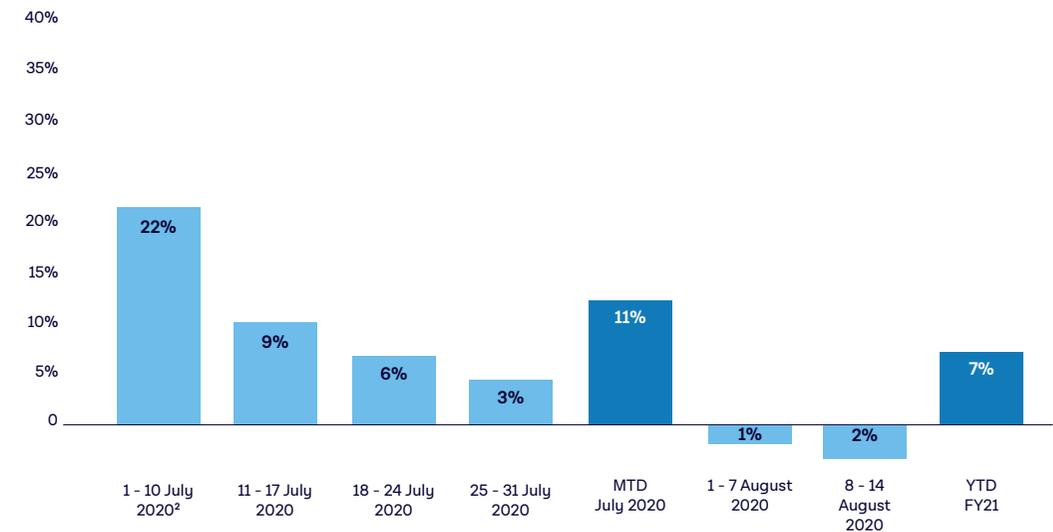
Payments business:

- Transaction value to 14 August \$2.17 billion, up 7% on pcp
 - › Victoria ↓ 1.5%
 - › NSW ↑ 13%
- Record eCommerce transaction value achieved in July 2020 - \$2.1 million

Banking business:

- Loan originations to 14 August \$0.5 million, down 94% (\$8.6 million in pcp)
- Deposit balances of \$62.8 million 31 July 2020, up 137% (\$26.5 million in pcp)

