

FY21 INVESTOR PRESENTATION

26 AUGUST 2021



Tyro Payments Limited
ABN 49 103 575 042





Our Purpose

Setting businesses free to get on with business

by

simplifying payments + banking solutions

Our Mission

We eliminate friction with payments + banking solutions, that:



Businesses trust



Partners advocate



Employees are proud of



Our community backs

Our Vision

To be Australia's:



fastest growing



most loved + trusted



sustainable

payments + business banking partner

“We are a tech company providing payments + business banking - taking on the big guys”

Delivering against our Growth Plan

We have a clear strategy that underpins our growth ambitions. FY21 has seen us execute against a number of elements of that plan:



Significant uplift in transaction value to \$25.5 billion (IPO: \$17.5 billion) ✓

Significant increase in merchants to 58,186 (IPO: 29,031) ✓

Sizable addressable market remains - TAM share 3.8% (IPO: 2.7%) ✓

Prompted brand awareness spike to 20% (IPO: 10%) ✓

Transformational Tyro | Bendigo Bank Alliance completed ✓

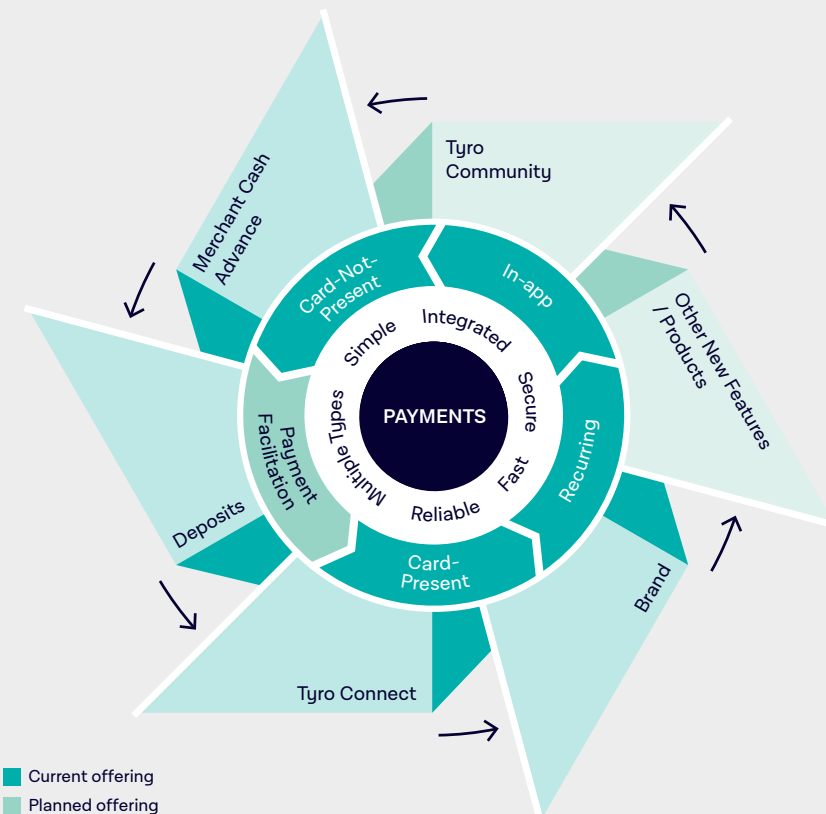
Acquisition of Medipass to build out our health solution ✓

Tyro Connect POS integration hub gaining traction ✓

me&u 'tap, order and pay in app' solution a major eCommerce opportunity ✓

Launch of Open Banking ✓

Paypa Plane - innovative platform for recurring payment opportunities ✓



Addressable Market Opportunity Remains Significant



Annual transaction value of card payments acquired in Australia (\$ billion)



- Strong track record of growth - above system growth + multiple growth levers to materially increase market share over the medium term
- CAGR of total card payments in Australia - **5.5%**
- CAGR of Tyro's annual transaction value - **24.6%**
- Tyro growing at ~**5x market growth**

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), years ended 30 June and Tyro internal estimates.

Leveraging Our Scalable Platform to Accelerate Growth

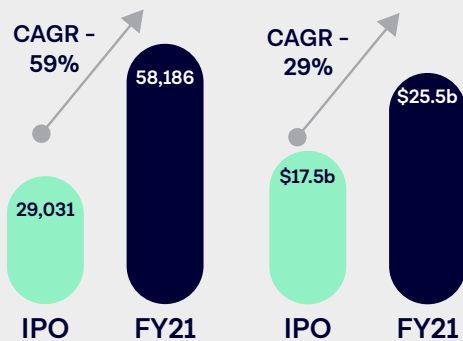
Tyro is well positioned to continue to accelerate growth over the medium term.

1

Tailored payment solutions for verticals drive strong merchant base and transaction value growth

Number of merchants

Transaction value

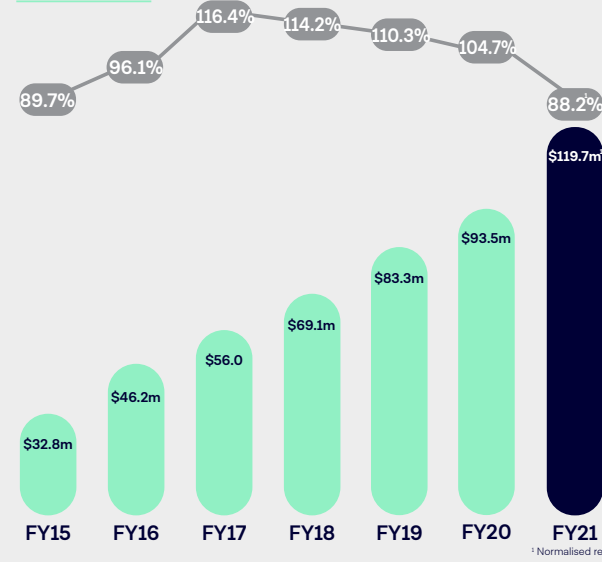


- Add new verticals
- Increase share in existing verticals
- Increase share of TAM beyond current 3.8%

2

Delivering benefits of scale

Gross profit



Operating expenses to gross profit margin

- Operating leverage as platform continues to scale
- Will underpin EBITDA growth and margin expansion

3

Strategic partnerships with large organisations



Powered by tyro

Other organisations

- Explore opportunities to partner with other organisations to deliver step change in segment share gains

4

Strategic investments to enhance our platform's capability



Paypa Plane

- 'Bolt on' opportunities/partnerships/investments to enhance merchant solutions remain in appetite
- Demonstrated capability post IPO

MEDIUM TERM TARGET

Leveraging Our Scalable Platform to Accelerate Growth (cont.)



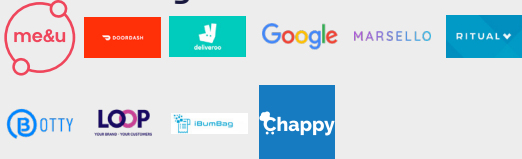
5

Expansion in eCommerce and other payment types

Launch of eCommerce in March 2019

Transaction value up 536% in FY21

Tyro Connect



Launch of Alipay in October 2018

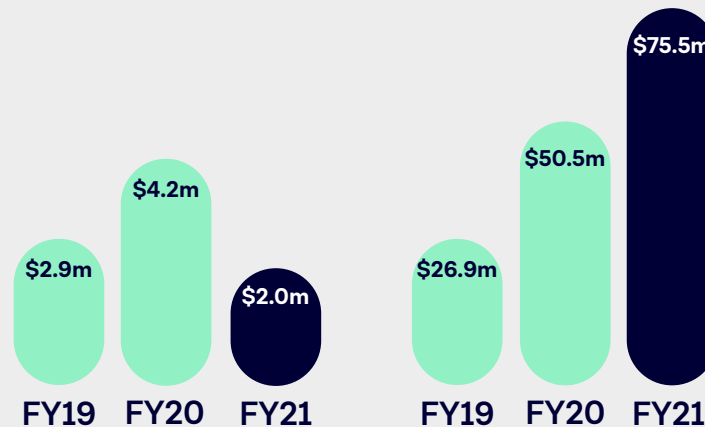


6

Cross-sell opportunities represent upside potential

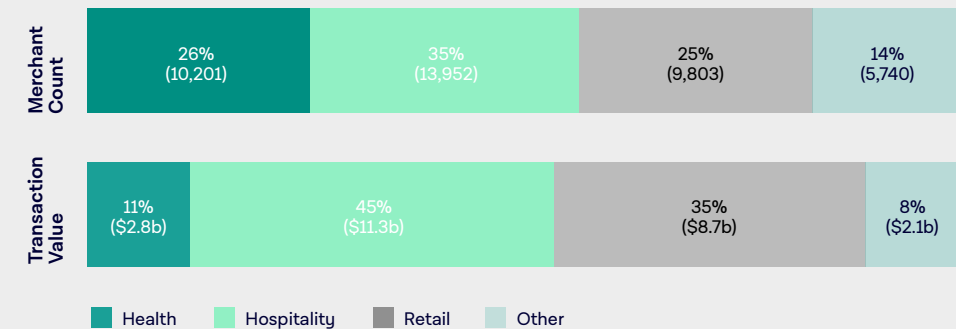
Interest income on loans

Merchant deposits



7

Continued expansion into new verticals



The data only relates to Tyro merchants and excludes Bendigo merchants

MEDIUM TERM TARGET

- Enhance offerings leveraged to growth in shifting consumer preferences including eCommerce, alternative payments, ISVs/in-App

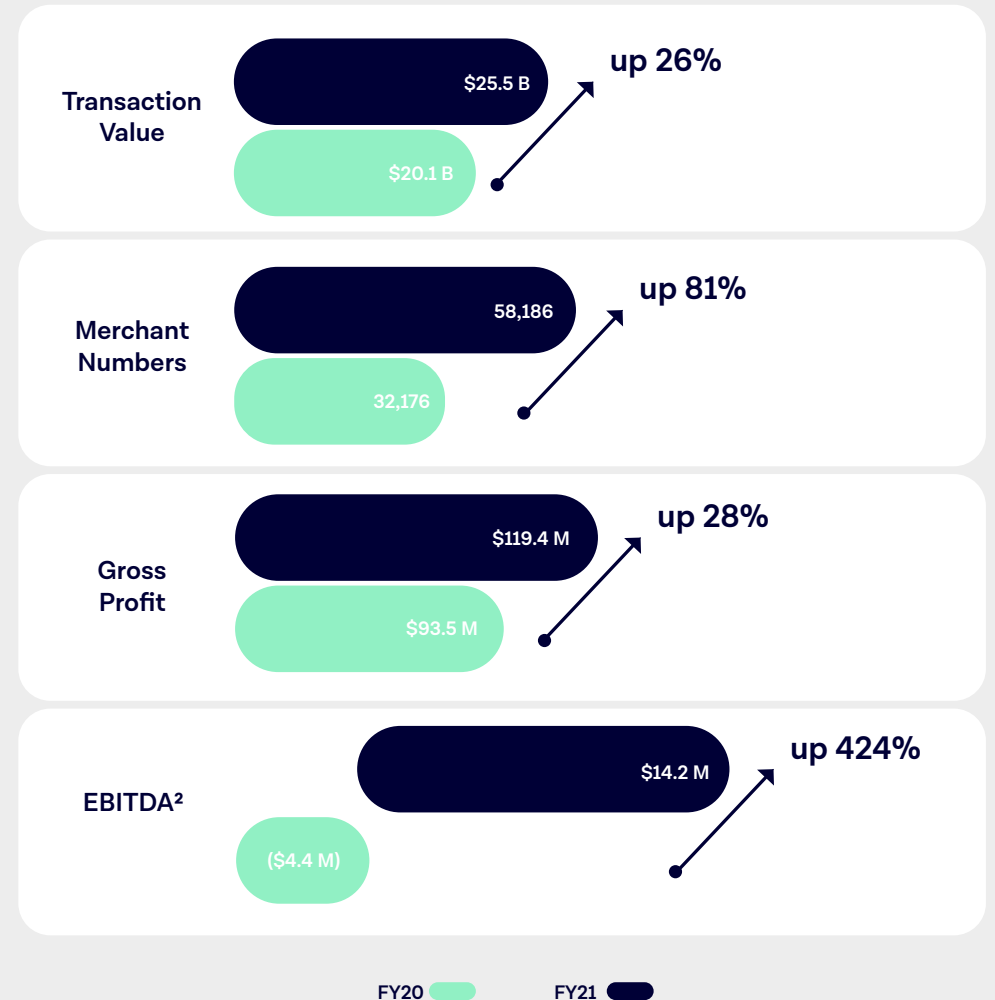
- Contribution from adjacent banking products and growth in lending to accelerate as economy normalises

