



ANNUAL GENERAL MEETING

15 OCTOBER 2019



Tyro Payments Limited
ABN 49 103 575 042

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Welcome

Kerry Roxburgh
Chairman



The Future for Tyro

“...We find ourselves at a very exciting point in Tyro’s evolution.

As you know we have been investigating the possibility of moving from our current non-listed public company structure, to an ASX listing.

This follows an extensive five-year business planning process undertaken in the second half of the year with Tyro’s executive team.

*We have for the last few months been working with our trusted advisors and have reached a point where we are **contemplating a listing in December 2019**, obviously subject to market conditions and other relevant factors.*

There is considerable work in progress to achieve this timeline, and we will keep you informed as to progress as this process evolves further. I have to also note there is no certainty that a listing will necessarily occur...”

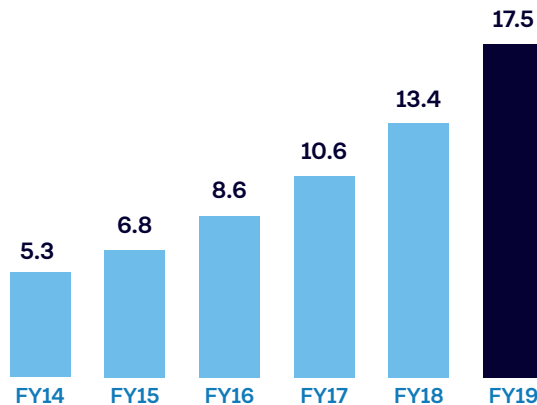
The Year in a Snapshot



31%

Increase in transaction value in FY19

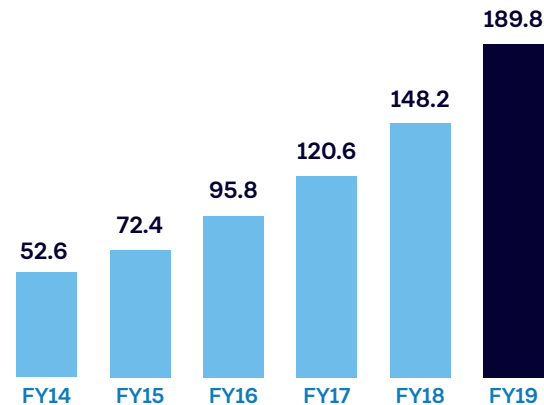
Transaction Value
(\$ billion)



28%

Increase in Revenue in FY19

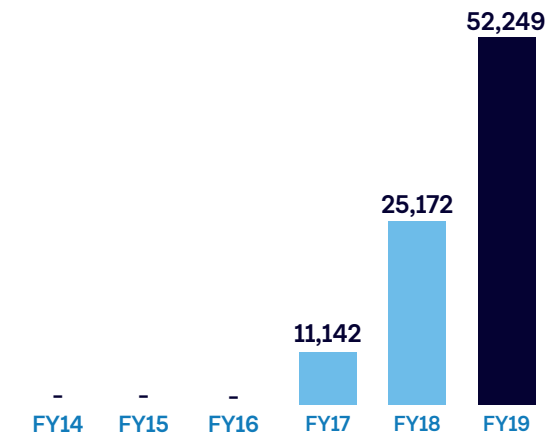
Total Revenue
(\$ million)



108%

Increase in Loan Originations in FY19

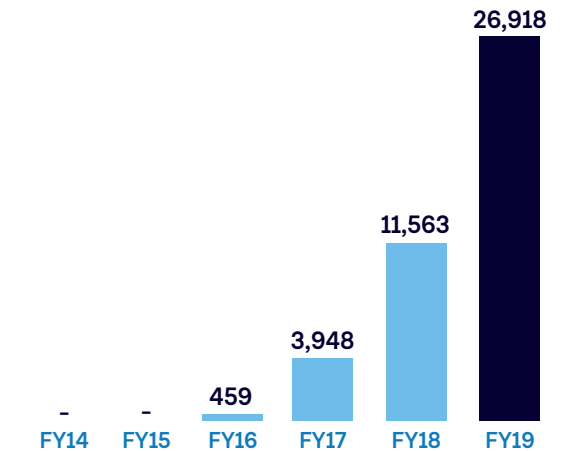
Loan Originations
(\$'000)



133%

Increase in Deposit Balances in FY19

Merchant Deposits
(\$'000)