Weekly Transaction Value Growth - FY21



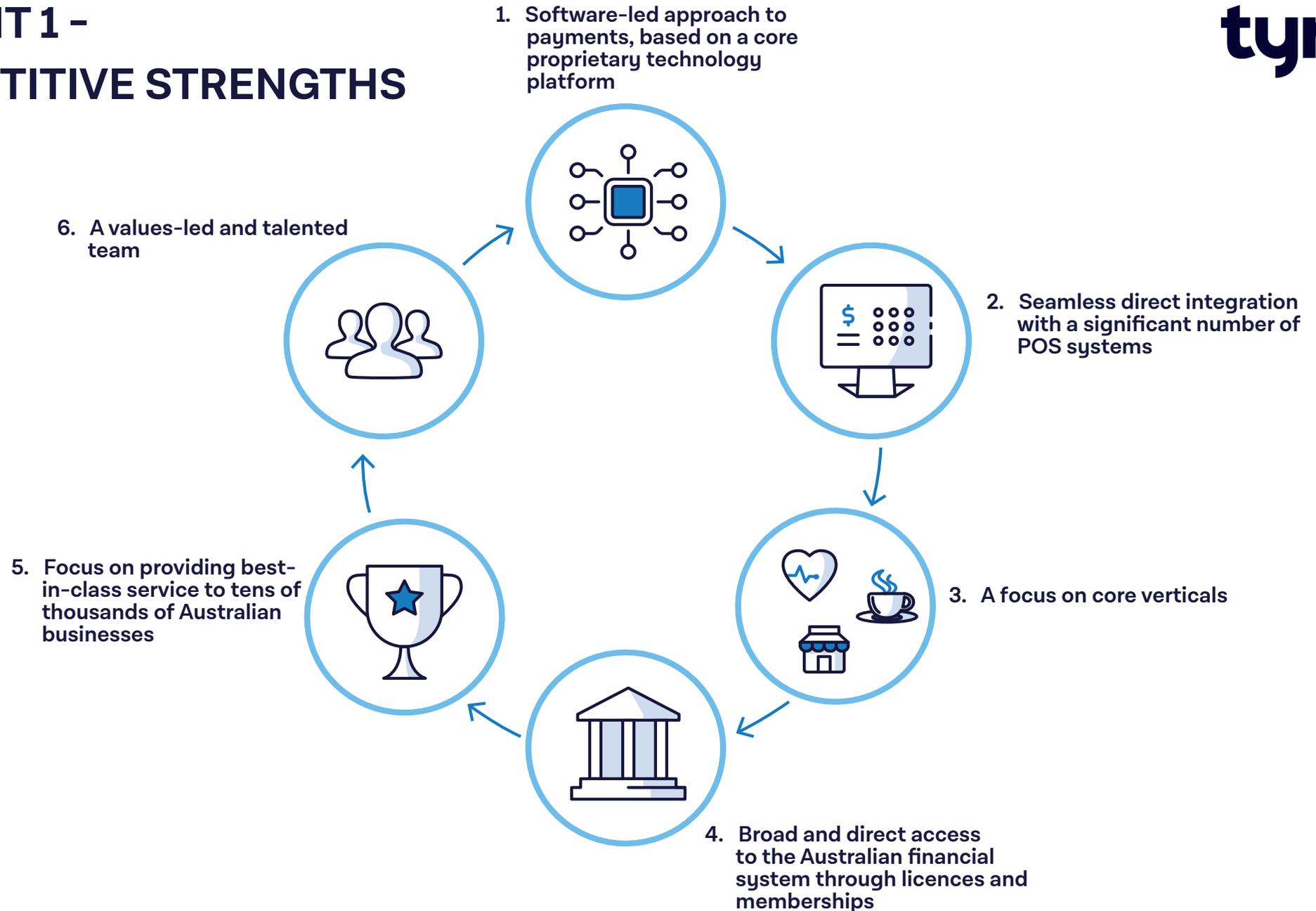
¹ These numbers are based on unaudited management accounts that have not been independently reviewed or verified.

² As the first week of July 2020 only included 3 days, these 3 days have been added to the week ended 10 July 2020.

A photograph of two men in a clothing store. The man on the left, wearing a yellow short-sleeved button-down shirt, is looking down at a smartphone he is holding. The man on the right, wearing a dark blue polo shirt with yellow and white horizontal stripes, is holding a handheld grey and white device, possibly a barcode scanner or a payment terminal, towards the smartphone. In the background, there are wooden shelves with folded clothes and a rack of hanging garments. The scene is brightly lit, likely from large windows on the left.

**SUPPLEMENTARY
MATERIALS**

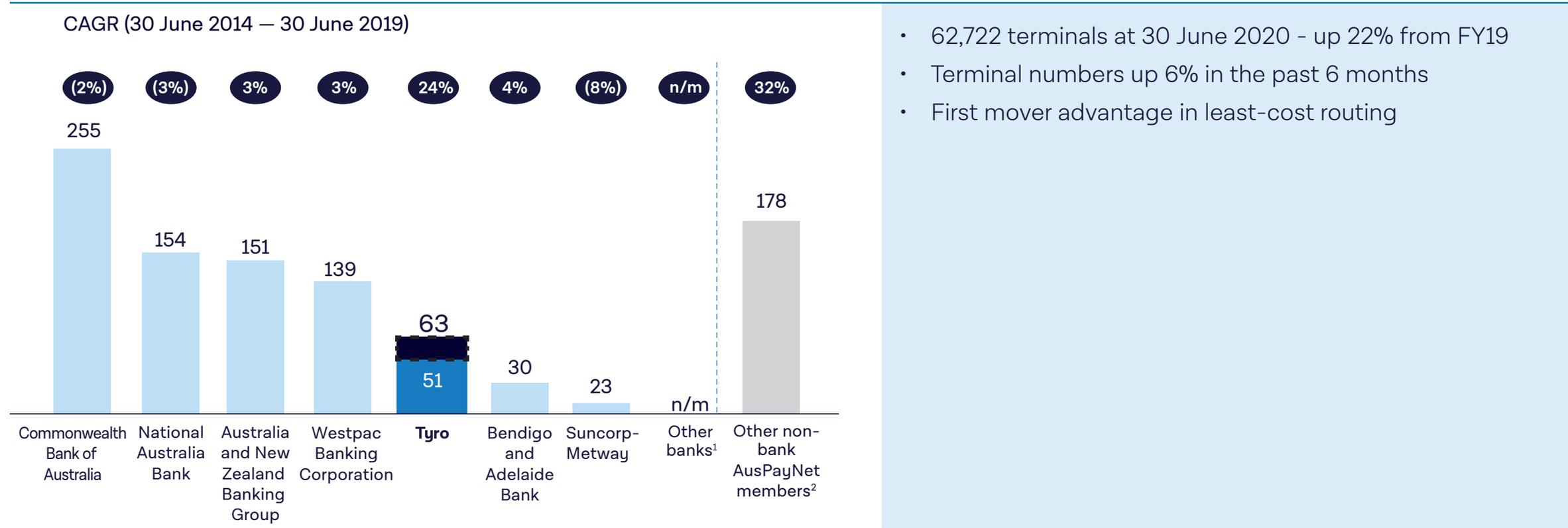
ATTACHMENT 1 - OUR COMPETITIVE STRENGTHS