- Leverage platform to expand into new verticals including trades, accommodation and services
- Tyro Go dongle for:
 - trades vertical
 - 'queue buster' for high volume retail
 - micro merchants

FY21 Financial Highlights - Record Results Delivered



- ↑ 26% in transaction value to record \$25.5 billion (FY20: \$20.1 billion)
- ↑ 81% in merchants choosing Tyro reaching 58,186 (FY20: 32,176)
- ↑ 28% gross profit to record \$119.4 million (FY20: \$93.5 million)
- Operational leverage - operating costs¹ controlled - ↑ 7.9% vs. gross profit ↑28%
- ↑ 424% in EBITDA² to a record \$14.2 million (FY20: Loss of \$4.4 million)
- Liquidity position remains strong - \$172.8 million in cash + investments³ (\$188.3 million at 30 June 2020)



¹ Operating costs accounted for on a normalised basis. Refer to page 9 and page 29.

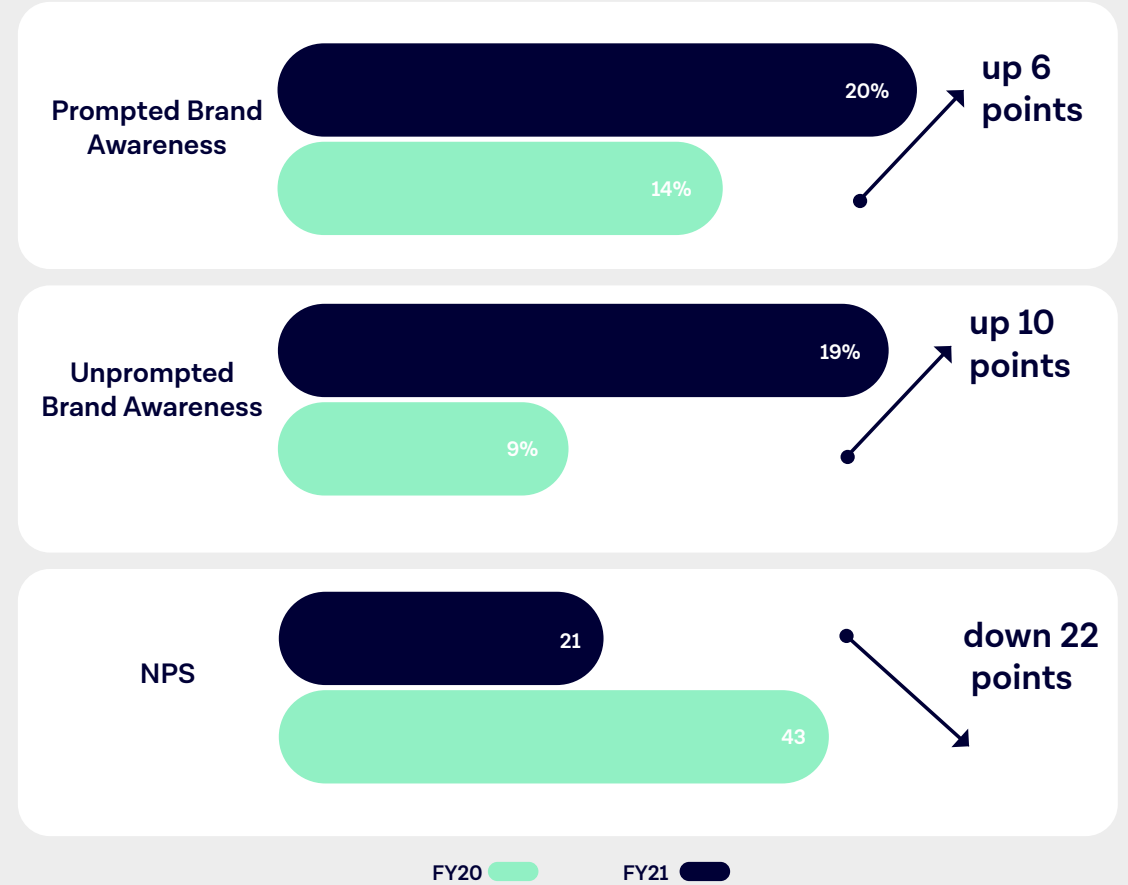
² Tyro uses EBITDA as a non-IFRS measure of business performance, which excludes the non-cash impact of share-based payments expense, share of loss from associates, expenses associated with the terminal connectivity issue and the IPO and other significant one-off costs. Refer to the page 29 for a reconciliation of normalised results to statutory results.

³ Includes merchant deposits of \$75.5 million (FY20: \$50.5 million)

FY21 Operational Call-Outs



- Brand awareness:
 - Promoted brand awareness 20% (FY20: 14%)
 - Unprompted brand awareness 19% (FY20: 9%)
- Churn remains low:
 - Transaction churn rate of 8.7% (FY20: 8.0%)
 - Merchant churn rate of 11.3% (FY20: 11.7%)
- NPS 21 at 30 June 2021 (30 June 2020: 43) - impacted by connectivity issue
- eCommerce growth - ↑536% to \$70 million (FY20: \$11 million)
- 11,813 new merchant applications - averaging ~1,000 per month ↑13% (FY20: 10,457)
- Loan originations:
 - \$25.8 million - down 57% (FY20: \$60.1 million)
 - ~\$20 million originated in the final 3 months of FY21 (pcp: \$1.6 million)



Results in Overview

Transaction Value ↑ 26.4%

Gross Profit ↑ 28.1%

EBITDA ↑ 424.0%

Operating Leverage Achieved

	STATUTORY FY21 \$'000	NORMALISED ¹ FY21 \$'000	STATUTORY FY20 \$'000		GROWTH - NORMALISED FY21 TO FY20 %
Transaction value	25,453,507	25,453,507	20,131,045	▲	26.4%
Payments revenue and income	229,221	230,204	202,826	▲	13.5%
Lending and investment income	3,222	3,222	1,818	▲	77.2%
Other revenue and income	6,079	6,079	6,031	▲	0.8%
Revenue	238,522	239,505	210,675	▲	13.7%
Less: Direct expenses	(119,073)	(119,771)	(117,200)	▲	2.2%
Gross profit	119,449	119,734	93,475	▲	28.1%
Less: Operating expenses (excl. share-based payments)	(122,551)	(105,568)	(97,847)	▲	7.9%
EBITDA²	(3,102)	14,166	(4,372)	▲	424.0%
Less: Share-based payments expense	(9,342)	(8,779)	(10,896)	▼	19.4%
IPO costs	(331)	-	(9,730)	▼	96.6%
Share of loss from associates	(1,119)	(1,119)	-	▲	-
Depreciation & Amortisation	(15,364)	(15,364)	(12,524)	▲	22.7%
Bendigo Bank partner revenue share	-	698	-	▲	-
EBIT	(29,258)	(10,398)	(37,522)	▲	72.3%
Less: Net interest expense	(517)	(517)	(535)	▼	3.4%
Loss before tax	(29,775)	(10,915)	(38,057)	▲	71.3%

¹ Normalised results are adjusted for the costs associated with the terminal connectivity issue and M&A activity. Refer to page 29 for a reconciliation of normalised results to statutory results.

² Tyro uses EBITDA as a non-IFRS measure of business performance, which excludes the non-cash impact of share-based payments expense, share of loss from associates, expenses associated with the terminal connectivity issue and the IPO and other significant one-off costs. Refer to the page 29 for a reconciliation of normalised results to statutory results.

Payments Business Performance (normalised ¹)	FY21 \$'000	FY20 \$'000		GROWTH %
Transaction value	25,453,507	20,131,045	▲	26.4%
Revenue	230,204	202,826	▲	13.5%
Gross profit	110,812	86,142	▲	28.6%

Banking Business Performance	FY21 \$'000	FY20 \$'000		GROWTH %
Revenue	3,222	1,818	▲	77.2%
Gross Profit	2,843	1,302	▲	118.4%

Operating expenses (excl. share-based payments) - % of gross profit (normalised¹)



Tyro | Bendigo Bank Alliance

- Commercial completion - 1 June 2021
- Joint objective of alliance to provide Tyro's best-in-class payments solution to Bendigo Bank's business customers
- Full technical + economic separation of Bendigo Bank's merchant acquiring service to Tyro
- Tyro terminals (and where applicable eCommerce facilities) rolling-out to all Bendigo Bank merchant acquiring customers
- Tyro exclusively provides merchant acquiring services to current and referred Bendigo Bank customers for both:
 - ✓ card-present transactions
 - ✓ card not-present transactions
- Bendigo Bank to continue to provide all other banking services to its customers under the alliance
- Initial 10-year term with provision for additional 5-year terms by mutual agreement
- Replace Bendigo Bank's current solution - leverage Tyro's leading technology + scale
- Maximise opportunity to convert more current and future Bendigo Bank business customers to the merchant acquiring alliance
- Tyro established a customer support presence in Bendigo Bank