Outstanding Team



CEO's Address

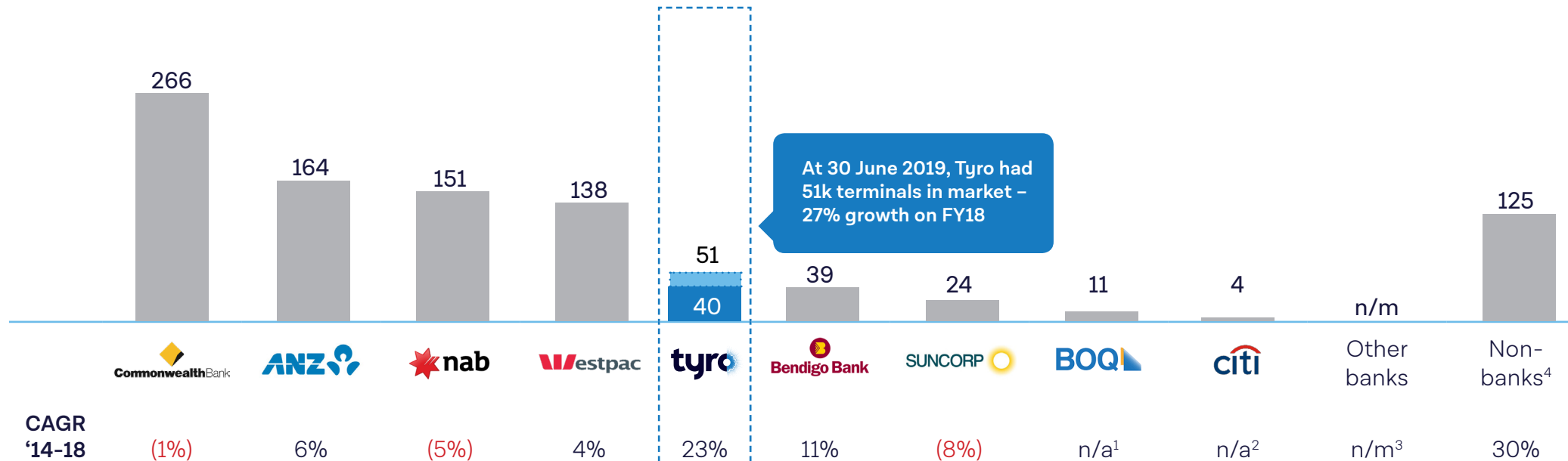
Robbie Cooke
CEO



Capturing market share as a payments disruptor

EFTPOS Terminals

Terminals in '000s at 30 June 2018



Source: APRA points of presence EFTPOS terminals, AusPayNet device statistics EFTPOS terminals (961k at 30 June 2018)

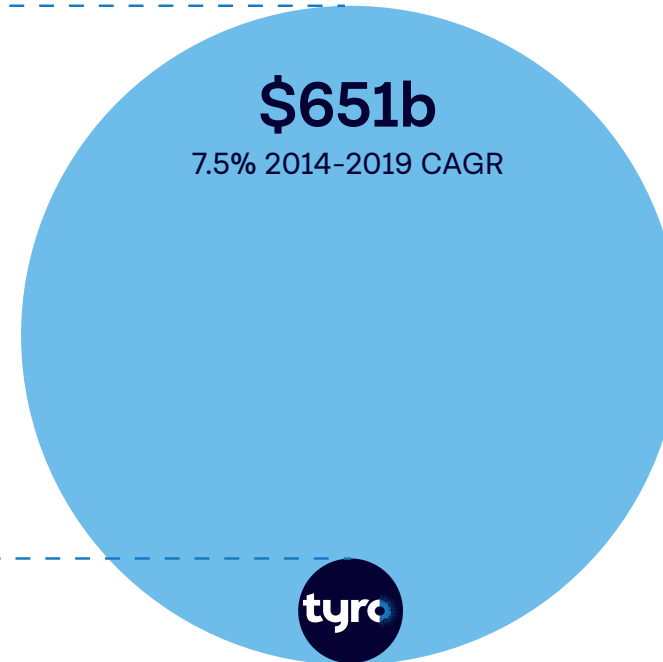
Note: 1) No 2014 data available; 2) Off a base of 1 terminal; 3) No meaningful number of terminals for any individual other bank; 4) Estimate derived from AusPayNet total terminal market data.

Significant + growing total addressable market

Annual transaction value of card payments acquired in Australia, as at 30 June 2019, (\$ billion)

~**2.7%**
market share

\$17.5b



Source: Reserve Bank of Australia C1.1 (Credit and Charge Cards – Original Series – Aggregate Data); Reserve Bank of Australia C2.1 (Debit Cards – Original Series); Reserve Bank of Australia C2.2 (Prepaid Cards – Original Series).

Note: Includes the total value of transactions acquired in Australia for credit and charge cards, debit cards and the total value of transactions for prepaid cards.



A tech company
providing payments
and business banking –
taking on the big guys!