ATTACHMENT 2 - CAPTURING CARD-PRESENT TERMINAL MARKET SHARE



Number of terminals by banks and other providers in Australia ('000) - as at 30 June 2019
(updated for Tyro terminals at 30 June 2020)



- 62,722 terminals at 30 June 2020 - up 22% from FY19
- Terminal numbers up 6% in the past 6 months
- First mover advantage in least-cost routing

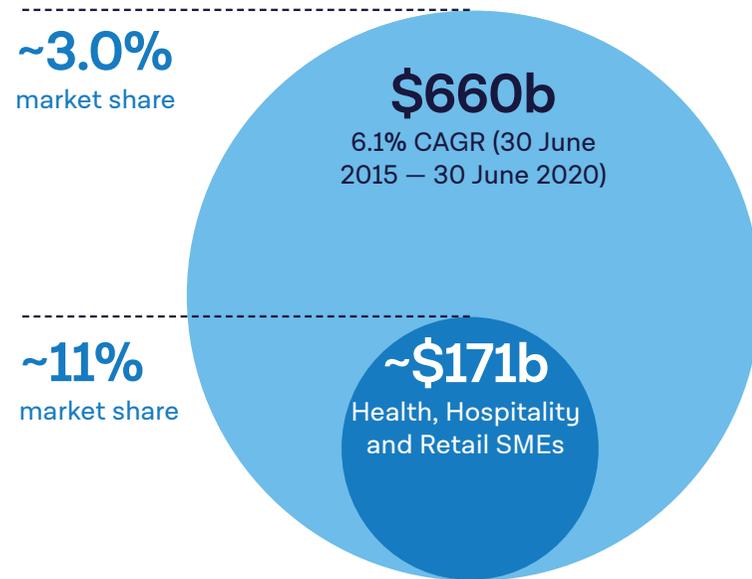
Source: APRA, Authorised deposit-taking institutions points of presence statistics, 30 June 2019; AusPayNet, Device Statistics EFTPOS Statistics, 30 June 2019.

Note: Other providers (labelled 'Other non-bank AusPayNet members') include terminals of other providers who are members of the Australian Payments Network (for example, Adyen and First Data), a self-regulated body set up by industry participants, with rules that cover cards, cheques, direct entry, and high value payments. Does not include non-bank payment providers who are not members of the Australian Payments Network (for example, Square). Discrepancies between totals and the sum of components shown in the figure above are due to rounding. 1) Not material. No other bank reported by APRA had terminal numbers exceeding 127 terminals (being the Regional Australia Bank) at 30 June 2019; 2) Calculated by taking the total number of terminals reported in market by AusPayNet (Device Statistics - EFTPOS Statistics, 30 June 2019) and subtracting the sum of terminals provided by all domestic banks as reported by APRA in the above source. We estimate that this number reflects the following changes since 30 June 2018: Bank of Queensland merchant acquiring services are provided by First Data (10,643 terminals); Wirecard operates the customer portfolio of Citi's merchant acquiring business in 11 markets in Asia Pacific, including Australia (3,566 terminals); and Smartpay (a non-bank payment provider) having gained its own acquiring capabilities in Australia (where it previously used Bendigo and Adelaide Bank for acquiring services).

