

FY22 INVESTOR PRESENTATION

29 AUGUST 2022

Presented by:

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tyro

Tyro Payments Limited

ABN 49 103 575 042

Disclaimer

The material in this presentation is general background information about Tyro Payments Limited (Tyro) and is current at the date of the presentation, 29 August 2022. 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 FY22 Media Release, Appendix 4E and Annual Report including the Directors' Report and Financial 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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Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Forward-Looking Statements

Tyro's financial expectations and guidance included in this announcement are subject to there being no material deterioration in market or macroeconomic conditions, and are based on a number of key assumptions which may not prove to be correct, or which may change over time, including no lockdowns, no material changes to current business plan and no material change in the regulatory environment.

During the ordinary course of business, the Group is exposed to credit risk, operational risk, market risk and liquidity risk. For details on the management of these risks, please refer to the Annual Report including the Financial Report for the year ended 30 June 2022.

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Key Call Outs - FY22

Transaction Value

\$34.2B

↑↑ 34% GROWTH YEAR-ON-YEAR

Merchants

63,770

↑↑ 10% GROWTH YEAR-ON-YEAR

Gross Profit

\$148.5M

↑↑ 24% GROWTH YEAR-ON-YEAR

EBITDA

\$10.7M

H1 FY22: \$2.8M
↑↑ H2 FY22: \$7.9M

STRONG BALANCE SHEET

TARGETING POSITIVE FREE CASH FLOW EXITING FY23

Q4 FY22 OPERATING LEVERAGE

88.6%

TARGETING OPERATING LEVERAGE OF ~85% FOR FY23

Bendigo Transaction Value

\$5.2B

↑↑ 4% UP ON ANNOUNCEMENT OF OCTOBER 2020

Churn

9.2% transaction value churn

8.7% TRANSACTION VALUE CHURN IN FY21

Loan Originations

\$99.1M

↑↑ 283% GROWTH YEAR-ON-YEAR

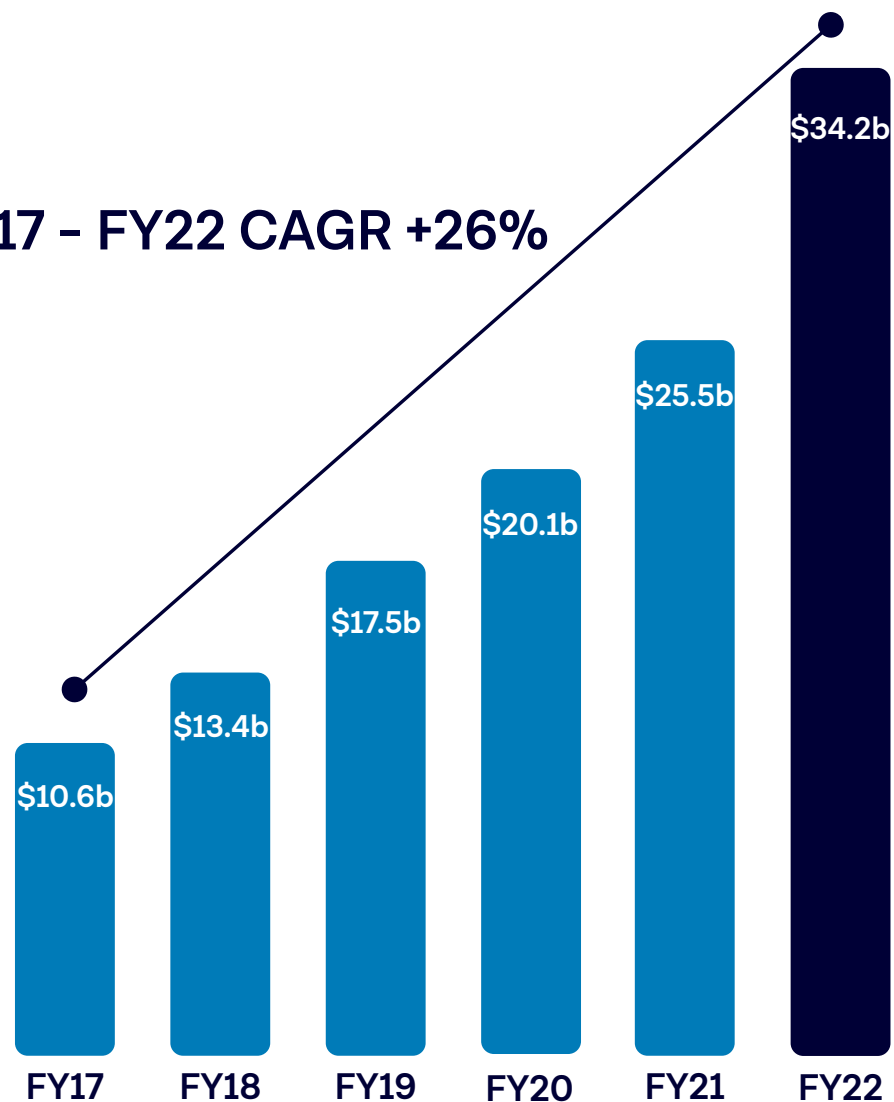
Exclusive Telstra Partnership

+4,500 new leads

EXCLUSIVE PARTNER TO TELSTRA OFFERING MERCHANT ACQUIRING

Transaction Value Performance

FY17 - FY22 CAGR +26%



QUARTERLY TRANSACTION VALUE PERFORMANCE - FY22

FY 22 Transaction Value	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22
Tyro Core Payments	\$5.35b	\$7.97b	\$7.32b	\$8.34b	\$28.98b
Growth on pcp	0%	18%	18%	25%	16%
Bendigo Alliance	\$1.18b	\$1.33b	\$1.34b	\$1.38b	\$5.22b
Growth on pcp	n/a ¹	n/a ¹	n/a ¹	213% ¹	1,087%
Tyro Group	\$6.53b	\$9.30b	\$8.65b	\$9.72b	\$34.20b
Growth on pcp	22%	37%	39%	37%	34%

Tyro Core Payments Business transaction value up 16%

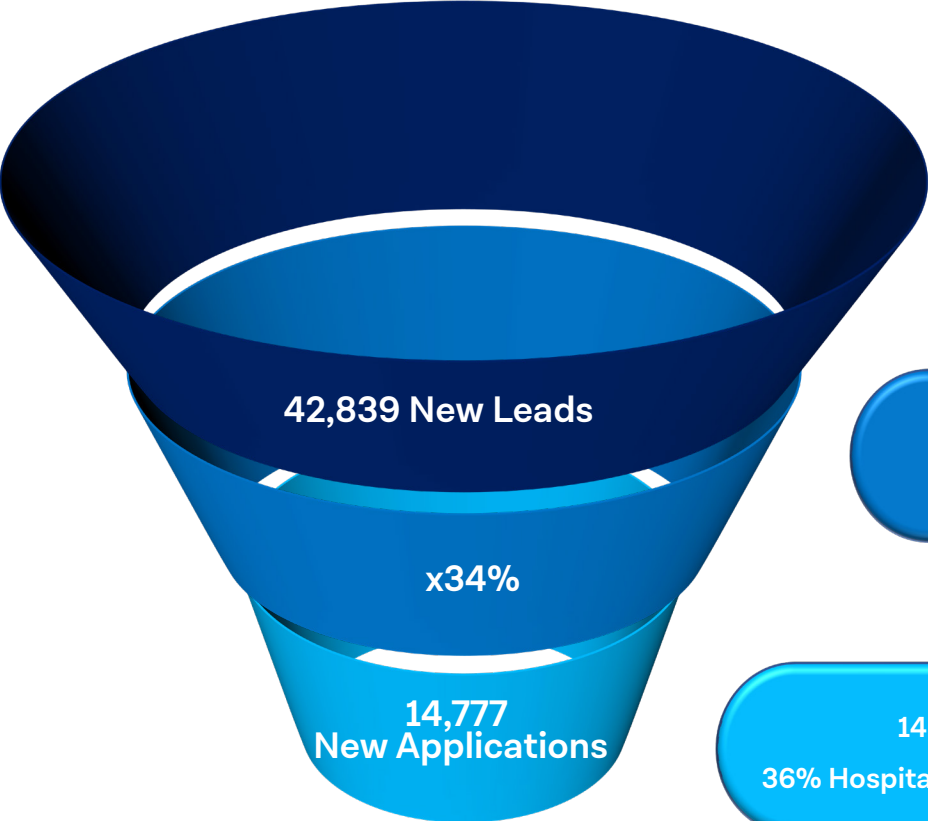
- 0% lift in transaction value in Q1 FY22 from enforced lockdowns in NSW, Victoria and ACT.
- ~\$1.9 billion in lost transaction value in Q1 alone from the lockdowns in NSW.
- Q4 FY22 has returned to historic long-term growth run-rate of 25%.
- 12-month run-rate based on Q4 FY22 - \$33.4 billion

Bendigo Alliance performing ahead of estimates - \$5.2 billion vs \$5.0 billion

- Q1 FY22 also impacted by Victorian lockdowns
- 12-month run-rate based on Q4 FY22 - \$5.5 billion

¹ The Bendigo Bank Alliance completed on 1 June 2021 after which all transaction value from Bendigo merchants moved over to Tyro. Prior to this date no transaction value was generated from Bendigo merchants.