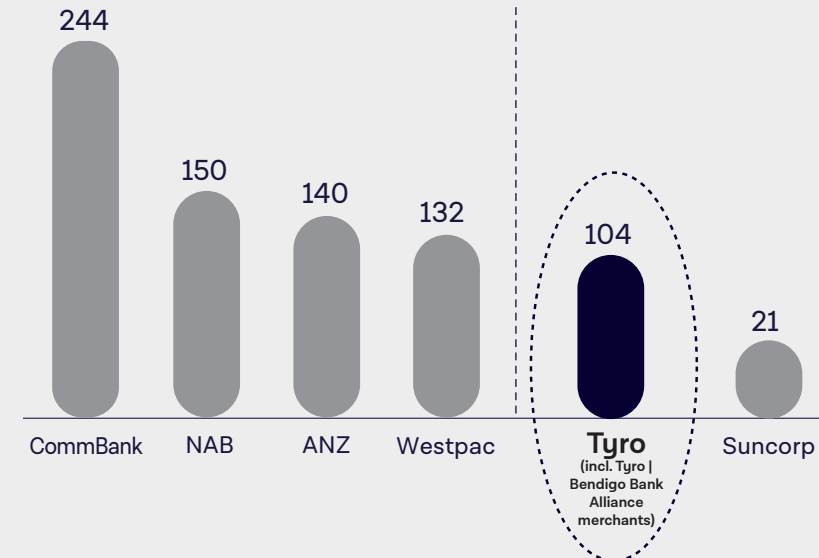
\$439.9 million transacted in June 2021 by Tyro | Bendigo Bank Alliance merchants



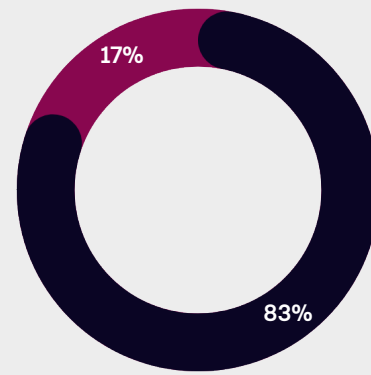
18,490 Tyro | Bendigo Bank Alliance merchants now serviced by Tyro



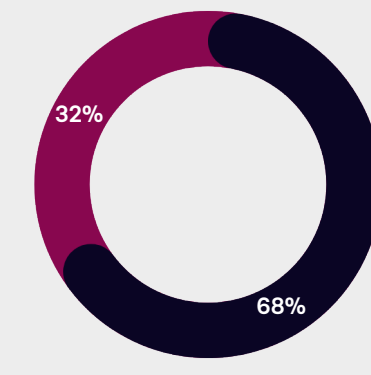
Number of terminals by banks in Australia¹ ('000) - as at 30 June 2020 (updated for Tyro + Bendigo Bank terminals at 30 June 2021)



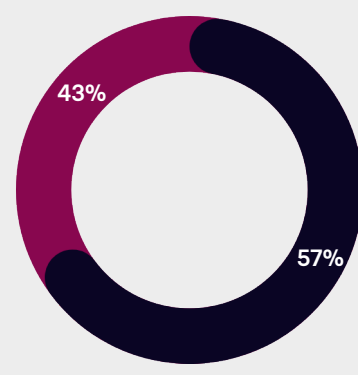
June 2021 Transaction Value share



June 2021 Merchant # share



June 2021 Terminal # share

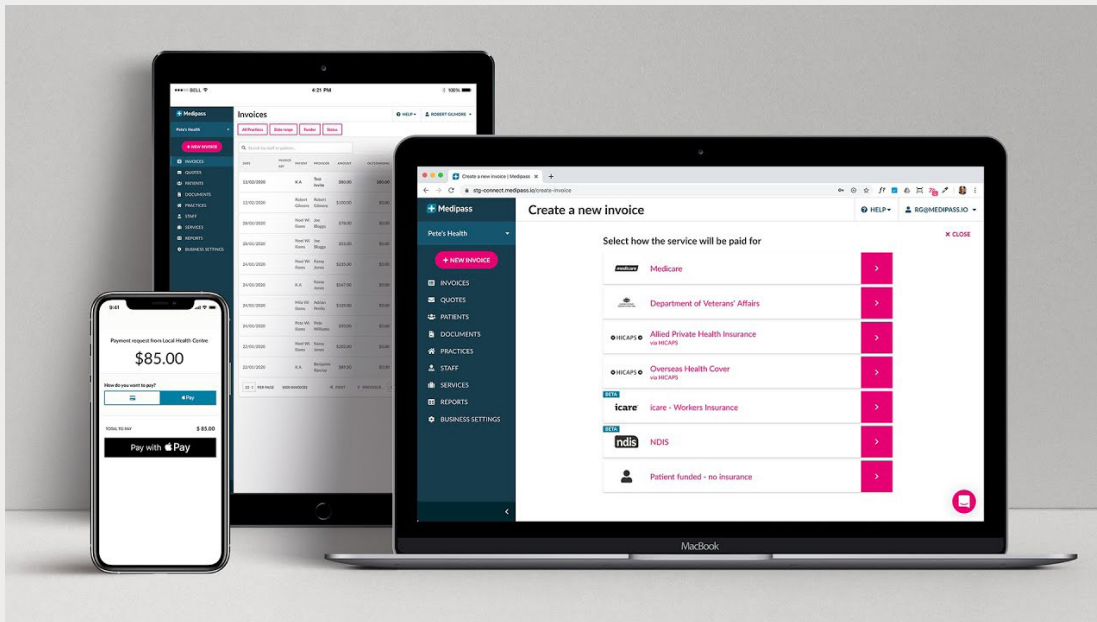


Legend: Tyro merchants (dark blue), Tyro | Bendigo Bank Alliance merchants (maroon)

¹ Source: APRA, Authorised deposit-taking institutions' point of presence statistics, 30 June 2020

Acquisition of Medipass

- 100% acquisition of Medipass Solutions on 31 May 2021 - \$22.5 million (~60% cash / ~40% scrip)
- Digital health payments platform - linking funders, healthcare practitioners + patients
- Streamlines claims approval + payment acceptance
- Provides greater claiming + payment options to Tyro merchants
- Acquisition builds scale, capabilities + enhances our segment position



Unified Multi-Sided Digital Approval + Payments Platform

- Medipass' digital health payments platform combined with Tyro's card-present solution provides unified health claiming + payments offering - simplify payments + claiming in an extremely complex sector



Payment



Claim



Quote

Significant Scale to Drive our Health Business

- Enhanced practice management system (PMS) integration



52 Tyro PMS integrations



18 Medipass PMS integrations



~70 PMS integrations (limited overlap)

- +15% increase in health merchants - limited overlap

9,541

Tyro health merchants



1,700¹

Medipass health merchants



11,241 (limited overlap)

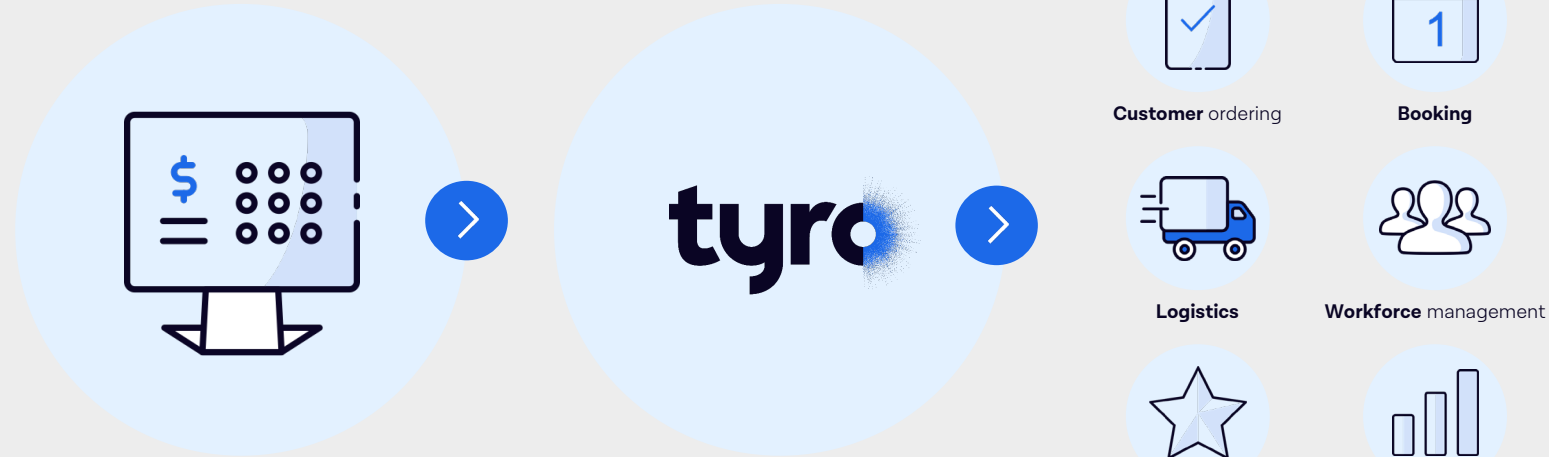


Medipass 20-strong team has joined Tyro's health team to form a new health business unit

¹ Includes 1,040 health businesses that use Medipass for digital claiming but do not have a payments settlement relationship with Tyro.

Tyro Connect

- Tyro Connect Integration - a hub for apps + POS/PMS systems



POS/PMS integrates

- 4 POS integrations

Tyro Connect 2-way API platform

- 695,000 transactions processed through platform
- 124 merchants on platform

App integrates

- 12 Apps signed up
 - 3 Apps live
 - Piloting a new partnership with a global food delivery platform

Payments Data

(in-store + online)

Providing individual merchants with:

- A real time feed of all their card transactions
- A daily consolidated data share of all their transactions across all locations
- Insight into new vs repeat card usage

Sales Data

Providing individual merchants with:

- Sales data feeds from their POS/PMS
- Ability to match their sales data to transactions + cards across all locations

Integrations Data

Providing individual merchants with:

- Overview of app activity across their locations
- Ability to match payment data to their loyalty integrations
- Single view of their customer across channels (in-store + online)

me&u - Leading 'tap, order + pay' Solution

- ~16% equity investment in me&u (initial investment - \$3.5 million), providing rights to be exclusive in-app payment provider
- me&u is a leading Australian tap, order + pay in venue solution for the hospitality industry
- Established by the founder of Dimmi - Stevan Premutico
- Enables customers to view menus, order and pay for meals via their mobile phone
- Solution improves customer experience, frees up wait staff and increases order value and frequency
- Foundation app on Tyro Connect platform
- In June 2021 me&u commenced migrating their in-App payments to Tyro's eCommerce platform - will progressively roll-out in H1 FY22

**Integrated with 9 leading
hospitality POS partners**

**~30% higher spend per customer
using me&u**

Key hospitality groups using me&u

- Merivale
- Solotel
- Howard Smith Wharves
- Rockpool Dining Group



Payments - Operational Highlights

	FY21 \$'000	FY20 \$'000		GROWTH %
Transaction value	25,453,507	20,131,045	▲	26.4%
Revenue ¹	230,204	202,826	▲	13.7%
Gross profit ¹	110,812	86,142	▲	28.6%
MAF margin as a % of Transaction value	0.3437%	0.3205%	▲	2.3bps

Step-up in merchant base

- 58,186 merchants at 30 June 2021 - up 81% (FY20: 32,176)
- 18,490 Bendigo Bank merchants on-boarded on 1 June 2021
- Average run rate of ~1,000 new merchants applications per month
- 5th largest merchant acquiring bank in Australia by terminal numbers - 104,827 terminals
- Current NPS of 21 - down from 43 at 30 June 2020 impacted by terminal incident
- Prompted brand awareness of 20% - up from 14% at 30 June 2020