ATTACHMENT 3 - CAPTURING MARKET SHARE IN GROWING TOTAL ADDRESSABLE MARKET



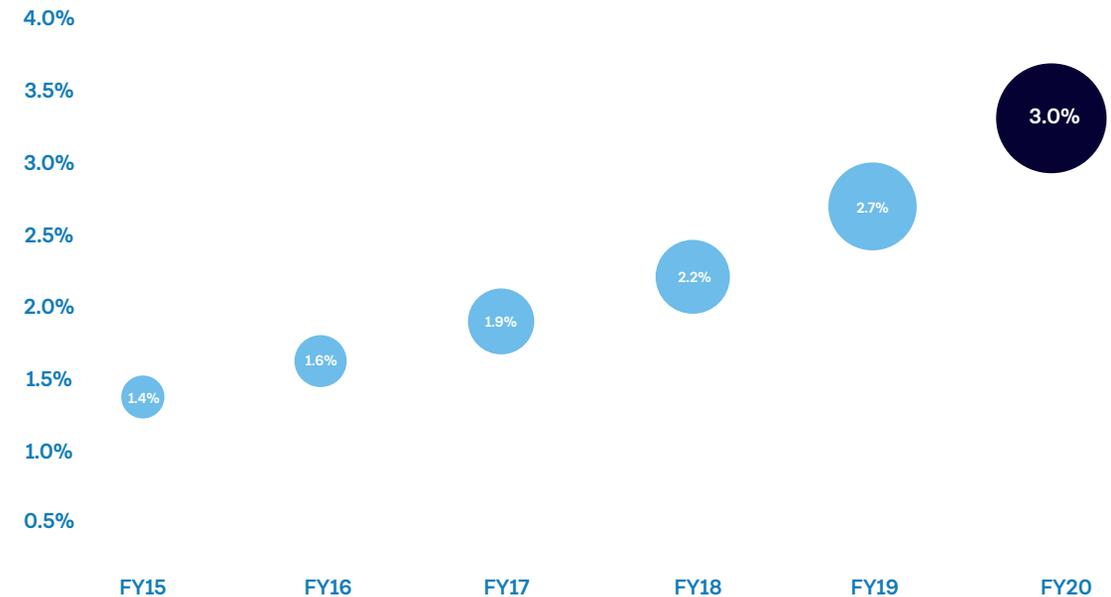
Annual transaction value of card payments acquired in Australia¹ (\$ billion) - as at 30 June 2020



Source: RBA C1.1 (Credit and Charge Cards – Original Series – Aggregate Data); RBA C2.1 (Debit Cards – Original Series); RBA C2.2 (Prepaid Cards – Original Series); internal company data.

¹ Includes the total value of transactions acquired in Australia for credit and charge cards, and debit cards and the total value of transactions for prepaid cards. While our payments product can be used by businesses across different verticals and size of merchants, we provide our assessment of annual transaction value for small and medium-sized enterprises in our core verticals of Health, Hospitality and Retail. This has been estimated by multiplying the count of SMEs in these core verticals at 30 June 2019 by the estimated proportion of these merchants that accept card payments and average transaction values by vertical per merchant across 'card-present' and 'card-not-present' by reference in particular to our aggregated merchant data, and applying a growth rate (based on CAGR of total industry transaction value acquired from 30 June 2014 to 30 June 2019) to determine a figure as at 30 June 2019. Market sizes and subsets of those amounts are provided to illustrate their sizes relative to our relevant performance metrics and do not imply that we could achieve 100% penetration of them. Market share is based on our FY20 transaction value.

Tyro's estimated market share of total card payments acquired in Australia - as at 30 June 2020



Source: Internal management estimates based on available RBA statistical data available at time of results

Disclaimer

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