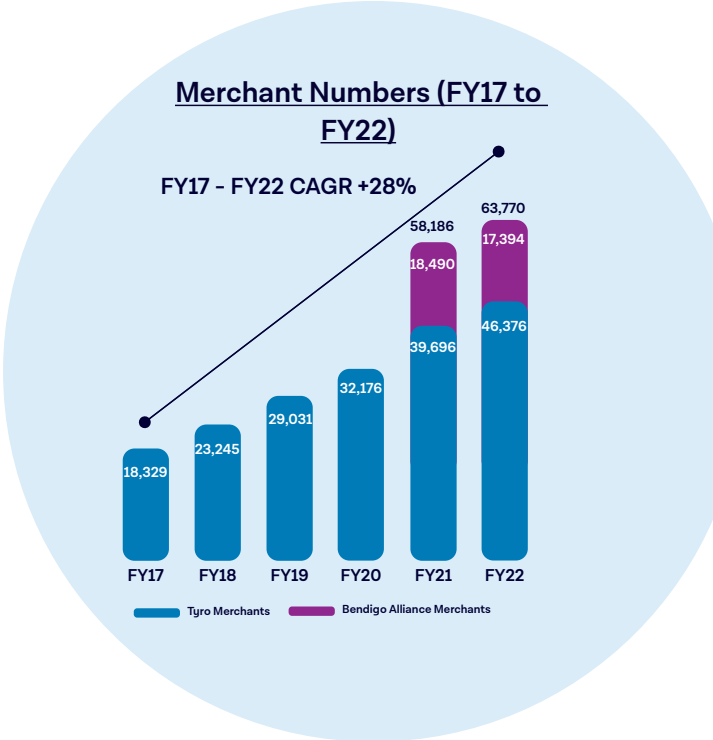
Merchant Acquisition



Lead Generation: 55% Digital & ATL
45% Partners & Referrals

34% Conversion Rate from Lead to Application

14,777 Applications
36% Hospitality | 23% Retail | 19% Health



63,770 Merchants - up 10% (FY21: 58,186)

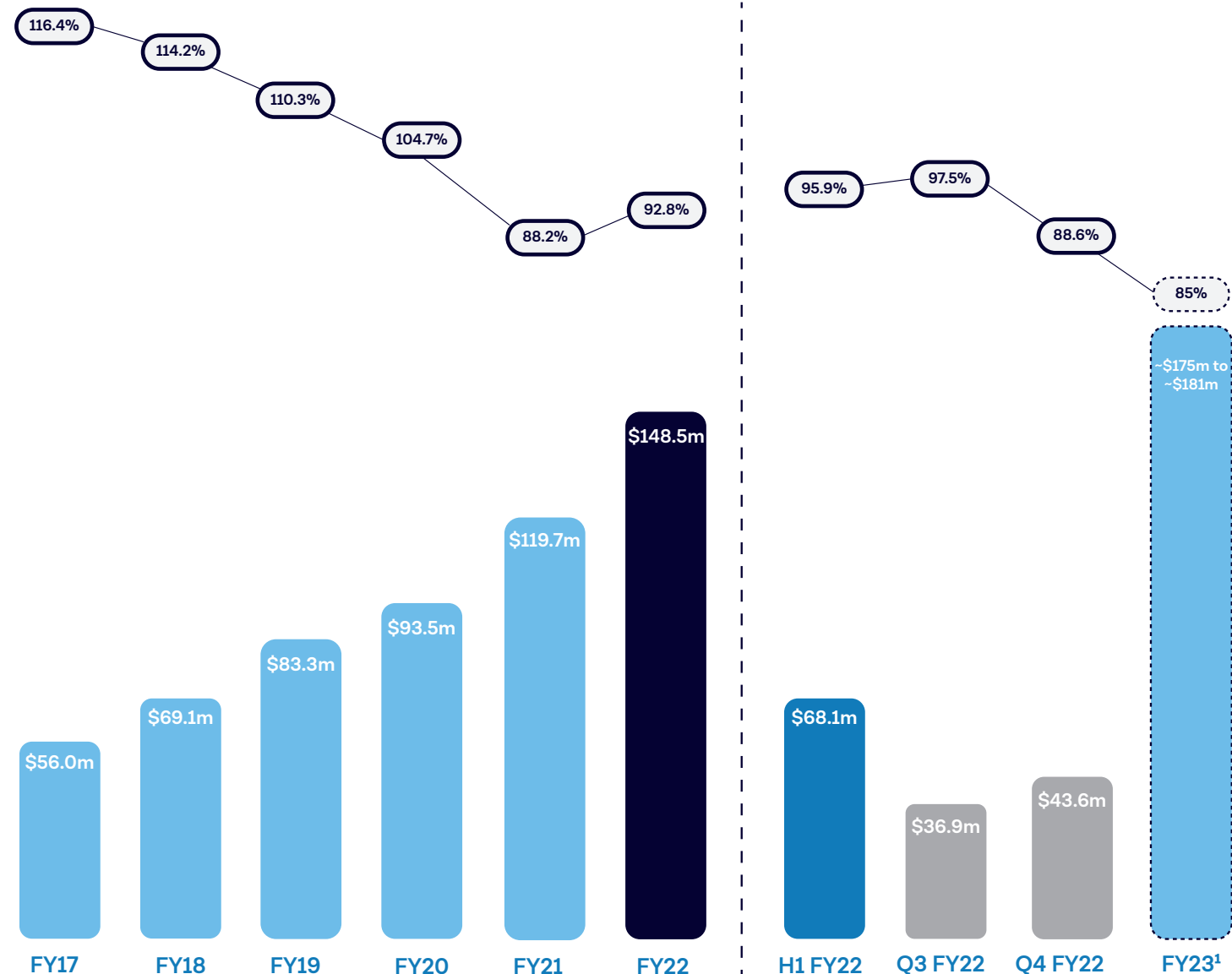
9.2% Transaction Value Churn (FY21: 8.7%)

10.5% Merchant Number Churn (FY21: 11.3%)

Average application run-rate of 1,231 per month (FY21: 984 per month)

Operating Leverage

- Improved operating leverage achieved in Q4 FY22 after impact of Covid lockdowns on H1 FY22
- Positive EBITDA result of \$10.7 million achieved (FY21: \$14.2 million) - reflecting:
 - Continuing investment in growth initiatives including the recently announced exclusive partnership with Telstra
 - Wage inflation
 - First full year costs of \$4.7 million associated with the Medipass operation
 - No JobKeeper (FY21: \$4.5 million)
 - ~\$5.0 million lost EBITDA from lockdowns in H1 FY22
- Q4 FY22 provides a clear line of sight of the potential of the business to scale and lift operating leverage



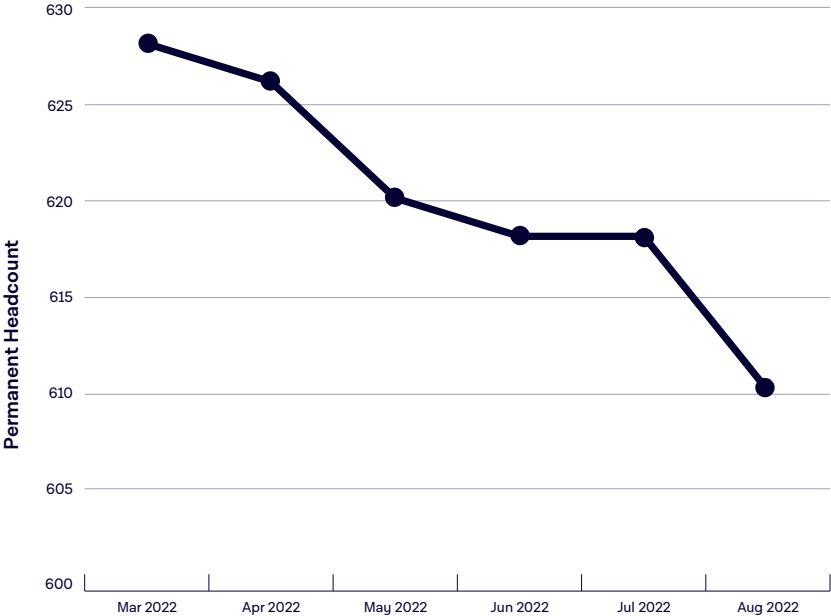
Operating Expenses to Gross Profit Margin

¹ Refer to page 17 for FY23 Guidance.

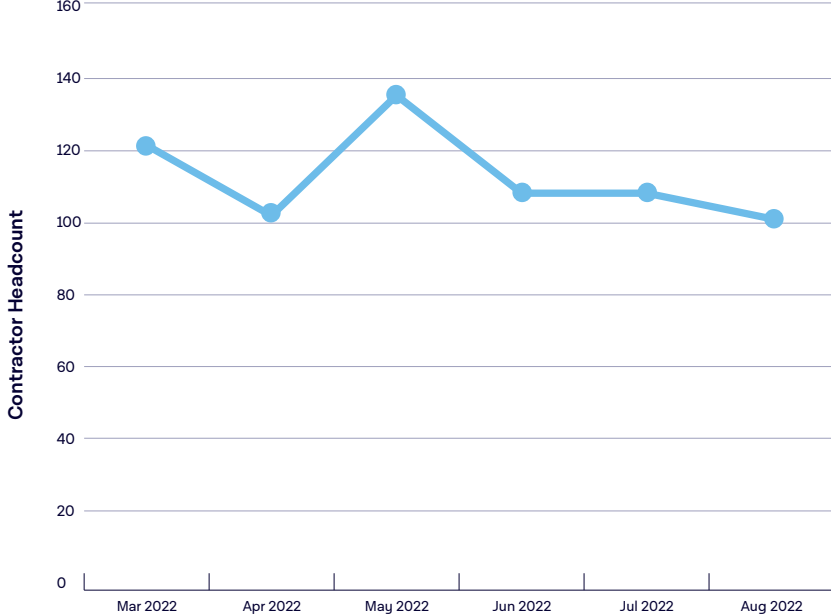
Increased Focus on Cost Management

- Focus on maintaining a headcount level in both permanent employees + contractors that will drive operating leverage
- Reduction in headcount achieved through efficiency initiatives and focussing headcount on margin generating roles
- Retain sufficient resourcing to continue driving growth + development of key strategic priorities
- Digitisation of merchant onboarding and servicing will drive headcount and customer servicing costs down