Low merchant churn

- Stability in churn metrics:
 - › Transaction value churn 8.7% (FY20: 8.0%)
 - › Merchant number churn² 11.3% (FY20: 11.7%)

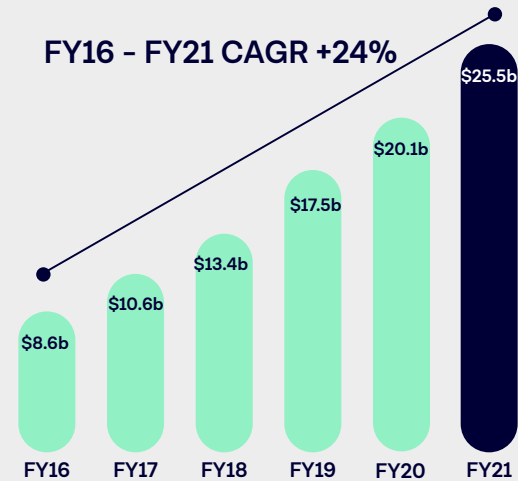
Results in strong transaction value growth

- Transaction value of \$25.5 billion ↑26% (FY20: \$20.1 billion)
- Excluding Bendigo Bank Alliance contribution of \$439.9 million for the month of June 2021 - transaction value ↑24% - matching 5-year CAGR of 24%
- eCommerce transaction value of \$70.0 million ↑536% (FY20: \$10.6 million)

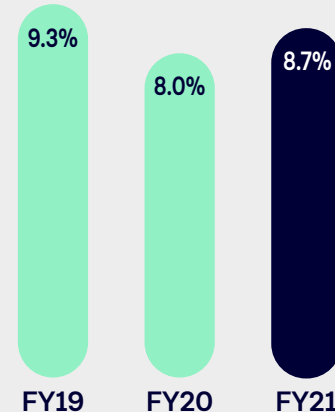
¹ Refer to page 29 for a reconciliation of normalised results to statutory results.

² Merchant number churn of 11.3% is based on Merchants confirmed as leaving Tyro, including those merchants that have gone out of business.

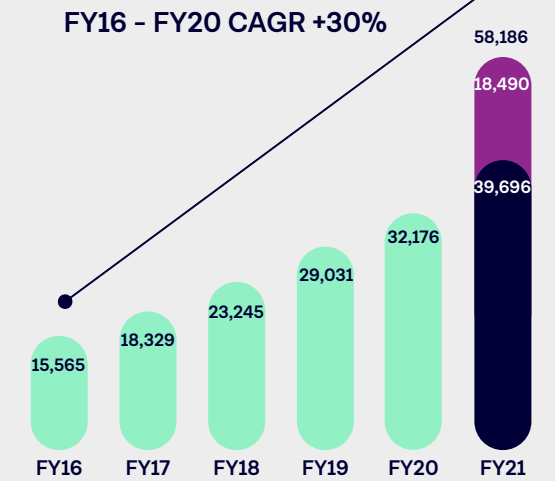
Transaction Value (\$'billion)



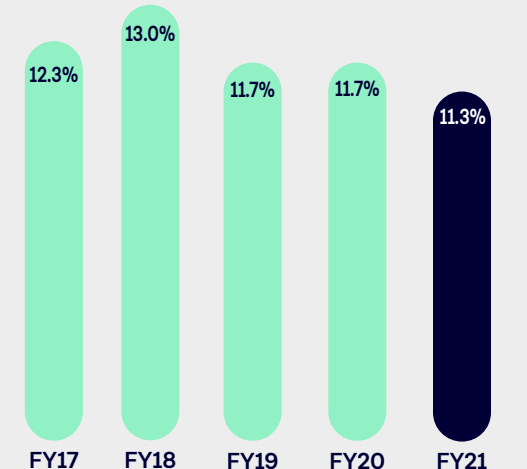
Transaction Value Churn (%)



Merchants (#)



Merchant Number Churn (%)



Payments - Operational Highlights (cont.)



Improvement in margins driving gross profit

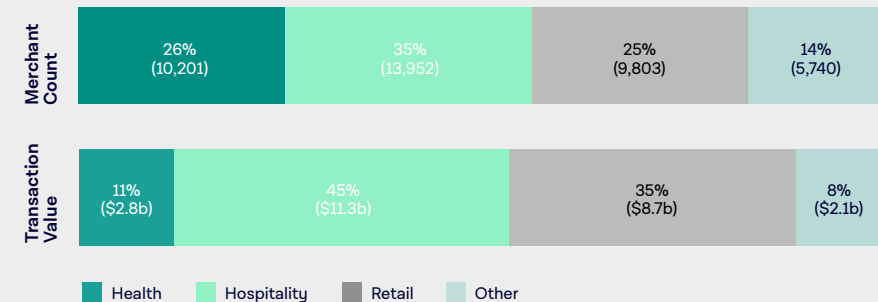
- 0.8075% Merchant Service Fee (**MSF**) (FY20: 0.8953%)
- 0.3437% Merchant Acquiring Fee (**MAF**) (FY20: 0.3205%)
- Change in card mix to debit cards driving lower MSF but higher MAF
- 44% of transaction value generated from merchants on a cost+ arrangement & 56% on a Blended/Normalised arrangement (FY20: 45% / 55%)

Performance from core verticals

- Core Health, Hospitality and Retail verticals drive:
 - 85% of merchants
 - 91% of transaction value
- Hospitality vertical transaction value ↑34%
- Retail vertical transaction value ↑18%
- Health vertical transaction value ↑13%

Geographical transaction value performance

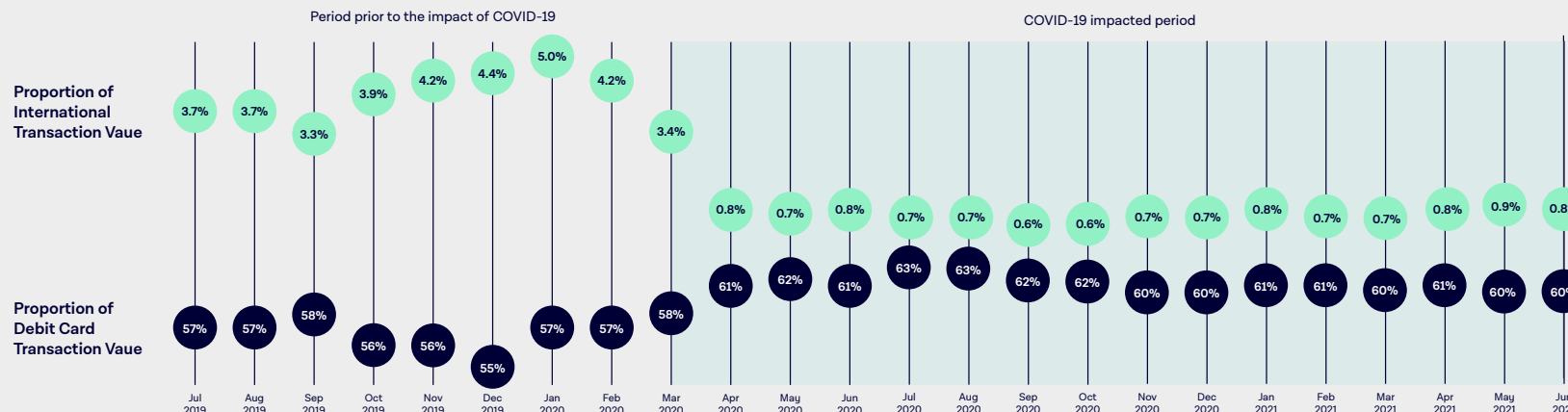
- Strong performance in geographies outside of NSW and Victoria:
 - Queensland ↑39%
 - Western Australia ↑38%
 - South Australia ↑31%
- Victoria impacted by numerous lockdowns through FY21



The data only relates to Tyro merchants and excludes Bendigo merchants

Geographical transaction value performance	FY21 (\$ billion)	FY20 (\$ billion)	Growth %	Proportion of FY21 transaction value %
NSW	9,475	7,873	20%	37%
Victoria	5,141	4,731	9%	20%
Queensland	5,556	4,004	39%	22%
Western Australia	2,526	1,824	38%	10%
South Australia	1,037	789	31%	4%
Other (including Tyro Bendigo Bank Alliance)	1,719	910	89%	7%

Card mix - FY21 vs. FY20





Impact of Covid on the Business

Continued impact of Covid on Payments Business

- Lockdowns continue to significantly impact transaction value growth
 - › **1** First national lockdown March 2020 to June 2020
 - › **2** Second major lockdown in Victoria - July 2020 to October 2020
 - › **3** Various States go into snap lockdowns - January 2021 to February 2021
 - › **4** All States open and no lockdowns - March 2021 to June 2021

