TYRO TO ACQUIRE HEALTH FINTECH – MEDIPASS

- **Acquisition of Medipass adds an innovative cardless digital healthcare claiming and payment platform, that seamlessly links practitioners, funders and patients.**
- **Total consideration of $22.5 million to be paid in cash and Tyro shares.**
- **In combination with Tyro's terminal-based offering creates a simple and unified health payments solution expanding the claiming and payments options for healthcare practitioners.**
- **Medipass' team of 20 to join Tyro and lead a new health business unit.**

Sydney, 10 May 2021 – Tyro today announced it has entered into an agreement enabling it to acquire 100% of the issued securities in Melbourne-based digital health payments business, Medipass Solutions Pty Ltd from shareholders[1] including founder Peter Williams, CEO Jonathan Davey (both of whom will remain with the business) and NAB Ventures[2]. Total consideration for the acquisition is $22.5 million (comprised of approximately 60% cash and 40% Tyro shares) with completion expected to occur in May 2021 following satisfaction of certain conditions (principally involving the receipt of third party consents).

Medipass has created a digital health payment platform enabling healthcare providers to accept healthcare payments without the need for a terminal. Over the past three years Medipass has invested in building a multi-sided platform linking healthcare funders, healthcare providers and patients to streamline claims approval and payment acceptance.

Medipass' functionality, insurer integrations and simplicity are its key differentiators. It integrates with 17 cloud-based practice management and booking systems and has approximately 4,400 active healthcare providers working with it. This complements (with limited overlap[3]) the approximate 9,300 merchants in Tyro's health vertical and the 42 practice management systems integrated with Tyro. In commenting on the acquisition, Robbie Cooke, Tyro's CEO and Managing Director said:

> "*The rise of telehealth consultations, coupled with the increase in eCommerce and cashless payments more generally, means offering cardless digital payment options to patients is a commercial necessity for healthcare practitioners. Medipass' functionality, deep insurer integrations and user-friendly simplicity are unique. By combining it with our existing card-present payment solution we can offer a simple, unified solution to healthcare practitioners for payments and claiming, as well as increasing the health providers working with us.*"

Medipass' digital health payments platform will be integrated with Tyro's card-present health solution to provide a unified health payments offering that delivers both card-present and card-not-present transactions. The acquisition will provide Tyro's health merchants greater claiming and payment capabilities extending beyond Tyro's private health insurer and Medicare Easyclaim options to include a range of State and Federal based compensatory funders. These options will continue to expand as Medipass completes further integrations.

The Tyro Medipass combination will deliver the strength of Tyro's existing terminal solution along with Medipass' leading digital claiming technology and software integrations. Commenting on this, Cooke said:

> "*Our combination with Medipass is a significant step in building out Tyro's core health vertical and is consistent with our strategy to build our offering through acquisition where there is a distinct opportunity to gain scale and to enhance our position in a key vertical.*
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> *In this case we saw a compelling opportunity to add the digital claiming and cardless payments capabilities developed by the Medipass team to provide a unified commerce offering to our healthcare practitioners - providing enhanced payment and claiming options and simplifying payments in what is an extremely complex sector.*"

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[1] Medipass shareholders representing approximately 95.86% of Medipass have committed to sell their shares to Tyro, and completion of the acquisition is conditional on (amongst other things) all remaining shares being transferred to Tyro, either by agreement or pursuant to a contractual "drag-along" right.

[2] National Australia Bank Limited will obtain a licence to use the Medipass software as it exists at completion including but limited to any enhancements made in the six-month period following completion.

[3] There are 3 practice management systems common to Tyro and Medipass. It is estimated that ~200 healthcare providers are common to both platforms.

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ACN 103 575 042 AFSL 471951 (Tyro) is the issuer of its own financial products

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Commenting on the opportunity for the combined business Jonathan Davey, Medipass CEO said:

"By joining forces with Tyro, we can create the new global benchmark in simple, transparent healthcare claims and payments. Patients, practitioners, health funds and statutory payers will be connected in one simple and secure platform bringing much needed transparency and simplicity to the A$130 billion in payments and claims that are made every year."

Following completion, Medipass' 20-strong team will join Tyro's existing health team to form a new health business unit that will be led by Medipass CEO Jonathan Davey. Cooke added:

"I am so pleased the entire Medipass team are joining Tyro and Jon has agreed to lead our combined health business. We share a passion for innovation, simplification and streamlining payments so our merchants can focus on their businesses. Together we can continue to deliver a better healthcare system by offering better ways to pay and removing the pain points associated with health payments."

The Medipass operation achieved a revenue run rate for the 12-months to end February 2021 of approximately $1.8 million and generated an EBITDA loss over that 12-month period of approximately $1.5 million.

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Pursuant to Listing Rule 15.5, Tyro confirms this document has been authorised for release to the market by its Board

About Medipass

Medipass is an Australian health fintech, based in Melbourne. The company was established on the belief that a better health system demands better ways to connect and pay. Medipass builds digital health-grade payment solutions, connecting patients, practitioners and payers in ways that drive efficiency and better care experiences.

Medipass has grown to be Australia's leading digital health payments platform. For healthcare providers and partners, Medipass offers more digital claiming options than any other platform, including government funders, private health insurers and direct gap payments. With deep industry partner integrations and strong investment in integrating third party systems used by providers to make digital claiming a native and streamlined process, Medipass has a deep alignment to healthcare providers workflows.

About Tyro

Tyro is a technology-focused and values-driven company providing Australian businesses with payment solutions and value-adding business banking products. The company provides simple, flexible and reliable payment solutions as a merchant acquirer, along with complementary business banking products.

For the more than 36,700 Australian merchants who chose to partner with Tyro at 31 December 2020, the company processed more than $20.1 billion in transaction value in FY20 and a record $12.1 billion in H1 FY21. In FY20 the company generated $93.5 million in gross profit (H1 FY21 $61.2 million), originated $60.1 million in loans (H1 FY21: $2.6 million) and held merchant deposits totalling $50.5 million (H1 FY21: $104.0 million).

Tyro is Australia's fifth largest merchant acquiring bank by number of terminals in the market, behind the four major banks.

The business was founded in 2003 with a goal of being the most efficient acquirer of electronic payments in Australia. Tyro has a track record of innovation, creating purpose-built solutions and being first to market. This approach saw the company become the first technology company to receive an Australian specialist credit card institution licence in 2005. In 2015 that licence was replaced by the award of an Australian banking licence, making Tyro the first new domestic banking licensee in over a decade.

Payments are at the core of Tyro's business, using its proprietary core technology platform to enable credit and debit card acquiring. This offering is enhanced by features purpose-designed for those merchants who choose to partner with the company, including Point of Sale systems integrations, least-cost routing (Tap & Save) and alternative payment types such as integrated Alipay. While traditionally focused on in-store payments, Tyro has recently expanded into eCommerce.

Further, Tyro provides value-adding solutions to its partners, such as loans in the form of merchant cash advances and fee-free, interest-bearing merchant transaction accounts.

Tyro has a team of more than 500 people, approximately half of whom are in technology roles.

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