Permanent Headcount
March 2022 to August 2022



Contractor Headcount
March 2022 to August 2022



Strategic Partnerships and Acquisitions Driving Growth

1

Australia's first merchant acquiring alliance



- Tyro exclusively provides merchant acquiring services to current and referred Bendigo Bank customers for both:
 - ✓ card-present transactions
 - ✓ card not-present transactions
- Maximise opportunity to convert more current and future Bendigo Bank business customers to the merchant acquiring alliance

Results achieved for FY22:

- \$5.2 billion transaction value
- 1,869 merchant applications received in FY22
- 336 merchants using Tyro Go card reader

2

Investment in Health Business



- Medipass integrated into existing Tyro Health vertical - Tyro Health Business created
- Digital health payments platform combined with Tyro's card-present solution provides unified health claiming + payments offering

Results achieved for FY22:

- \$3.3 billion transaction value for health business
- 2,684 merchant applications received in FY22
- Integrated with 77 health third party software vendors + support over 13,000 active healthcare providers
- Team of 60 dedicated health specialists now focussing on the business

3

Strategic partnerships with large organisations



- Exclusive partner offering merchant acquiring solutions to Telstra's business customers
- Telstra customers will be referred to Tyro via their website, contact centre, and in-store - Tyro terminals displayed in more than 350 Telstra stores
- Partnership officially launched February 2022

Results achieved for FY22:

- Current run-rate of over 160 new applications per month
- Tyro included in 3 national Telstra above the line marketing campaigns

4

Investment in eCommerce + Alternative Payment Types to enhance offerings



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

Results achieved for FY22:

- \$519.9 million eCommerce transaction value generated - up 639.7% on FY21

Strategic Priorities

Roll-out Tyro Go card reader



Currently rolling-out

Strategic benefit:

- Facilitating entry into the trades and services verticals - fit for purpose mobile payment terminal device
- Providing a 'queue buster' for high volume retail and hospitality merchants
- Providing a more appropriate solution for small merchants.

Roll-out Tyro Pro new generation terminal



Coming in early 2023

Strategic benefit:

- Best-in-class digital experience
- Supporting Android apps under the Android 10 protocol.
- Unlock the full potential of digital commerce in-store for merchants.

Digitisation merchant onboarding + servicing



Strategic benefit:

- Improved onboarding and service experience
- Lower cost to service for small merchants
- Supports the sale of Tyro Go at Telstra Business Centres and other retail locations

Strategic Priorities (continued)

Leveraging Tyro Connect

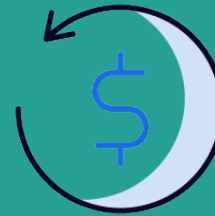


Strategic benefit:

Providing individual merchants with:

- A real time feed of all card transactions
- Ability to match sales data to transactions + cards across all locations
- Insight into new vs. repeat card usage
- Sales data feeds from POS/PMS
- Overview of app activity across locations
- Ability to match payment data to loyalty integrations
- Single view of customers across channels (in-store + online)

Margin Management



Strategic benefit:

- Refine pricing of merchant service fee by merchant size
- Focus on existing surcharging capability to enable merchants to recover their merchant acquiring costs through surcharging
- Margin uplift through charging for surcharging functionality

Unified Commerce



Strategic benefit:

- Enhance offerings leveraged to growth in shifting consumer preferences including eCommerce, alternative payments, ISVs/in-App
- Connecting online and offline payments to data, banking and business management

Financial Performance Analysis

- Transaction Value ↑ 34%
- Payments Gross Profit ↑ 34% statutory + ↑ 28% normalised¹
- Group Gross Profit ↑ 30% statutory + ↑ 24% normalised¹

	FY22 \$'000	FY21 \$'000		GROWTH %
Transaction value	34,197,453	25,453,507	▲	34.4%
Payments revenue and income	318,847	229,221	▲	39.1%
Lending income	5,504	3,222	▲	70.8%
Other revenue and income	1,792	6,079	▼	70.5%
Revenue	326,143	238,522	▲	36.7%
Less: Direct expenses	(171,464)	(119,073)	▲	44.0%
Gross profit (statutory)	154,679	119,449	▲	29.5%
Less: Bendigo gross profit share and transitional direct costs ¹	(6,176)	285	▲	>100.0%
Gross profit¹ (normalised)	148,503	119,734	▲	24.0%
Less: Operating expenses (excl. share-based payments)	(137,836)	(105,568)	▲	30.6%
EBITDA² (normalised)	10,667	14,166	▼	24.7%
Less: Share-based payments expense	(5,199)	(8,779)	▼	40.8%
Depreciation & amortisation	(20,505)	(14,666)	▲	39.8%
EBIT³ (normalised)	(15,037)	(9,279)	▼	62.1%
Less: Net interest expense	(1,024)	(517)	▲	98.1%
Loss before tax³ (normalised)	(16,061)	(9,796)	▼	64.0%
Statutory loss after tax	(29,617)	(29,823)	▲	0.7%

PAYMENTS BUSINESS	FY22 \$'000	FY21 \$'000		GROWTH %
Revenue	318,847	229,221	▲	39.1%
Less: Interchange, scheme, integration + support fees	(171,190)	(118,694)	▲	44.2%
Gross profit (statutory)	147,657	110,527	▲	33.6%
Add: Terminal rental waivers	-	983	▼	100.0%
Less: Bendigo gross profit share	(8,490)	(698)	▲	>100.0%
Add: Bendigo support fees	2,314	-	▲	-
Gross profit¹ (normalised)	141,481	110,812	▲	27.7%

BANKING BUSINESS	FY22 \$'000	FY21 \$'000		GROWTH %
Revenue	5,504	3,222	▲	70.8%
Gross profit	5,230	2,843	▲	84.0%

OTHER REVENUE AND INCOME	FY22 \$'000	FY21 \$'000		GROWTH %
Other income	1,039	644	▲	61.3%
Interest income	753	951	▼	20.8%
JobKeeper receipts	-	4,484	▼	100.0%
Other revenue and income	1,792	6,079	▼	70.5%

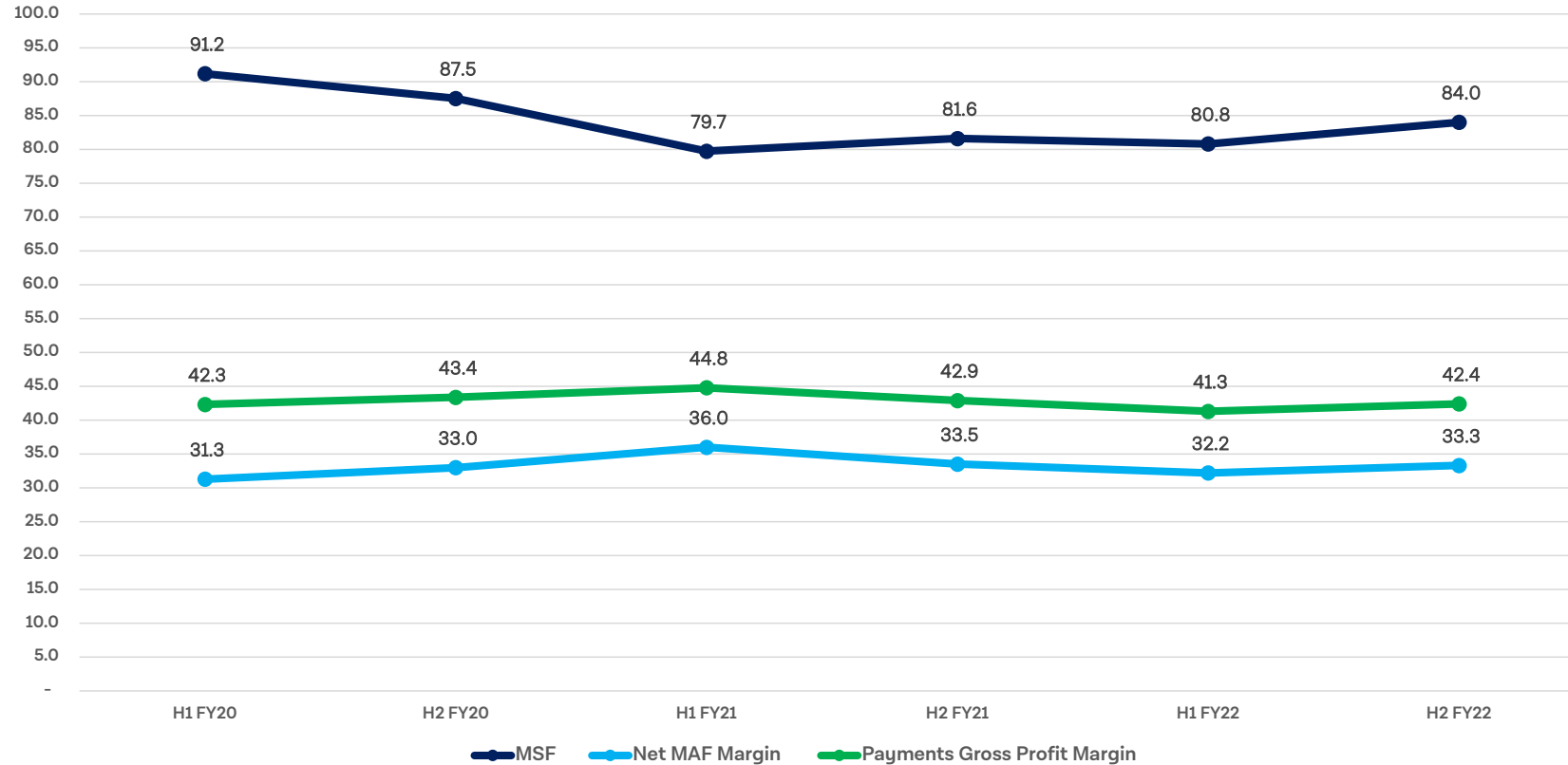
¹ Normalised gross profit is adjusted for Bendigo support fees of \$2.3 million associated with transition of Bendigo merchants to the Tyro platform and the Bendigo gross profit share of \$8.5 million not deducted from statutory gross profit but deducted to calculate normalised gross profit. Refer to page 14 for a reconciliation of statutory to normalised 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 losses from associates, expenses associated with the terminal connectivity issue and the IPO and other significant one-off costs. Refer to page 14 for a reconciliation of statutory to normalised results.