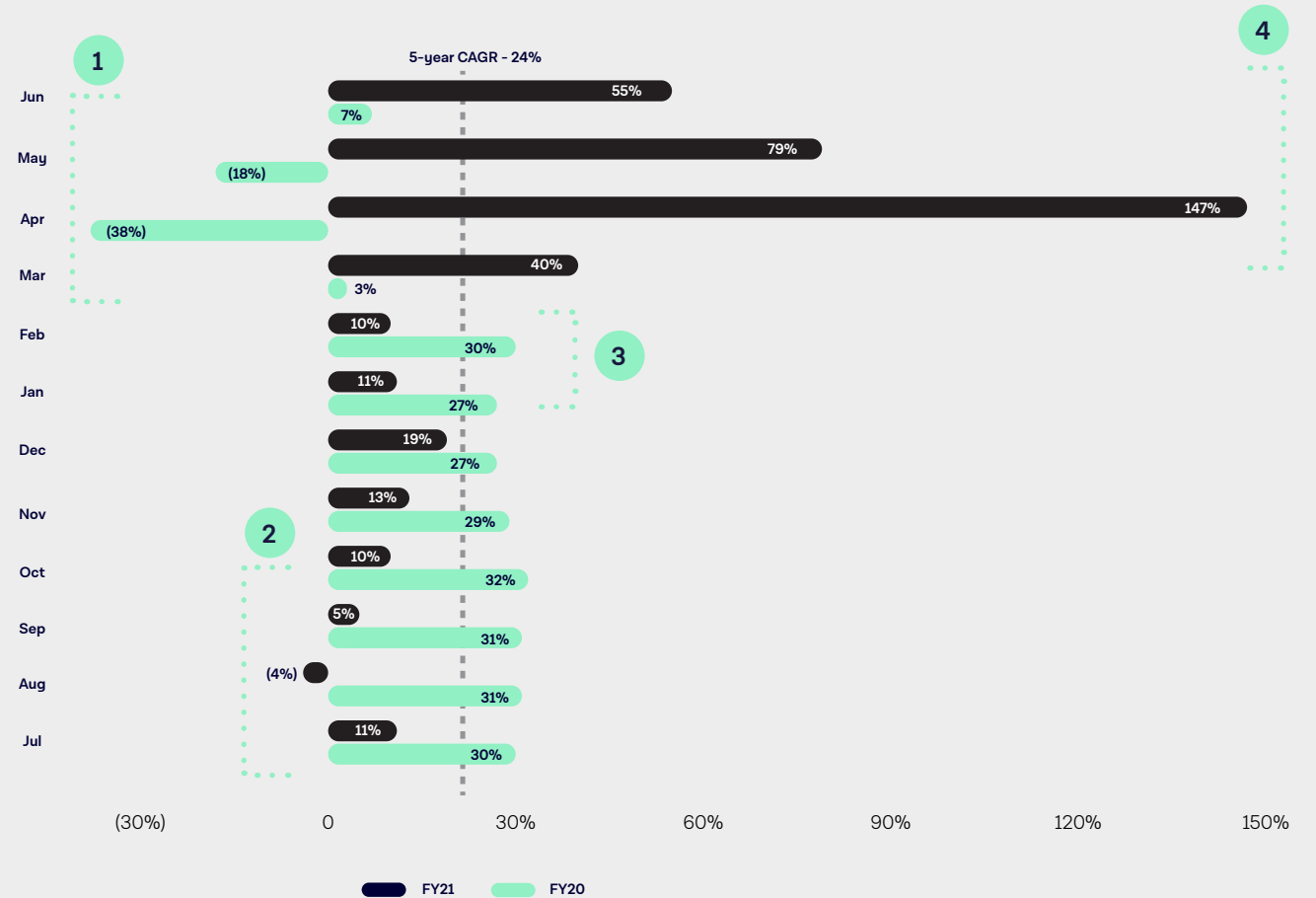
Assistance to our Merchants

- Repayment holidays provided to support borrowers experiencing hardship during extended lockdowns
- Terminal rental relief to impacted merchants - \$1.0 million in rental relief provided
- Outbound contact program provides merchants awareness of support available and making support team available 24/7

Safety of our Team

- All team members worked from home during mandated lockdowns
- Access to JobKeeper for the first quarter of FY21 enabled us to keep our entire team employed
- Providing employees paid leave to receive a Covid vaccination should they choose to get vaccinated

Monthly transaction value growth - FY21 vs. FY20



Terminal Connectivity Issue

- Issue identified on 5 January 2021
- 70% of Tyro's merchants were unaffected by the incident
- 18-year history with no equivalent event
- Event does not sit comfortably with Tyro's DNA
- Impacted merchants -
 - › 11% of merchants partially impacted (multi-terminal outlets with at least one functioning unit)
 - › 19% of merchants were fully impacted
- Developing dongle failover solution for every merchant - industry first move
- Make good program in action:
 - › all financially impacted merchants invited to register with Tyro to enable remediation claims to be assessed
 - › ~85% of merchants that sought remediation already settled - balance being progressed
 - › the remediation process remains available for claims - providing a fast + straightforward process without the costs, delay + uncertainty inherent in legal proceedings
- FY21 financial impact of terminal connectivity issue

	FY21 \$'000
P&L impact	
Discount on merchant service fee and terminal rental waivers	1,323
Staff costs related to the incident	217
Direct logistics costs and other costs related to the incident	2,737
Provision for remediation	9,008
FY21 P&L impact	13,285
Additional capex costs	1,600



Banking - Operational Highlights

	FY21 \$'000	FY20 \$'000		GROWTH %
Loan Originations	25,843	60,107	▼	57.0%
Revenue	3,222	1,818	▲	77.2%
Interest income on loans	1,952	4,179	▼	53.3%
Fair value gain/(loss) on loans	1,270	(2,361)	▲	153.8%
Gross Profit	2,843	1,302	▲	118.4%
Gross Profit margin as % of Revenue	88.2%	71.6%	▲	16.6 points

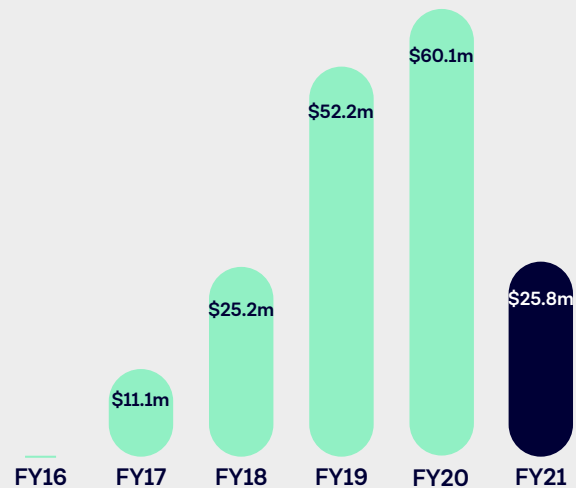
Tyro Business Loan

- \$25.8 million in loan originations (FY20: \$60.1 million)
- Auto approval suspended due to COVID 1 July 2020 to 31 Jan 2021 - \$3.2 million in originations in this period vs. \$43.8 million pcp
- Since January 2021 originations averaging ~\$4 million per month
- Record \$8.1 million in originations in May 2021
- Positive non-cash fair value adjustment \$1.2 million - partial reversal of previous adjustment as risks of COVID on loan balances diminished
- Average loan size \$35,500 (FY20: \$32,200) | Average tenure 6.6 months (FY20: 5.7 months)
- \$15.4 million loans on the balance sheet at 30 June 2021 (FY20: \$11.9 million)
- 2.7% lending loss to originations - equating to \$0.7 million in lending loss ↓36.4% (FY20: 1.8%, \$1.1 million)

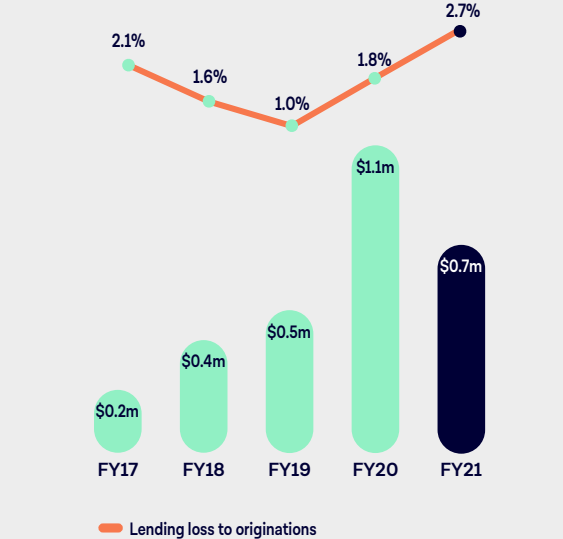
Scaling our Banking products to our entire merchant base

- All 39,696 of Tyro's merchants (excluding Bendigo Bank Alliance merchants) can now check their eligibility for a loan through the Tyro app (compared to ~7,500 merchants in prior periods)
- A manual credit team review can be conducted if eligibility is not met through the automated process to determine eligibility
- First loan amounts increased from a maximum eligible loan amount of \$50k to \$100k

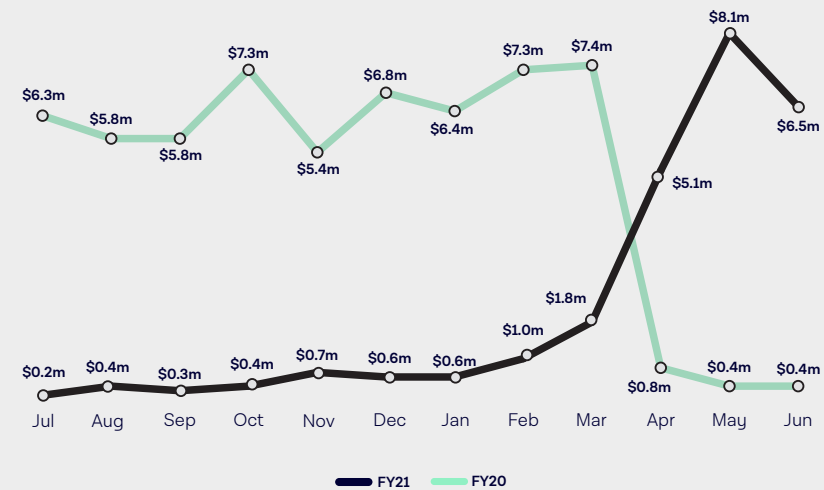
Loan originations (\$'million)



Lending loss (\$'million)



Impact of Covid on loan originations



Banking - Operational Highlights (cont.)






Tyro Bank Account

- \$72.5 million in deposits on the balance sheet at 30 June 2021 (FY20: \$49.7 million)
- 4,603 active accounts
- Average account balance of \$15,750 (FY20: \$13,800)
- Average interest rate 0.43% (FY20: 1.3%)

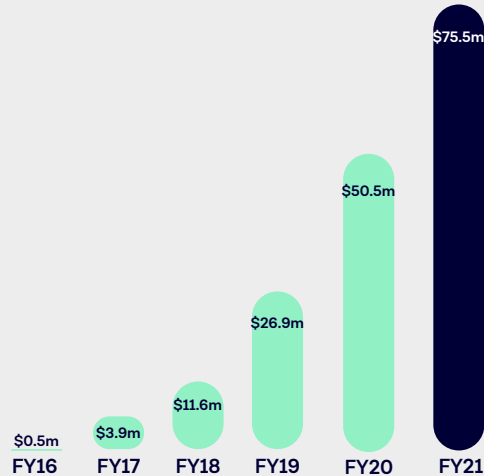
Tyro Term Deposit Account

- \$3.0 million in term deposits on the balance sheet at 30 June 2021 (FY20: \$0.8 million)
- Product launched to active banking customers in July 2020
- 60 active accounts
- Average interest rate 1.01%

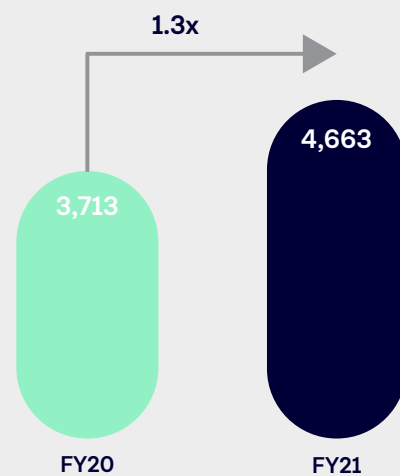
Delivering on banking innovation

- Implemented Mambu's cloud-native banking platform in FY21 
- Tyro becomes one of the first non-major banks to become an active data holder under the Consumer Data Right 
- Awarded the Most Innovative Digital Solution Award recognising Tyro's Business Term Deposit - Australian Banking Innovation Awards 
- Recurring payments to launch in FY22 *Coming soon*

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



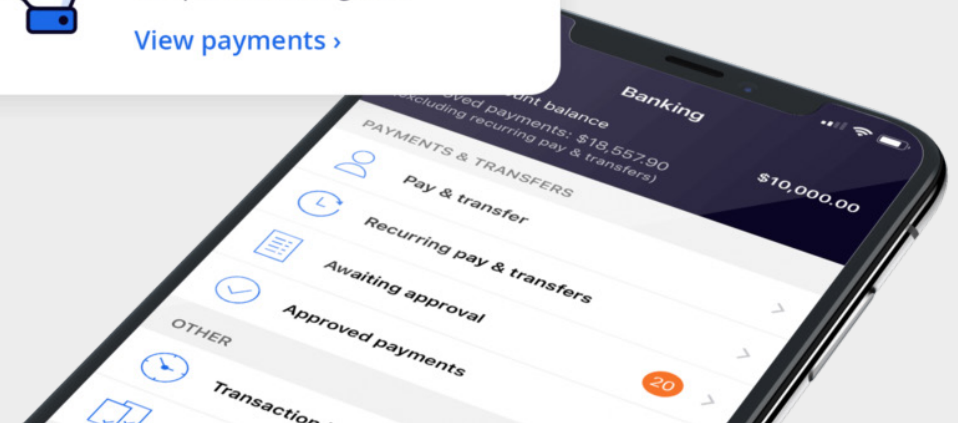
Number of active bank accounts at 30 June 2021



Awaiting Approval

Approve payment of \$1,600 to Apollo Catering Ltd?