³ EBIT and normalised net loss before tax excludes expenses associated with the IPO including the share based payments expense relating to Liquidity Event Performance Rights that vested as a result of the IPO, the non-cash accounting impact of the Bendigo Alliance, expenses associated with the terminal connectivity issue and significant one-off expenses. Refer to page 14 for a reconciliation of statutory to normalised results.

Gross Profit Analysis

Tyro Core Payments Business¹ Margins as a proportion of Transaction Value (bps)



- H1 FY22 net MAF and gross profit margin impacted after not passing on scheme and interchange fee increases incurred in the half to assist merchants impacted by lockdowns
- Implemented a price increase in March 2022 to account for scheme and interchange fee increases from Q4 FY22
- Net MAF and gross profit margins higher in Q4 FY22 compared to pre-Covid

¹ Tyro Core Payments business consists of Tyro merchants inclusive of Medipass merchants from 31 May 2021

Operating Cost Base Analysis

	FY22 \$'000	FY21 \$'000		Growth %
Normalised operating expenses¹:				
Employee benefits expense (excl. share-based payments)	(92,628)	(75,365)	▲	22.9%
Contractor and consulting expenses	(13,826)	(7,192)	▲	92.2%
Communications, hosting and licensing costs	(14,321)	(9,896)	▲	44.7%
Administrative expenses	(10,414)	(6,181)	▲	68.5%
Marketing expenses	(5,532)	(5,419)	▲	2.1%
Lending and non-lending losses	(1,115)	(1,515)	▼	26.4%
Total normalised operating expenses	(137,836)	(105,568)	▲	30.6%

- Employee benefits expense ↑22.9% reflecting:
 - Medipass: 20 new team members joined on 31 May 2021 - full year inclusion of wage cost in FY22
 - Bendigo: 53 new team members joined on 1 June 2021 - full year inclusion of wage cost in FY22
 - full period impact of prior period remuneration reviews + remuneration increase in January 2022 averaging 4.3% across the team
- Contractor and consulting expenses ↑92.2%:
 - increased cost for contractors working on growth related projects + temporary resourcing to fill vacant permanent engineering talent
- Communications, hosting and licensing costs ↑44.7% reflecting:
 - increased licencing fees for new software + hosting fees on AWS
 - increased expenditure on cyber-security software
- Administrative expenses ↑68.5% reflecting:
 - increase in size of Group with full year including Medipass and Bendigo
 - increased terminal logistical costs for higher merchant base + terminal repairs
 - resumption of travel
 - increased recruitment costs
- Lending + non-lending losses ↓26.4% to \$1.1 million reflecting:
 - \$0.6 million in lending losses (FY21: \$0.7 million)
 - \$0.5 million in non-lending losses (FY21: \$0.8 million)

Normalised operating expenses¹ (excl. share-based payments) - FY21 vs. FY22



¹ Normalised operating expenses excludes expenses associated with the terminal connectivity issue and significant one-off expenses. Refer to page 14 for a reconciliation of statutory to normalised results.

Reconciliation of Statutory to Normalised Results

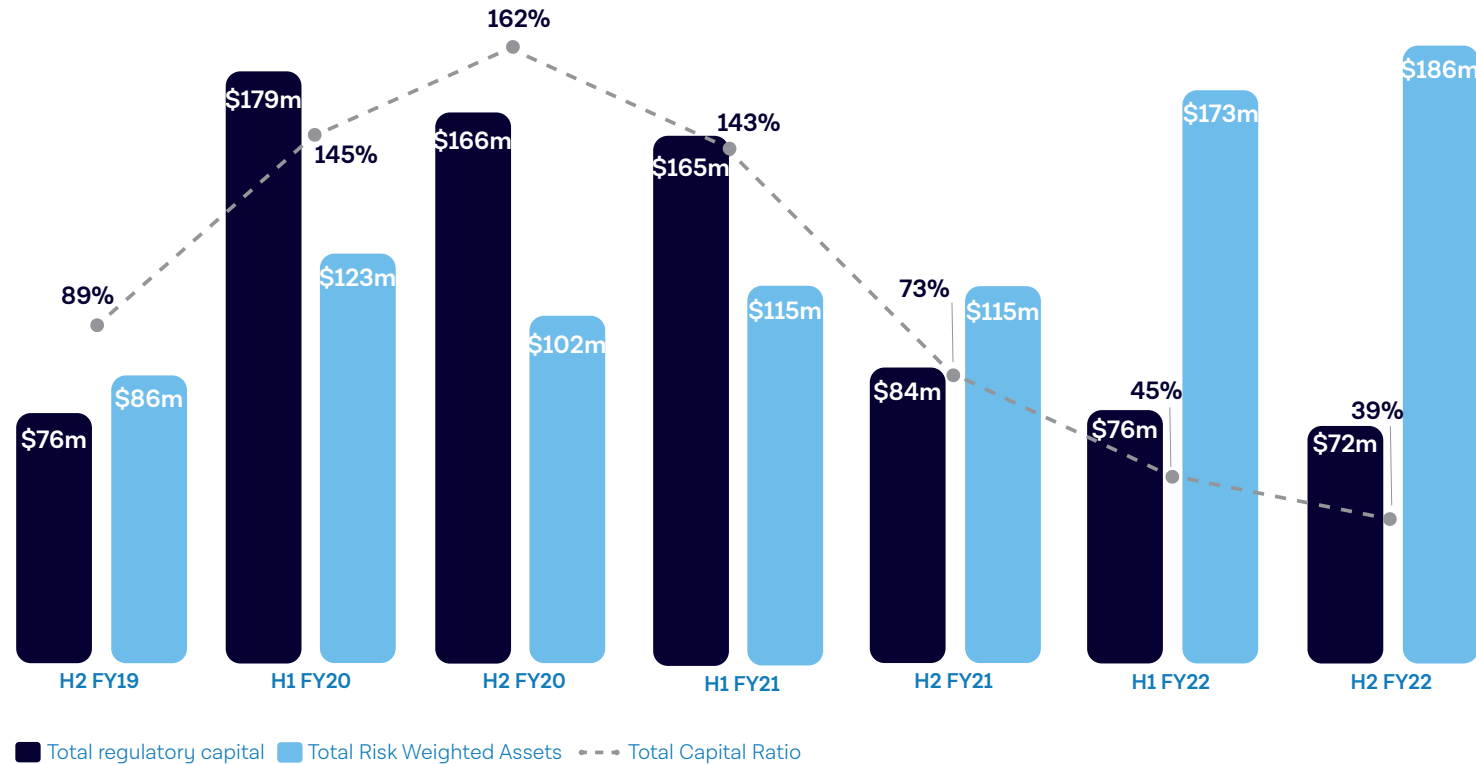
	FY22 STATUTORY \$'000	NORMALISATION ADJUSTMENTS				FY22 NORMALISED \$'000
		BENDIGO ALLIANCE GROSS PROFIT SHARE \$'000	BENDIGO ALLIANCE TRANSITIONAL COSTS \$'000	OTHER \$'000	INVESTMENT IN ASSOCIATES \$'000	
Total revenue	326,143	-	-	-	-	326,143
Payments direct expenses	(171,190)	(8,490) ¹	2,314 ²	-	-	(177,366)
Interest expenses on deposits	(274)	-	-	-	-	(274)
Total direct expenses	(171,464)	(8,490)	2,314	-	-	(177,640)
Gross profit	154,679	(8,490)	2,314	-	-	148,503
Operating expenses:						
Employee benefits expense (excl. share-based payments)	(92,628)	-	-	-	-	(92,628)
Contractor and consulting expenses	(13,726)	-	-	(100)	-	(13,826)
Communications, hosting and licensing costs	(14,321)	-	-	-	-	(14,321)
Administrative expenses	(12,978)	-	2,355 ³	209	-	(10,414)
Marketing expenses	(5,532)	-	-	-	-	(5,532)
Operating expenses before lending and non-lending losses	(139,185)	-	2,355	109	-	(136,721)
Lending and non-lending losses	(1,115)	-	-	-	-	(1,115)
Total operating expenses	(140,300)	-	2,355	109	-	(137,836)
EBITDA	14,379	(8,490)	4,669	109	-	10,667
Share-based payments	(5,199)	-	-	-	-	(5,199)
Share of losses from associates	(3,558)	-	-	-	3,558	-
Depreciation and amortisation	(31,681)	11,176 ⁴	-	-	-	(20,505)
EBIT	(26,059)	2,686	4,669	109	3,558	(15,037)
Net interest expense	(3,558)	2,534 ⁵	-	-	-	(1,024)
Net loss before tax	(29,617)	5,220	4,669	109	3,558	(16,061)

Summary of adjustments

1. Bendigo Alliance gross profit share - reflects economic reality of transaction and is treated as a commission in normalised results.
2. Bendigo Alliance support fees payable in the interim period while merchants are transferred from the Bendigo platform to the Tyro platform.
3. Transitional Bendigo Alliance logistical costs incurred transferring Bendigo merchants to the Tyro platform.
4. Amortisation accounted for at the completion of the Bendigo Alliance on a straight line basis over a 10-year period.
5. Non-cash interest accounting charge related to the Bendigo Alliance.