[View payments >](#)



OVERVIEW OF FY21 FINANCIAL PERFORMANCE



Financial Performance - P&L

	STATUTORY	NORMALISED ¹	STATUTORY	CHANGE FY21 NORMALISED TO FY20 STATUTORY %
	FY21 (\$'000)	FY21 (\$'000)	FY20 (\$'000)	
Transaction value	25,453,507	25,453,507	20,131,045	▲ 26.4%
Payments revenue and income	229,221	230,204	202,826	▲ 13.5%
Banking income	3,222	3,222	1,818	▲ 77.2%
Other revenue and income	6,079	6,079	6,031	▲ 0.8%
Total revenue	238,522	239,505	210,675	▲ 13.7%
Payments direct expenses	(118,694)	(119,392)	(116,684)	▲ 2.3%
Interest expenses on deposits	(379)	(379)	(516)	▼ 26.6%
Total direct expenses	(119,073)	(119,771)	(117,200)	▲ 2.2%
Gross profit	119,449	119,734	93,475	▲ 28.1%
Operating expenses:				
Employee benefits expense (excl. share-based payments)	(76,174)	(75,365)	(67,662)	▲ 11.4%
Administrative expenses	(22,903)	(16,077)	(16,598)	▼ 3.1%
Contractor and consulting expenses	(7,192)	(7,192)	(5,913)	▲ 21.6%
Marketing expenses	(5,419)	(5,419)	(5,716)	▼ 5.2%
Lending and non-lending losses	(10,863)	(1,515)	(1,958)	▼ 22.6%
Total operating expenses	(122,551)	(105,568)	(97,847)	▲ 7.9%
EBITDA¹	(3,102)	14,166	(4,372)	▲ 424.0%
Share based payments expense	(9,342)	(8,779)	(10,896)	▼ 19.4%
IPO costs	(331)	-	(9,730)	-
Share of loss from associates	(1,119)	(1,119)	-	▲ -
Net interest expense	(517)	(517)	(535)	▼ 3.4%
Depreciation and Amortisation	(15,364)	(15,364)	(12,524)	▲ 22.7%
Bendigo Bank partner share	-	698	-	▲ -
Loss before tax	(29,775)	(10,915)	(38,057)	▲ 71.3%

¹ Refer to page 29 for a reconciliation of normalised results to statutory results. Tyro uses EBITDA as a non-IFRS measure of business performance, which excludes the non-cash impact of share-based payments expense, share of loss from associates, expenses associated with the terminal connectivity issue and the IPO and other significant one-off costs.

Revenue and income

- \$4.5 million - JobKeeper ensured no team retrenchments + assisted support to merchants (FY20: \$3.9 million)

Operating leverage continuing to build

- Total operating expenses ↑7.9% vs gross profit ↑28.1%
- Employee benefits expense ↑11.4% reflecting:
 - › net increase in headcount and full-year impact of prior year increases (FY21: 533 vs FY20: 476)
 - › 4.4% annualised average salary increase from January 2021
- Administrative expenses ↓3.1% reflecting:
 - › reduced travel, training and office expenses
 - › offset by increased licencing costs, recruitment costs and growth related expenses
- Contractor and consulting expenses ↑21.6% reflect fluid use of contractors to maintain delivery capacity
- Marketing expenses ↓5.2%:
 - › targeted marketing activity providing increased brand awareness
 - › growth in merchant acquisition of 11.1%
- Lending and non-lending losses ↓22.6% to \$1.5 million reflecting:
 - › \$0.7 million in lending losses (FY20: \$1.1 million) - 2.1% loss to loan origination ratio
 - › \$0.8 million in non-lending losses (FY20: \$0.9 million)

EBITDA

- Operating leverage significantly increased in FY21 despite COVID-19 and terminal incident
- Improvement in EBITDA:
 - › positive FY21 - \$14.2 million at an EBITDA margin to gross profit of 11.8%
 - › loss FY20 - \$4.4 million
- Positive operating expense to gross profit margin outcome - 88.2% (FY20: 104.7%)
- Driven predominantly by growth in transaction value of \$5.4 billion

Share-based payments expense

- ↓19.4% includes \$0.6 million in one-time grant of LEPRs partially expensed in FY21 (FY20: \$2.4 million)

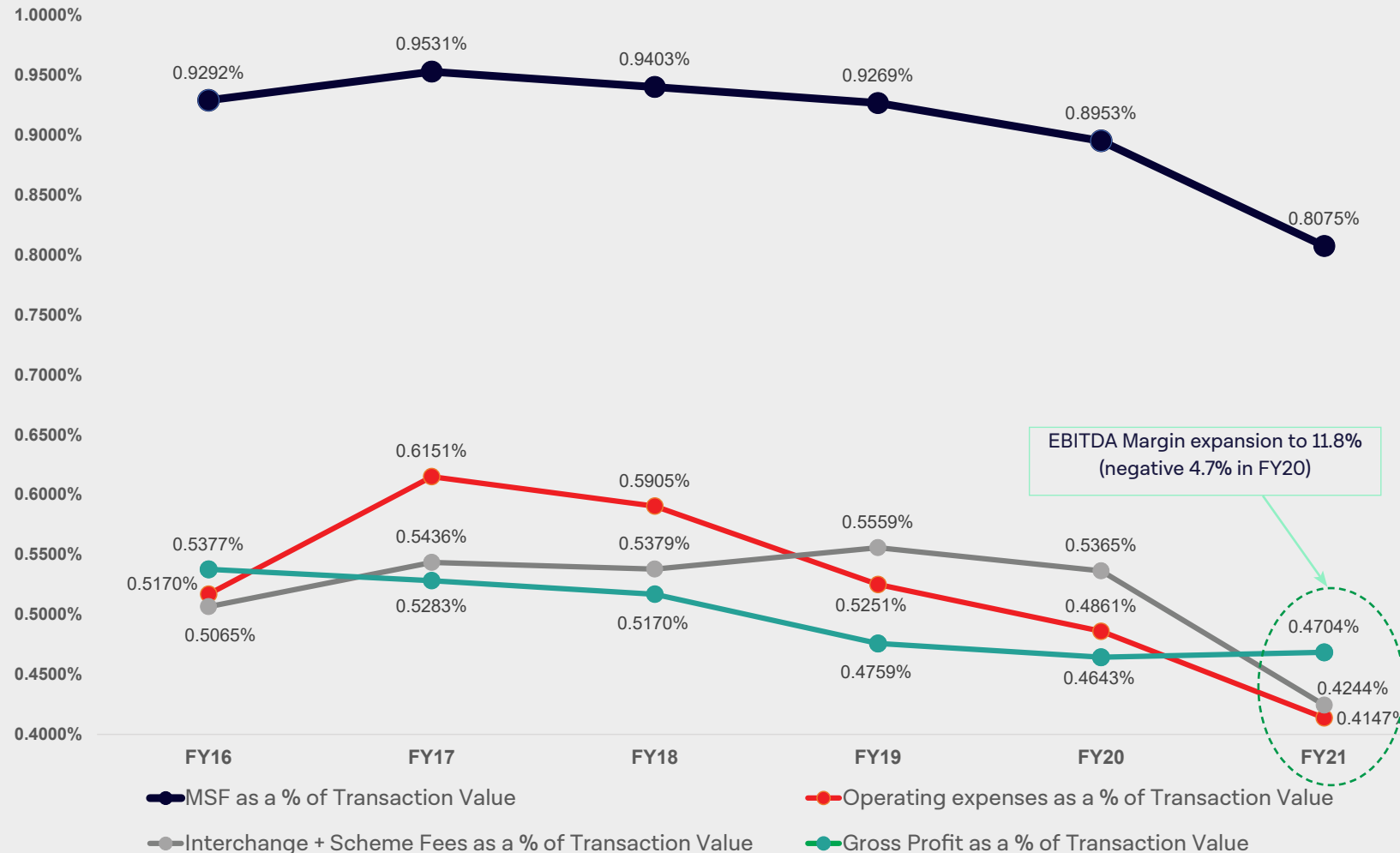
Net loss before tax

- Normalised net loss before tax \$10.9 million (FY20: \$25.9 million) - Refer to Attachment 1 on page 29
- Statutory net loss before tax \$29.8 million (FY20: \$38.1 million)

Operating Metrics



Operating Metrics as a % of Transaction Value



Merchant Service Fee (MSF) reflects:

- Full year impact of lower MSF, higher margin debit cards
- Full-year run rate of reduced usage of higher MSF (but higher cost) international credit card usage - lockdown of international borders
- Excludes terminal rental & other payments revenue

Interchange Fees + Scheme Fees

- Decrease due to:
 - › decreased direct costs of debit cards due to competition
 - › full year run rate of lower cost debit cards being 61% of total transaction value (FY20: 58%)
 - › lower usage of international credit cards

Operating leverage highlighted as gross profit grows

- Scalability demonstrated despite COVID-19 and terminal incident
- Operating leverage is highlighted as revenue grows

Financial Position



	30 JUNE 2021	30 JUNE 2020
	\$'000	\$'000
ASSETS		
Cash ¹	103,712	122,190
Loans to merchants	15,387	11,921
Other current assets	20,560	18,278
Financial investments	69,068	69,761
Property, plant and equipment	26,027	17,266
Intangible assets and goodwill	140,867	5,367
Other non-current assets	20,508	19,056
TOTAL ASSETS	396,129	263,839
LIABILITIES		
Customer deposits	75,481	50,542
Other current liabilities	35,614	19,351
Commissions payable to Bendigo Bank	102,273	-
Non-current liabilities	2,097	4,227
TOTAL LIABILITIES	215,465	74,120
NET ASSETS	180,664	189,719
Contributed equity	274,436	265,763
Accumulated losses and reserves	(93,772)	(76,044)
TOTAL EQUITY	180,664	189,719

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

Strong balance sheet underwrites continued growth

Cash + Financial Investments

- Decrease in cash due to
 - › Capex on terminals of \$18.3 million
 - › \$13.5 million cash consideration for 100% acquisition of Medipass - represents 60% of total consideration of \$22.5 million
 - › \$9 million upfront consideration for Bendigo Bank Alliance
 - › \$1.9 million cash consideration for the acquisition of 20% in Paypa Plane
- Positive cash generated from operations \$0.3 million (before terminal purchases and Banking)

Capital Expenditure - PP&E

- FY21 full-year capex on terminals of \$18.3 million (FY20: \$6.9 million)
- \$10.6 million total depreciation (FY20: \$9.5 million) - increase due to investment in terminals
- FY22 forecast capex of ~\$34 million

Intangible Asset Recognised on Bendigo Bank Alliance

- Recognised \$111.8 million intangible asset relating to Bendigo Bank customer contracts for the 10-year Bendigo Bank Alliance - corresponding \$102.3 million liability recognised for future commission payments to Bendigo Bank
- Provisionally recognised \$13.7 million goodwill, \$5.5 million software and \$2.9 million in customer relationships on acquisition of Medipass - Purchase price allocation to be finalised in FY22
- \$1.8 million total amortisation (FY20: \$0.2 million).

Other current liabilities

- \$9.0 million provision for future remediation of merchants for terminal incident
- \$5.5 million timing difference for the settlement of scheme fees, commissions and other accruals

TRADING UPDATE



Trading Update¹



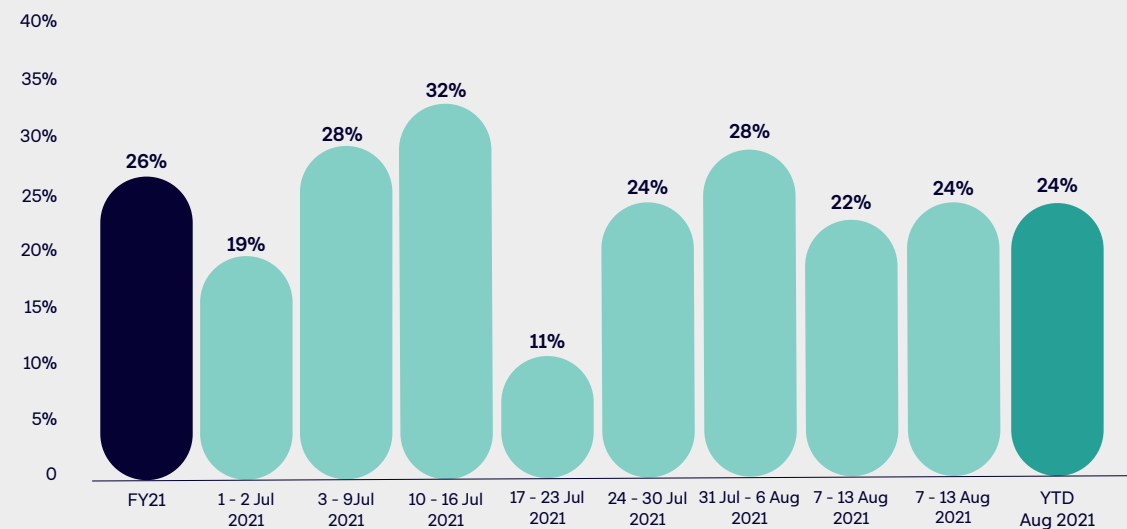
PAYMENTS BUSINESS:

- Transaction value to 20 August \$3.64 billion, up 24% on pcp
 - › Victoria ↑48%
 - › NSW ↓30%
 - › Queensland ↑12%
 - › WA ↑14%
 - › SA ↑6%
 - › Other (includes Bendigo Bank Alliance) ↑437%
- Record eCommerce transaction value achieved for July 2021 - \$35.1 million
- Tyro | Bendigo Bank Alliance transaction value for July 2021 - \$420.2 million
- Payments gross profit for July 2021 up 34% to \$10.2 million (pcp: \$7.6 million)

BANKING BUSINESS:

- Loan originations to 20 August \$8.8 million, ↑1,656% (\$0.5 million in pcp)
- Deposit balances of \$84.2 million at 31 July 2021, ↑34% (\$62.8 million in pcp)

Weekly Transaction Value Growth - FY22



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

Looking Ahead

- Continued benefit from Bendigo Bank Alliance on transaction values
- Challenges of COVID-19 continue in the immediate term
- Expectation of rapid rebound from Covid-19 volatility - vaccinations are key
- Continued focus on assisting our merchants in their recovery journeys
- Significant TAM exists - focus on increasing share of TAM beyond current 3.8%
- Appetite to continue investing to capture segment share growth opportunities - step-up in operational and capex investment in key projects areas:
 - Tyro Go dongle
 - eCommerce platform
 - Next generation terminal
- Deploy IP in Alliance model to other market opportunities
- Continuing appetite for 'bolt on' acquisitions - gain scale, leverage platform or capability add

"...our experience has been that businesses rebound rapidly as normality returns and we remain optimistic as vaccination rates increase..."

"It is an exhilarating time to be a Tyro, we have achieved a lot in the last year, but it is the opportunity in front of us that remains large and exciting..."

"We have a mix of features and products in train that will continue to build out our payments centric ecosystem..."

"With the digital claiming capabilities...available via Medipass, we have an opportunity in combination with our existing health solution, to create the leading unified claiming and payments platform for Australian healthcare practitioners..."

"We have created IP in our model for Bendigo Bank...with potential applicability to other market opportunities. We continue to have appetite for 'bolt on' acquisitions...to gain scale, leverage our platform or capabilities, enhance our market position or supplement our ecosystem."

Extracted from Tyro Payments Limited FY21 Media Release 26 August 2021. Quotes from CEO | Managing Director



SUPPLEMENTARY MATERIALS

Attachment 1 – Reconciliation of Statutory P&L to Normalised P&L



	ADJUSTMENTS					FY21 NORMALISED (\$'000)
	FY21 STATUTORY (\$'000)	TERMINAL CONNECTIVITY ISSUE (\$'000)	BENDIGO BANK PARTNER REVENUE SHARE (\$'000)	SIGNIFICANT ONE-OFF COSTS (\$'000)	IPO RELATED SHARE BASED PAYMENTS EXPENSE (\$'000)	
Transaction value	25,453,507	-	-	-	-	25,453,507
Payments revenue and income	229,221	983 ¹	-	-	-	230,204
Banking income	3,222	-	-	-	-	3,222
Other revenue and income	6,079	-	-	-	-	6,079
Total revenue	238,522	983	-	-	-	239,505
Payments direct expenses	(118,694)	-	(698)	-	-	(119,392)
Interest expenses on deposits	(379)	-	-	-	-	(379)
Total direct expenses	(119,073)	-	(698)	-	-	(119,771)
Gross profit	119,449	983	(698)	-	-	119,734
Operating expenses:						
Employee benefits expense (excl. share-based payments)	(76,174)	217 ²	-	592 ⁴	-	(75,365)
Administrative expenses	(22,903)	2,737 ²	-	4,089 ⁴	-	(16,077)
Contractor and consulting expenses	(7,192)	-	-	-	-	(7,192)
Marketing expenses	(5,419)	-	-	-	-	(5,419)
Lending and non-lending losses	(10,863)	9,348 ³	-	-	-	(1,515)
Total operating expenses	(122,551)	12,302	-	4,681	-	(105,568)
EBITDA	(3,102)	13,285	(698)	4,681	-	14,166
Share-based payments	(9,342)	-	-	-	563	(8,779)
IPO costs	(331)	-	-	331	-	-
Share of loss from associates	(1,119)	-	-	-	-	(1,119)
Depreciation and Amortisation	(15,364)	-	-	-	-	(15,364)
Bendigo Bank partner share	-	-	698	-	-	698
EBIT	(29,258)	13,285	-	5,012	563	(10,398)
Net interest expense	(517)	-	-	-	-	(517)
Net loss before tax	(29,775)	13,285	-	5,012	563	(10,915)

Summary of adjustments

1. MSF discount and terminal rental waiver provided to merchants impacted by the terminal connectivity issue
2. Additional employee costs and logistics costs incurred dealing with terminal incident in January 2021
3. Remediation
4. Legal and consulting costs incurred for the Bendigo Bank Alliance and the Medipass acquisition
5. IPO expense run-off

Attachment 2 - Cash Flow Analysis



	FY21 \$'000	FY20 \$'000
Net payments income	110,120	86,513
Net interest income	2,603	5,548
Other income	6,069	4,264
Employee expenses paid	(75,125)	(70,263)
Terminals purchased	(16,360)	(7,176)
Other operating expenses and IPO costs paid	(30,635)	(43,477)
Movement in net schemes and other receivables	(7,650)	8,867
Operating cash flows (excluding banking)	(10,978)	(15,724)
Net movement in customer loans	(2,918)	294
Net increase in deposits	24,939	23,624
Cash flows from operating activities	11,043	8,194
Net investment in term deposits, financial and equity investments	(395)	(42,775)
Net capital expenditure (excluding terminals)	(1,205)	(1,663)
Payments for recognised intangible assets	(28,076)	(3,082)
Other investing activities	376	405
Cash flows from investing activities	(29,300)	(47,115)
Payments for lease liabilities	(5,069)	(4,815)
Proceeds from exercise of share options	4,059	3,913
Proceeds from issue of shares (net of transaction costs)	-	119,994
Cash flows from financing activities	(1,010)	119,092
Net movement in cash and cash equivalents	(19,267)	80,171
Effect of foreign exchange rates on cash and cash equivalents	27	(310)
Cash and cash equivalents at beginning of year	103,761	23,900
Cash and cash equivalents at end of year	84,521	103,761

Positive cash generation from operations

Operating Cash Flows:

- \$5.0 million positive cash generation from the business before terminal purchases + contribution from Banking deposits and loans
- Payments for terminals of \$16.4 million
- Net increase in Banking products of \$22.0 million reflecting growth in deposits + net repayment of loans