Prior period JobKeeper benefit of \$4.5m not normalised.

Liquidity + Capital Adequacy Analysis



Liquidity

- Total cash and investments of \$122.8 million (FY21: \$172.8 million)
- Sufficient to support the Group through to positive free cash flow

Total Capital Ratio

- Total capital ratio of 39% at 30 June 2022. Movement from 73% at 30 June 2021 due to:
 - › 55 Market street move: Recognition of Right of Use assets (\$31.2 million) and office fit-outs (\$10.2 million)
 - › increase in lending book (\$39.5 million versus \$15.4 million at June 2021)
 - › increase in scheme receivables
 - › losses for the year (before share-based payments expense)
- Total Capital Ratio multiples above APRA Prudential Capital Requirement

Capex

- \$33.5 million capex for FY22 (FY21: \$45.6 million)
 - › \$14.0 million terminal capex
 - › \$10.2 million office fit-out
 - › \$7.0 million capitalisation of software development costs
 - › \$2.3 million other plant + equipment
 - › In line with capex forecast provided in FY21 of \$34m
- ~\$35 million capex forecast for FY23:
 - › Finalisation of Bendigo roll-out
 - › Tyro Pro terminals and Tyro Go readers
 - › Investment in digitised onboarding and servicing

Trading Update¹

PAYMENTS BUSINESS:

- **Strong start to FY23**
- **Transaction value** 1 July 2022 to 26 August 2022 - \$6.3 billion, up 57% on pcop
 - › Victoria ↑70%
 - › NSW ↑118%
 - › Queensland ↑39%
 - › WA ↑27%
 - › SA ↑43%
 - › Other (includes Bendigo Alliance) ↑19%
- **eCommerce** transaction value achieved for July 2022 - \$40.6 million
- **Tyro | Bendigo Bank Alliance** transaction value for July 2022 - \$452.2 million
- **Normalised Payments Business gross profit** for July 2022 ↑46% to \$14.1 million (pcop: \$9.7 million)

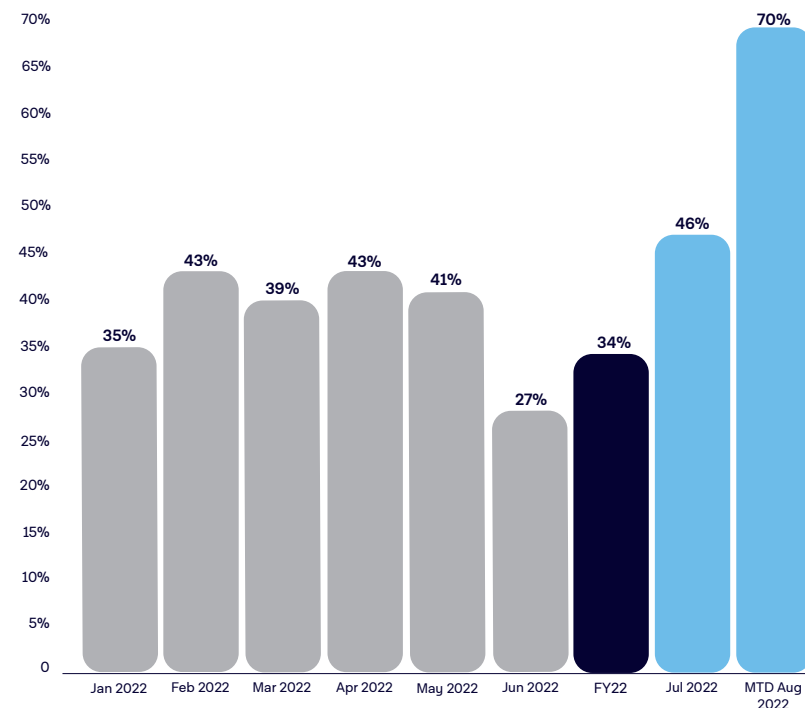
BANKING BUSINESS:

- **Loan originations** 1 July 2022 to 26 August 2022 \$19.6 million, ↑91% (\$10.2 million in pcop)

GROUP:

- **EBITDA** for July 2022 - **\$2.2 million**
- **Operating leverage** for July 2022 - **86%**

Weekly Transaction Value Growth - Q1 FY23



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

FY23 Key Initiatives + Guidance¹

Earnings guidance range for FY23¹:

	FY23 GUIDANCE RANGE		
Transaction Value	\$40 billion	to	\$42 billion
Gross profit ² (after Bendigo commission)	\$175 million	to	\$181 million
Operating leverage ³	~85%		
EBITDA ⁴ (before share-based payments)	\$23 million	to	\$29 million
EBITDA margin at midpoint	~15%		

Key Initiatives for FY23:

- Customer Growth
- Cost Management
- Margin Improvement

Positive Free Cash Flow¹:

- Targeting positive free cash flow⁵ exiting FY23 (after all operating expenses + capital expenditure)
- Cash + financial investments expected to be sufficient to support the Group through to positive free cash flow

¹ This FY23 guidance includes forward-looking statements. Refer below.

² Gross profit is stated as normalised gross profit, namely adjusted for Bendigo Alliance support fees associated with transition of Bendigo merchants to the Tyro platform. Bendigo gross profit share is not deducted from statutory gross profit but deducted to calculate normalised gross profit.

³ Operating leverage assumes lending losses of \$1.5 million in FY23 and is measured as operating costs (including lending and non-lending losses) divided by gross profit (after Bendigo commission).

⁴ Tyro uses EBITDA as a non-IFRS measure of business performance, which excludes the non-cash impact of share-based payments expense, share of losses from associates, and other significant one-off costs.

⁵ Free cash flow is calculated before changes in banking funds and timing differences relating to net scheme receivables. It is calculated as EBITDA before share based payments adjusted for non-cash items in Tyro's working capital movements, statutory adjustments (including rent payments) and capital expenditure including internally generated intangibles. Terminal capital expenditure includes both new and replacement terminals.

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APPENDIX

Supporting Supplementary Information



Tyro Payments Business

Transaction value growth of 34.4% - Drivers of growth

New Merchant Applications
+14,777

Growth in TV from existing merchants
+10%

Low transaction value churn
9.2%

Merchant satisfaction
NPS +34

Merchant Base Growth

- Tyro ↑ 16.8% to 46,376 (FY21: 39,696) + Bendigo merchants 17,394 (FY21: 18,490)
- 14,777 **new merchant applications** - average of over 1,200 new applications per month
- Lift in **NPS** to 34 at 30 June 2022 (FY21: 21) - continue to see quarter on quarter improvement following terminal outage in January 2021
- Tyro prompted **brand awareness** stable at 19% (FY21: 20%)

Growth in Transaction Value from Existing Merchant Base

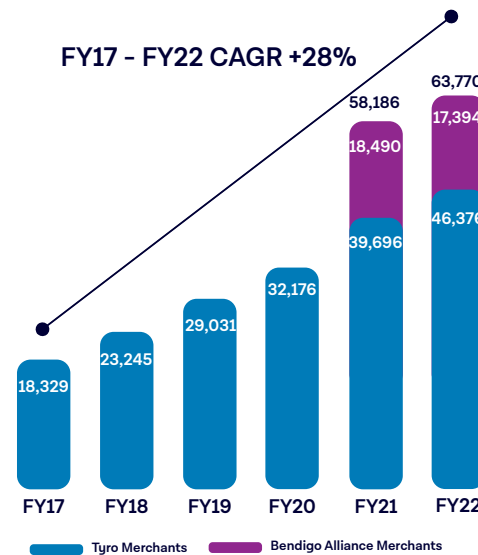
- Tyro average annual merchant transaction value ~\$625,000
- Bendigo average annual merchant transaction value ~\$300,000

Churn

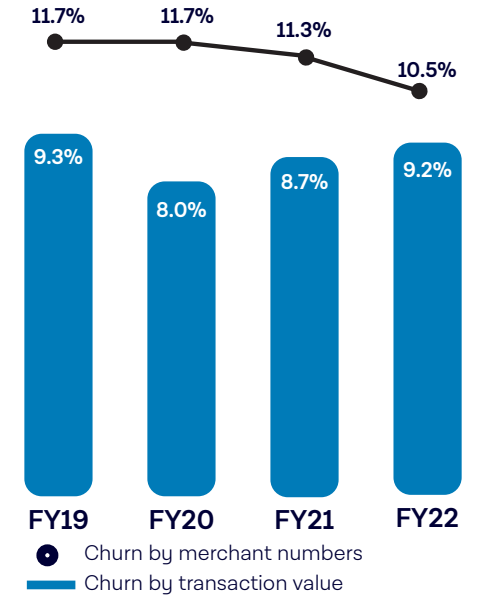
- Low churn levels maintained:
 - merchant churn** 10.5% (FY21: 11.3% + FY20: 11.7%)
 - transaction value churn** 9.2% (FY21: 8.7% + FY20: 8.0%)

	FY22 \$'000	FY21 \$'000		GROWTH %
Revenue	318,847	229,221	▲	39.1%
Less: Interchange, scheme, integration + support fees	(171,190)	(118,694)	▲	44.2%
Gross profit (statutory)	147,657	110,527	▲	33.6%
Add: Terminal rental waivers	-	983	▼	100.0%
Less: Bendigo gross profit share	(8,490)	(698)	▲	>100.0%
Add: Bendigo support fees	2,314	-	▲	-
Gross profit ¹ (normalised)	141,481	110,812	▲	27.7%

Merchants (#)



Transaction Value + Merchant Churn (%)



¹ Normalised gross profit is adjusted for Bendigo support fees of \$2.3 million associated with transition of Bendigo merchants to the Tyro platform and the Bendigo gross profit share of \$8.5 million not deducted from statutory gross profit but deducted to calculate normalised gross profit. Refer to page 14 for a reconciliation of statutory to normalised results.