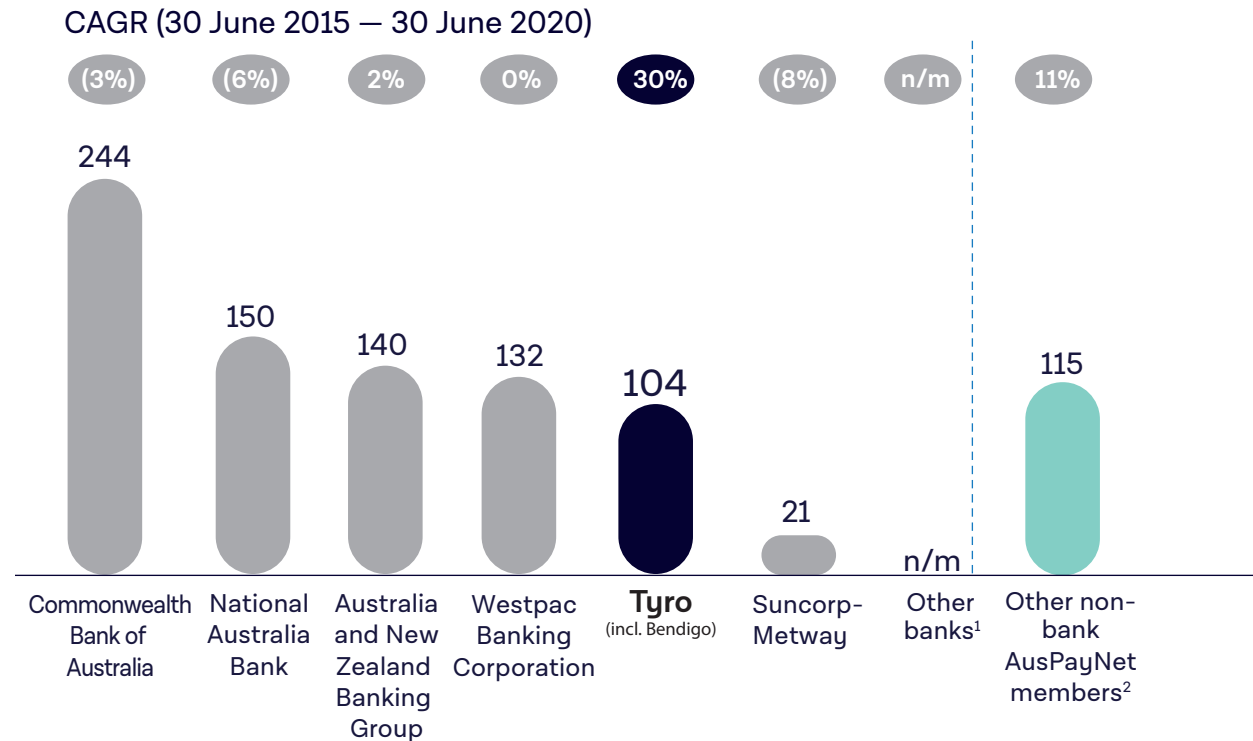
Investing + Financing Cash Flows:

- Cash from merchant deposits to be used to fund merchant cash advance
- Payments for intangible assets reflects the investment in the Bendigo Bank Alliance + Medipass + investment in technology + building customer relationships
- Payment for investment in Paypa Plane of \$1.9 million

Attachment 3 - Capturing Card-Present Terminal Market Share



Number of terminals by banks and other providers in Australia ('000) - as at 30 June 2020
(updated for Tyro terminals at 30 June 2021)



- 104,827 terminals at 30 June 2021 - up 67% from FY20
- Tyro has 73,151 terminals at 30 June 2021
- Tyro | Bendigo Bank Alliance has 31,676 terminals at 30 June 2021

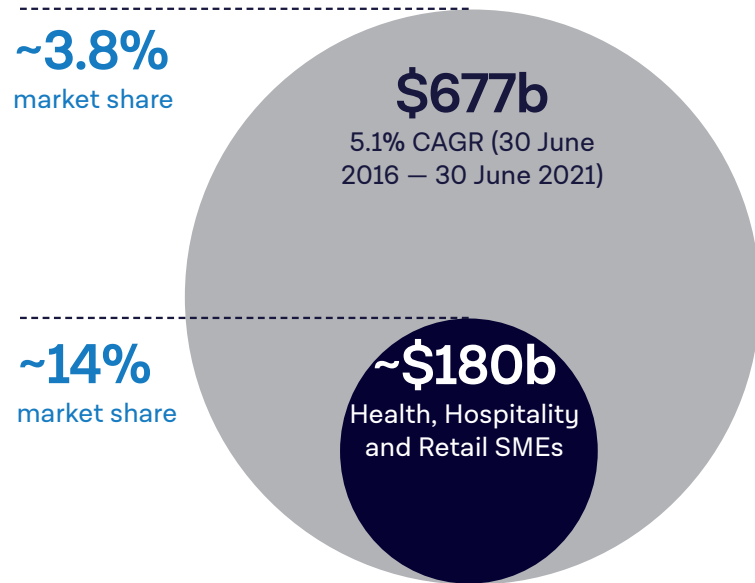
Source: APRA, Authorised deposit-taking institutions points of presence statistics, 30 June 2020; AusPayNet, Device Statistics EFTPOS Statistics, 30 June 2020.

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 191 terminals (being the Regional Australia Bank) at 30 June 2020; 2) Calculated by taking the total number of terminals reported in market by AusPayNet (Device Statistics - EFTPOS Statistics, 30 June 2020) and subtracting the sum of terminals provided by all domestic banks as reported by APRA in the above source.

Attachment 4 - Capturing Market Share in Growing Total Addressable Market



Annual transaction value of card payments acquired in Australia¹ (\$ billion) - as at 30 June 2021



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.

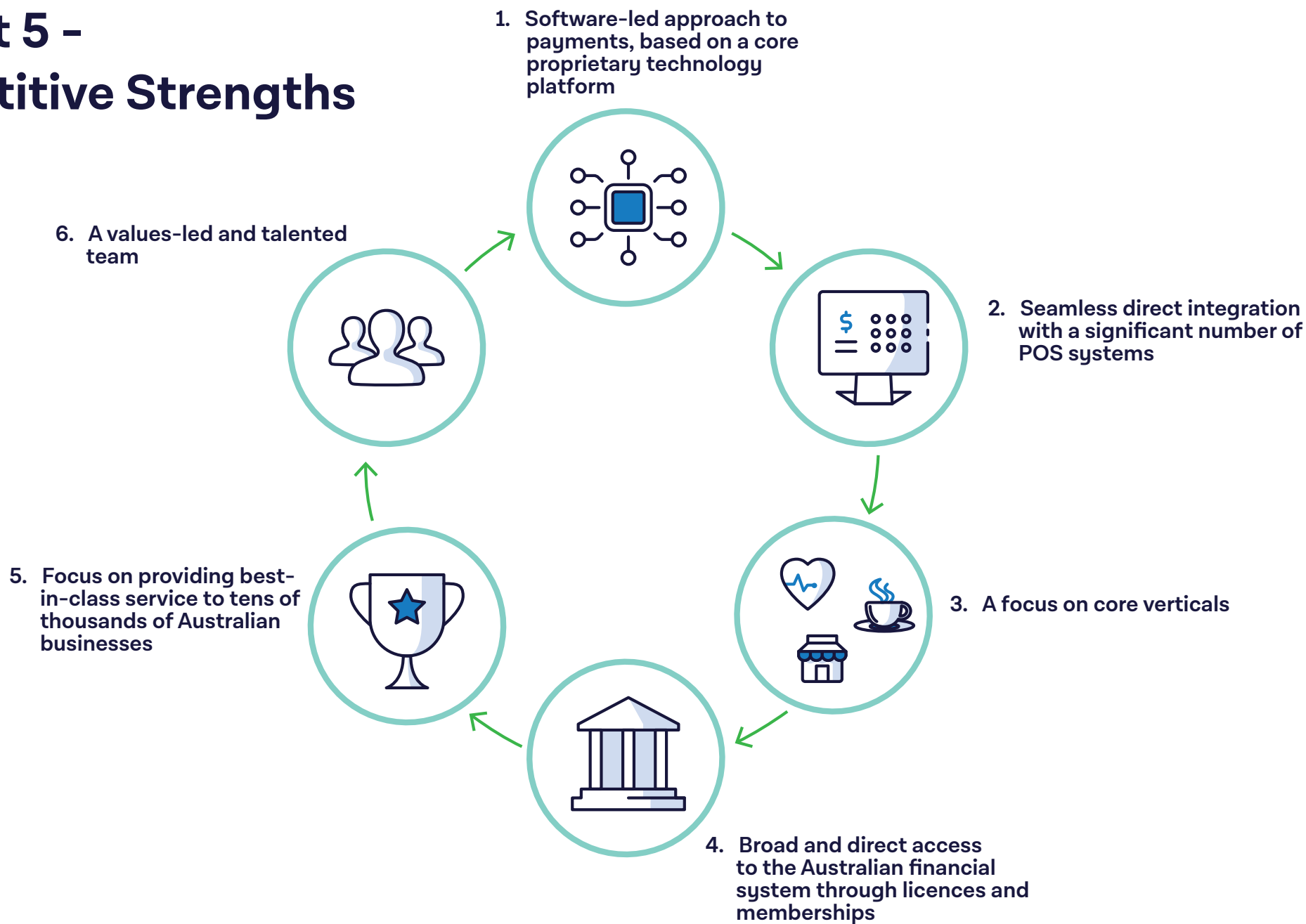
¹ Includes the total value of transactions acquired in Australia for credit and charge cards, and debit cards and the total value of transactions for prepaid cards. While our payments product can be used by businesses across different verticals and size of merchants, we provide our assessment of annual 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 2020 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 2015 to 30 June 2020) to determine a figure as at 30 June 2021. 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 FY21 transaction value.

Tyro's estimated market share of total card payments acquired in Australia - as at 30 June 2021

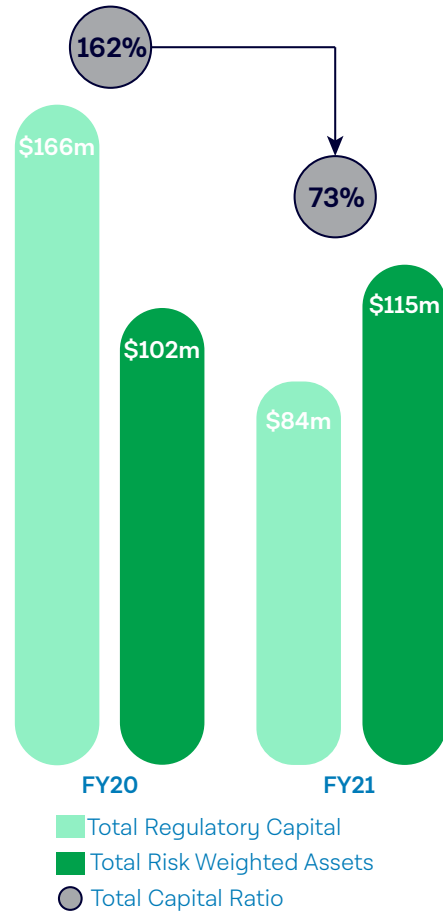


Source: Internal management estimates based on available RBA statistical data available at time of results

Attachment 5 - Our Competitive Strengths



Attachment 6 - Liquidity & Capital Adequacy



Total Capital Ratio decreased to 73% as a result of:

- ~\$40 million Bendigo Bank Commission Guarantee under the Bendigo Bank Alliance and \$9 million upfront consideration paid
- ~\$22.5 million Medipass intangible recognised on acquisition offset by \$7.3 million in shares issued in consideration
- \$9.0 million provision for future merchant remediations
- Total Capital Ratio remains multiples above APRA's Prudential Capital Requirement

Total risk weighted assets increased by \$13 million

- Net investment in terminals
- Offset by:
 - › Unwinding of lease for head office space
 - › Reduction in cash

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The material in this presentation is general background information about Tyro Payments Limited (Tyro) and is current at the date of the presentation, 26 August 2021. The information in the presentation is given for informational purposes only, is in summary form and does not purport to be complete. It is intended to be read by a professional analyst audience in conjunction with Tyro's other announcements to ASX, including the FY21 Media Release, Appendix 4E and Annual Report. It is not intended to be relied upon as advice to current shareholders, investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular shareholder or investor. No representation is made as to the accuracy, completeness or reliability of the presentation. Tyro is not obliged to, and does not represent that it will, update the presentation for future developments.

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