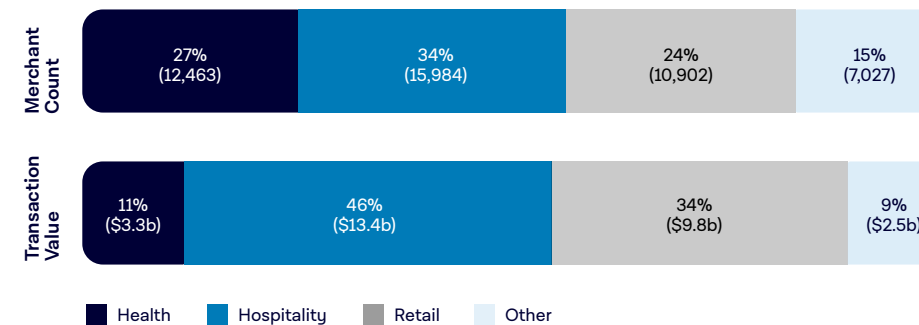
Tyro Payments Business (continued)

Geographical Performance - Tyro core only

- Transaction value growth rate outside of NSW + ACT:
 - 27% average growth rate in states excluding NSW + ACT
 - NSW + ACT lockdowns significantly impacted performance in H1 FY22
 - Approximately \$1.9 billion lost in transaction value in H1 FY22 due to lockdowns

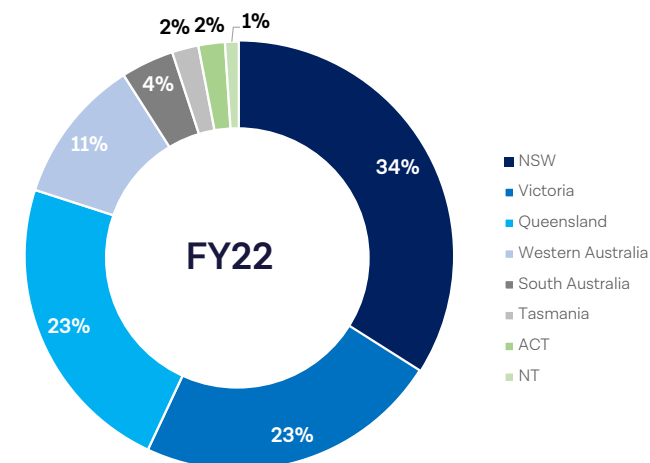
Transaction value performance	FY22	FY21	GROWTH RATE	PROPORTION OF TOTAL TV
	\$'MILLION	\$'MILLION	%	%
NSW	9,940	9,471	4.7%	34%
Victoria	6,630	5,132	22.6%	23%
Queensland	6,707	5,553	17.2%	23%
Western Australia	3,000	2,523	15.9%	11%
South Australia	1,200	1,061	11.6%	4%
Tasmania	550	496	9.8%	2%
ACT	650	581	10.6%	2%
NT	300	213	29.0%	1%

Merchant Count + Transaction Value by Vertical (Tyro core only)



The data only relates to Tyro merchants and excludes Bendigo merchants

Proportion of Total Transaction Value by State - FY22 (Tyro core only)



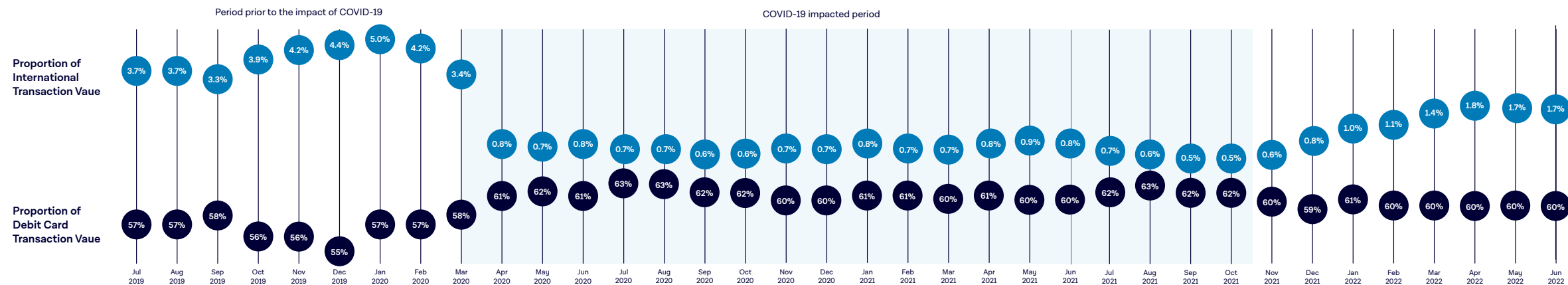
Tyro Payments Business (continued)

Improvement in margins from Q3 FY22

Tyro Core Payments Business Margins	H1 FY22	Q3 FY22	Q4 FY22	FY22	FY21
Merchant service fee (MSF)	80.8bps	82.7bps	85.1bps	82.5bps	80.7bps
Net merchant acquiring fee (MAF)	32.2bps	32.6bps	33.9bps	32.8bps	34.7bps
Payments gross profit margin	41.3bps	42.0bps	42.8bps	41.9bps	43.8bps

- Debit Card usage in FY22 largely remained consistent with FY21
- International card volumes starting to grow with the easing of border restrictions - up to 1.7% of total card mix at 30 June 2022
- 44% of transaction value generated from merchants on a cost + arrangement
- 56% on a blended/normalised arrangement

Card mix - FY20 to FY22



Tyro Payments Business - New Health Business

- Tyro Health launched on 1 July 2022
- Brings together all of Tyro's health offerings:
 - One leadership team and one business unit
 - Medipass' digital platform
 - Health specific claiming offerings on Tyro terminals
- Digital health payments platform - linking funders, healthcare practitioners + patients
- Streamlines claims approval + payment acceptance
- Provides greater claiming + payment options to Tyro merchants
- New business unit builds scale, capabilities + enhances our segment position

New features and products:

- Integration to new insurers and schemes, including WorkSafe Victoria and Comcare
- Tyro EFTPOS terminals can now be accessed from Medipass - enabling Health merchants to access Tyro functionality from the one portal
- Tyro Health will be launching an integration to Medicare ECLIPSE in FY23 - significant improvement of offering to medical specialists and GP's

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) + 3rd party software integration



52 Tyro PMS integrations



25 Medipass PMS integrations



~77 PMS integrations (limited overlap)

- 31% increase in health merchants in FY22

11,035

Tyro health merchants



1,428

Medipass health merchants



12,463¹

-  60-strong team of deep health industry experts covering sales, support, marketing, engineering + product development

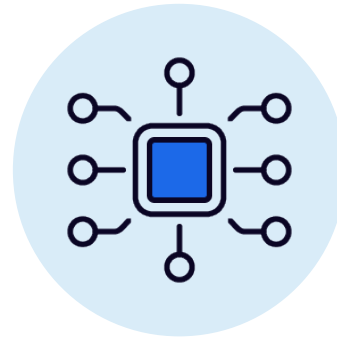
¹ Excludes 1,526 health businesses that use Medipass for digital claiming but do not have a payments settlement relationship with Tyro.

Tyro Payments Business - Tyro Connect



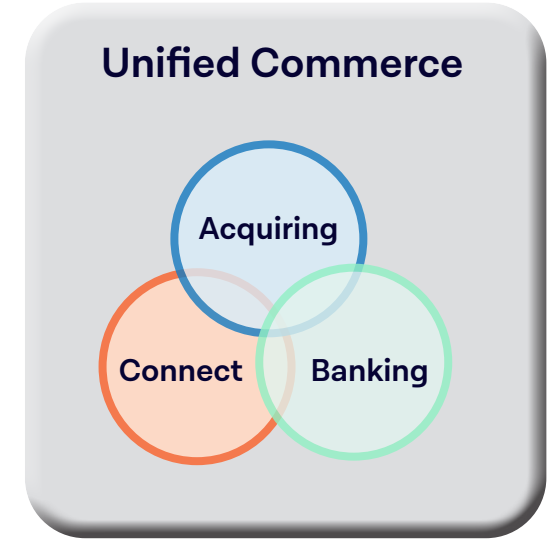
Payments POS/PMS

Payment Experiences



We integrate payments & payments experiences

We set businesses free by simplifying payments and commerce



Focus Areas



Partners Systems

APIs Operations

How we Help our Merchants



Accept Payments **Make Payments** **Streamline Operations** **Manage Cash Flow** **Accelerate Growth**

We are known for being



Simple Seamless Smart

- ### Our Value Proposition
1. We are responsible & reliable
 2. We make building blocks
 3. We launch then improve
 4. We are lean and resourceful

Tyro Banking Business

	FY22 \$'000	FY21 \$'000		GROWTH %
Loan Originations	99,071	25,843	▲	283.4%
Revenue	5,504	3,222	▲	70.8%
Interest income on loans	4,877	1,952	▲	149.8%
Fair value gain on loans	627	1,270	▼	50.6%
Gross Profit	5,230	2,843	▲	84.0%
Gross Profit margin as % of Revenue	95.0%	88.2%	▲	6.8pts

Tyro Business Loan

- Record \$99.1 million in loan originations (FY21: \$25.8 million) - with record highest ever month in June 2022 of \$12.7 million
- Maximum loan amount increased to \$350,000
- Positive non-cash fair value adjustment \$0.6 million - reflecting better than expected repayment velocity
- Average loan size \$47,100 (FY21: \$35,500)
- \$39.5 million loans on the balance sheet at 30 June 2022 (FY21: \$15.4 million)
- \$0.6 million in lending loss ↓16.9% (FY21: \$0.7 million)
- Lending loss to origination ratio of 0.6% (FY21: 2.8%)

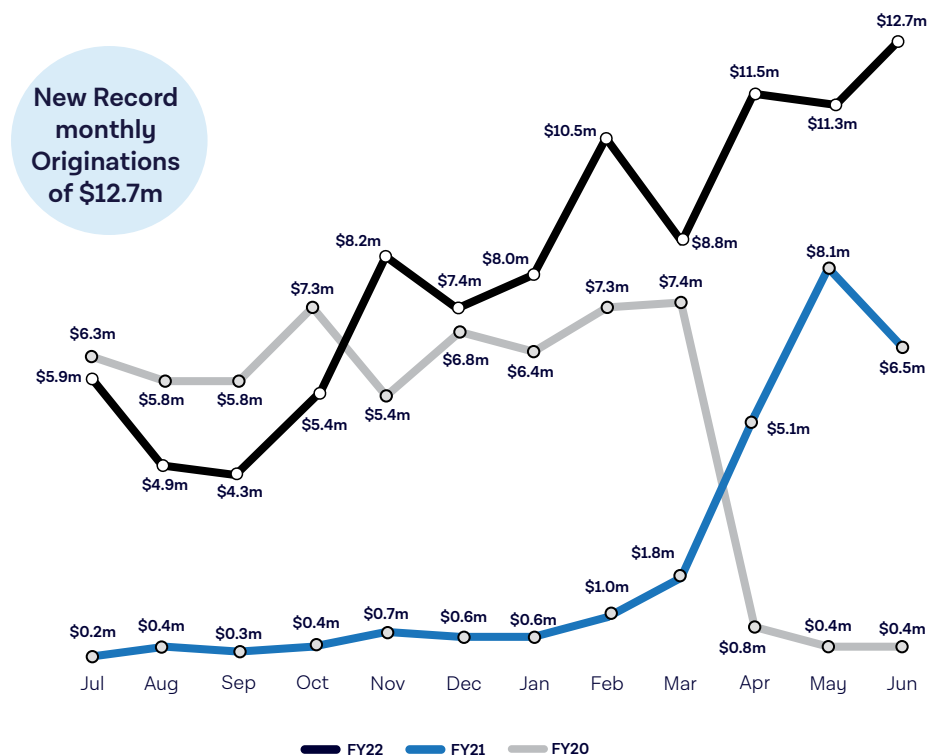
Tyro Bank Account

- \$79.2 million in at-call deposits at 30 June 2022 ↑9.3% (FY21: \$72.5million)
- 5,097 active accounts (FY21: 4,603)
- Average account balance of ~\$15,500 (FY21: ~\$15,700)
- Average interest rate 0.26% (FY21: 0.43%)

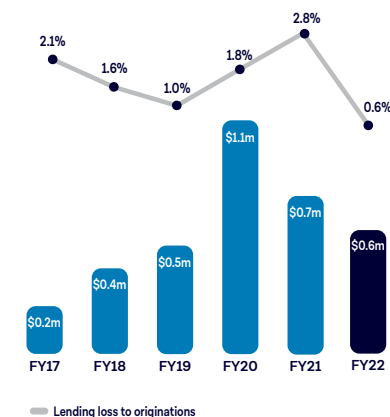
Tyro Term Deposit Account

- \$4.1 million in term deposits at 30 June 2022 (FY21: \$3.0 million)
- Average account balance of ~\$57,300 (FY21: ~\$50,200)
- Average interest rate 0.66% (FY21: 1.01%)

FY22 Growth in Monthly Originations Since Impact of Covid (\$'million)




Lending Losses to Originations (%)



Tyro Banking Business - Key Initiatives to Drive Growth

Delivering on banking innovation

Implemented Mambu's cloud-native banking platform in FY20 - Platform will be used to grow value-add banking products	✓
Launched Web Banking - Merchants will now be able to view their Banking products and balances via the Merchant Portal in addition to the Tyro app	✓
Targeted marketing of banking product to merchants resulted in loan origination growth of 283% to \$99.1 million	✓
Tyro becomes one of the first non-major banks to become an active data holder under the Consumer Data Right - Delivered Open Banking phases 2 and 3 ahead of regulatory deadline	✓
Enabled two to sign for merchant cash advance to open up more eligible borrowers where the businesses require two directors to authorise any financial transaction	✓
Enhanced the lending decisioning and credit engine to better service new and existing Tyro merchants	✓
Maximum lending facility up to \$350,000 to high performing merchants (previously \$120,000) - removed the previous 3 month waiting period for new merchants allowing access to Merchant Cash Advance product from day one on their journey as a Tyro merchant	✓
Delivered a first in market flexible settlement percentage allocation - merchants are able to set up percentage allocations to their settlement account of choice for daily settlement	✓
Enable simple entities to open a Tyro Bank Account via Tyro App	✓
Automated recurring linked account transfer (aka Smart Sweeping)	✓
Recurring payments to launched in FY23	✓
Awarded the Most Innovative Digital Solution Award recognising Tyro's Business Term Deposit - Australian Banking Innovation Awards	

Financial Position

	30 JUN 2022	30 JUNE 2021
	\$'000	\$'000
ASSETS		
Cash ¹	51,583	103,712
Loans to merchants	39,504	15,387
Other current assets	26,735	20,560
Financial investments	72,695	69,068
Property, plant and equipment	41,452	26,027
Intangible assets and goodwill	132,033	140,867
Right of use assets	31,158	1,654
Other non-current assets	14,928	17,984
TOTAL ASSETS	410,088	395,259
LIABILITIES		
Customer deposits	83,273	75,481
Other current liabilities	40,626	35,614
Commissions payable to Bendigo Bank	92,781	102,273
Non-current liabilities	33,808	1,227
TOTAL LIABILITIES	250,488	214,595
NET ASSETS	159,600	180,664
Contributed equity	278,798	274,436
Accumulated losses and reserves	(119,198)	(93,772)
TOTAL EQUITY	159,600	180,664

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

Balance Sheet Reflective of Prudent Capital Management

Cash + Financial Investments

- Total cash and financial investments of \$122.8 million (30 June 2021: \$172.8 million)
- Movement of negative \$48.5 million in cash and financial investments reflective mainly of:
 - › net decrease in banking flows of \$16.3 million due to higher loan originations
 - › terminal purchases of \$14.0 million
 - › other capex, including new office premises of \$19.5 million
 - › remediation payments of \$5.0 million
 - › movement in scheme receivables - difference of \$1.2 million

Capital Expenditure

- FY22 capex on terminals of \$14.0 million (FY21: \$16.4 million), including roll-out for Bendigo fleet - to continue into FY23
- Capex on move to new office premises of \$10.2 million in FY22 (FY21: Nil)
- Depreciation and amortisation for FY22 of \$31.7 million (FY21: \$15.4 million) - significant increase on a statutory basis mainly reflects amortisation of Bendigo and Medipass intangibles of \$11.2 million (FY21: \$0.7 million)
- Depreciation and amortisation on a normalised basis - \$20.5 million (FY21: \$14.7 million)

Right of use assets

- Right of use assets of \$33.6 million recognised for new office premises as per AASB 16 Leases (30 June 2021: \$1.7 million remaining for previous office premises)
- Matching lease liability raised of \$33.6 million

Cash Flow Analysis

	FY22 \$'000	FY21 \$'000
Net payments income	148,150	110,120
Net interest and other income	6,831	8,672
Employee expenses (including contractors) paid	(99,067)	(76,592)
Terminals purchased	(13,966)	(16,360)
Other operating expenses	(44,206)	(29,168)
Terminal incident remediation payments	(5,041)	-
Movement in net schemes and other receivables	(1,722)	(7,650)
Operating cash flows (excluding loans and deposits)	(9,021)	(10,978)
Net increase in loans	(24,090)	(2,918)
Net increase in deposits	7,792	24,939
Cash flows from operating activities	(25,319)	11,043
Movement in term deposits, financial and equity investments	(73)	(395)
Net capital expenditure (excluding terminals)	(13,858)	(1,205)
Payments for recognised intangible assets + other	(10,331)	(27,700)
Cash flows from investing activities	(24,262)	(29,300)
Proceeds from exercise of share options	4,362	4,059
Payments for lease liabilities	(2,788)	(5,059)
Cash flows from financing activities	1,574	(1,010)
Net movement in cash and cash equivalents	(48,007)	(19,267)
Effect of foreign exchange rates on cash and cash equivalents	371	27
Cash and cash equivalents at beginning of year	84,521	103,761
Cash and cash equivalents at end of year	36,885	84,521

Operating Cash Flows:

- Operating cash flows (excluding loans and deposits) of negative \$9.0 million (FY21: negative \$11.0 million)
 - › incident remediation payments of \$5.0 million (FY21: Nil) - excluding other related expenses
 - › JobKeeper receipts of Nil (FY21: \$4.5 million)
- Banking net cash outflows increased by \$16.3 million - \$24.1 million growth in customer loans vs \$7.8 million growth in deposits

Investing + Financing Cash Flows:

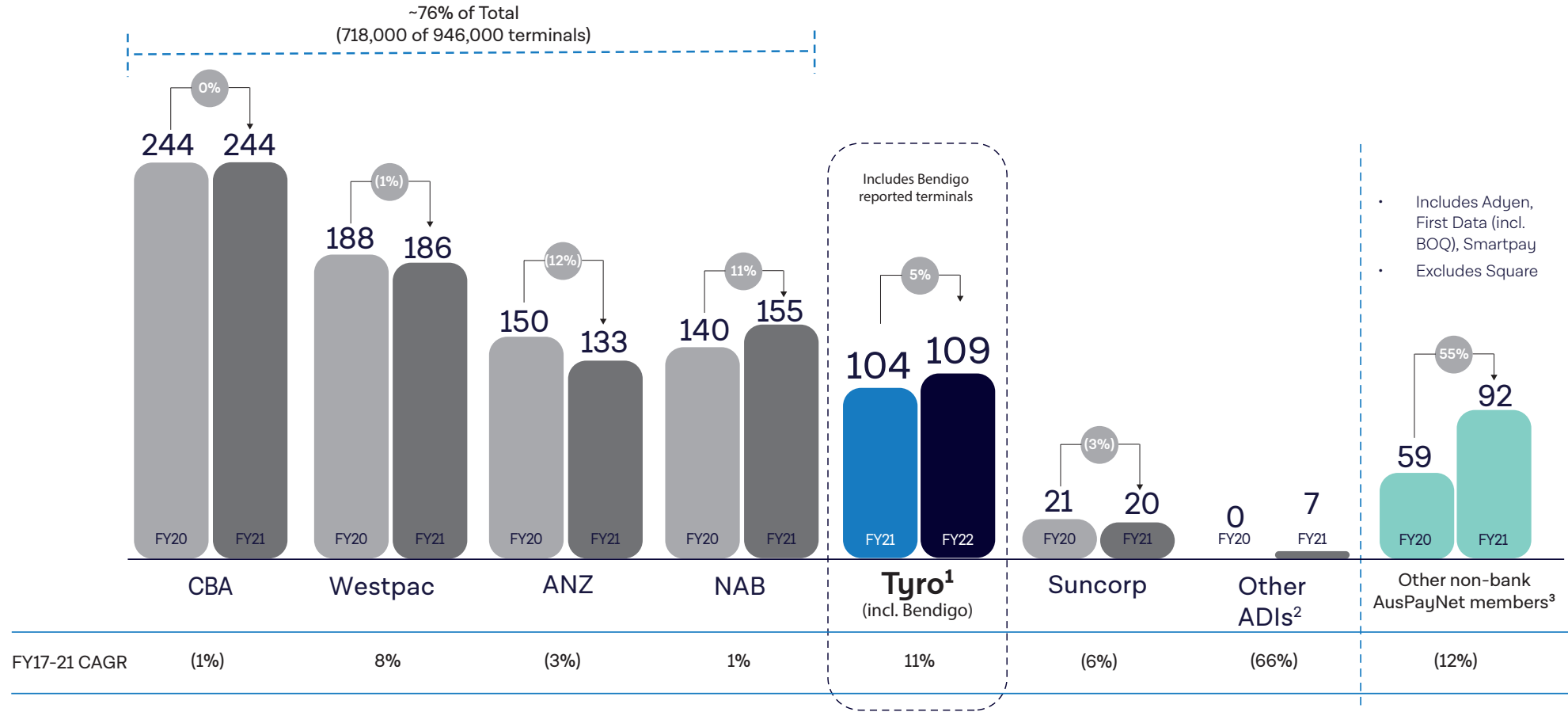
- Capital expenditure (excluding terminals) of \$13.9 million - \$10.2 million relates to new office premises
- \$7 million software development costs

Pathway to Positive Operating Cash Flows:

- Operating cash flows of negative \$9.0 million in FY22 includes:
 - \$5.0 million in remediation payments
 - \$1.7 million movement in net scheme and other receivables
- Excluding these items FY22 net operating cash flows (excluding loans + deposits) of negative \$2.3 million
- Targeting FY23 positive free cash flow exiting FY23 inclusive of terminal and other capex

Card-Present Terminal Segment Share

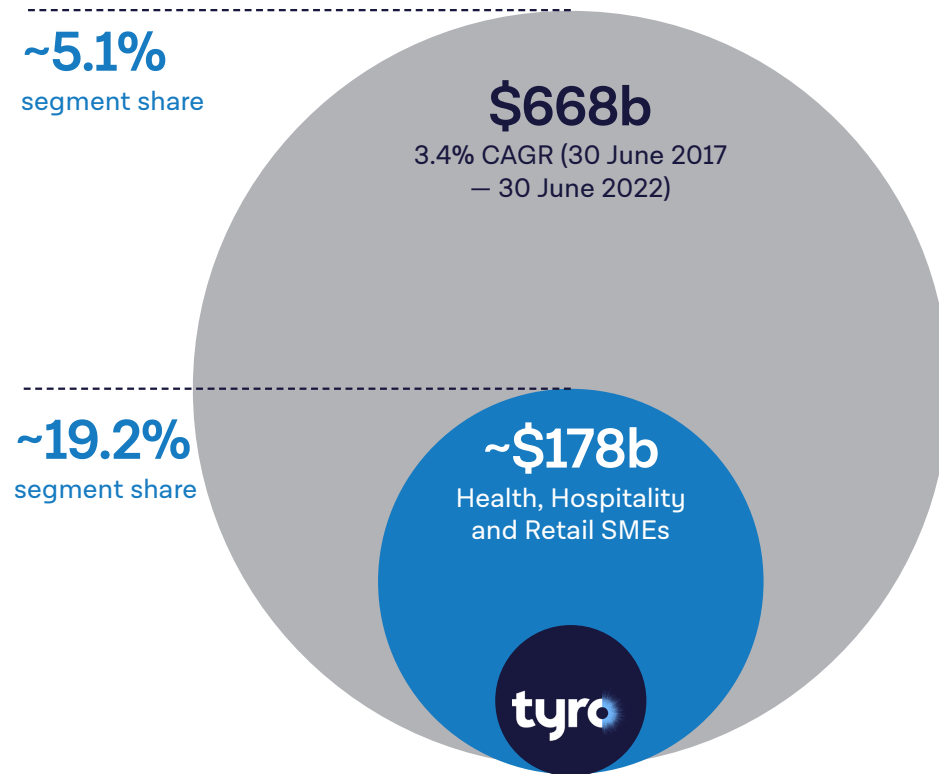
Card Present Segment Share by EFTPOS Terminal Count by ADI (#'000), June 2020 vs June 2021 (FY21 vs FY22 for Tyro)



(1) Tyro and Bendigo combined in all years; (2) Includes 6.7k Cuscal terminals in FY21. (3) Other providers (labelled 'Other non-bank AusPayNet members') includes 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 (refer to Section 2.5.9). Does not include non-bank payment providers who are not members of the Australian Payments Network (for example, Square).

Segment Share in Growing Total Addressable Market

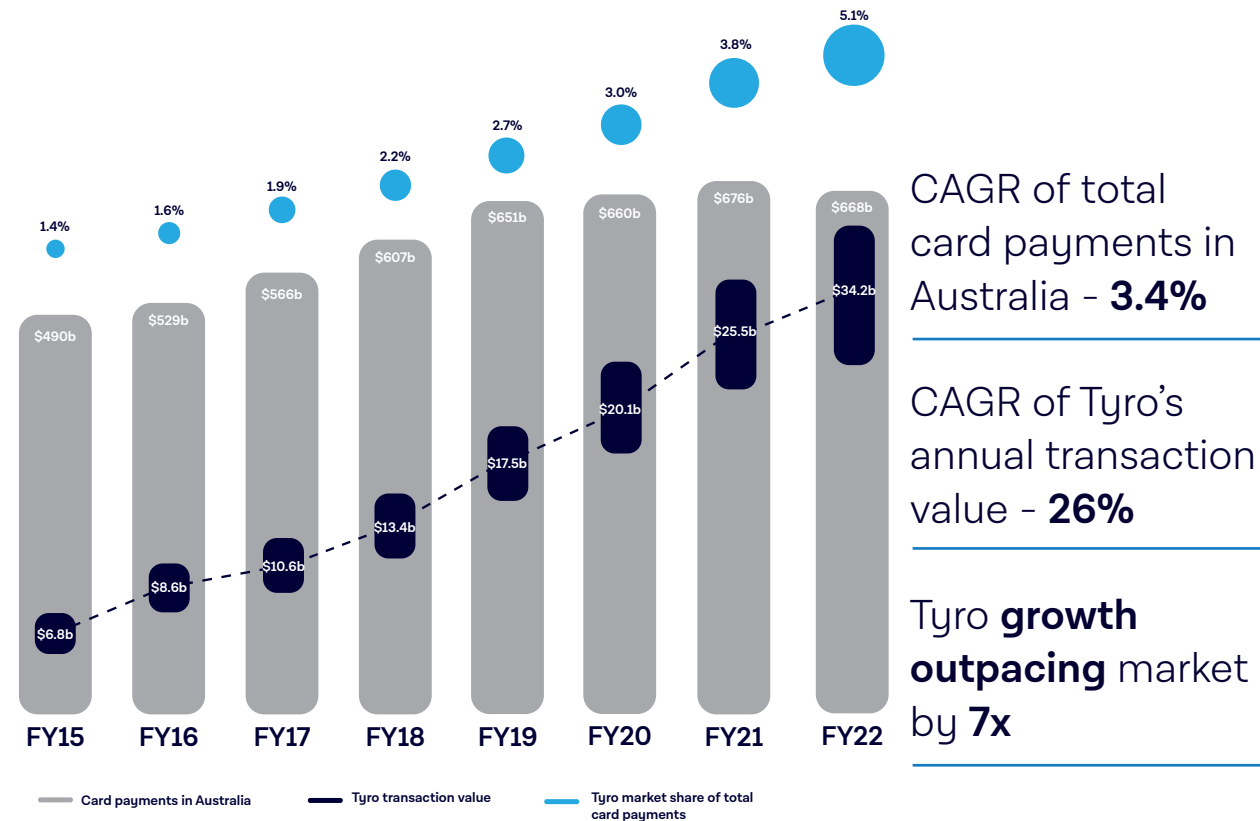
Annual transaction value of card payments acquired in Australia¹ (\$'billion) - as at 30 June 2022



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 2022 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 2017 to 30 June 2022) to determine a figure as at 30 June 2022. 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 FY22 transaction value.

Tyro's estimated segment share of total card payments acquired in Australia - as at 30 June 2022



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

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