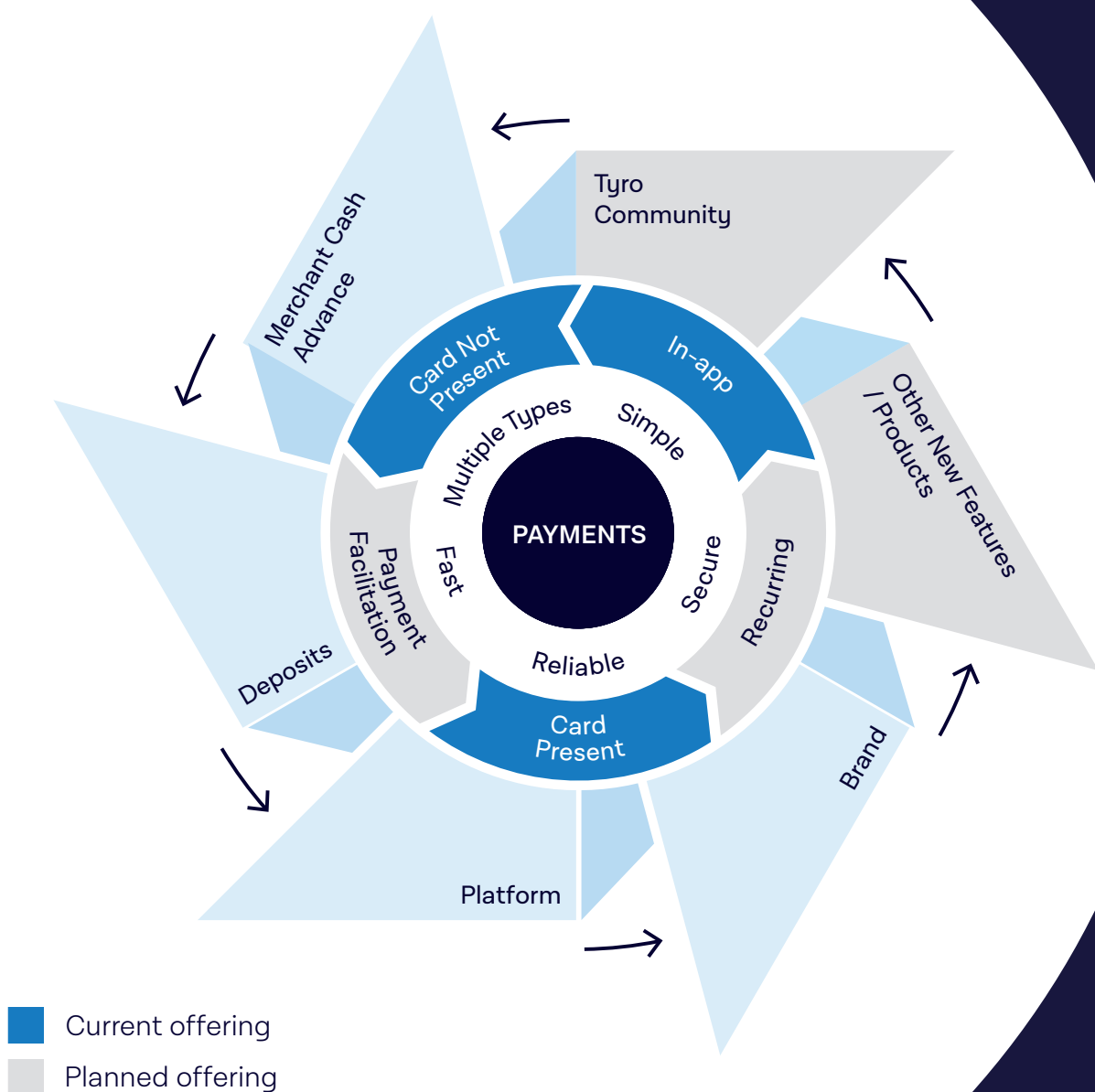


Setting businesses free
to get on with business

by

simplifying payments +
banking solutions





tyro

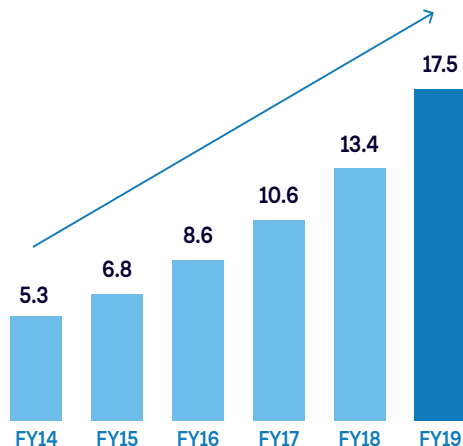
An innovative,
customer-centric
business with
payments at its core

Delivered strong, high growth financial outcomes

FY19 ▲ 31%

Transaction Value¹
(CAGR %, \$ billion)

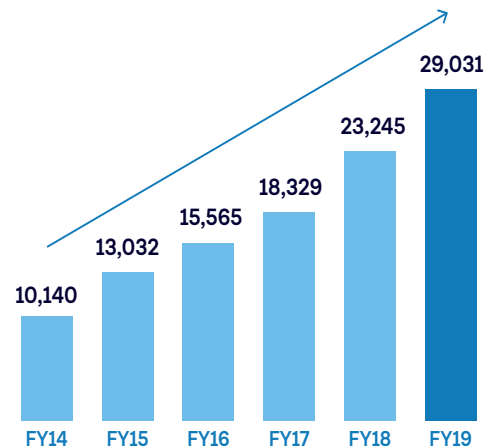
FY14 - FY19 CAGR +27%



FY19 ▲ 25%

Merchants²
(CAGR %, #)

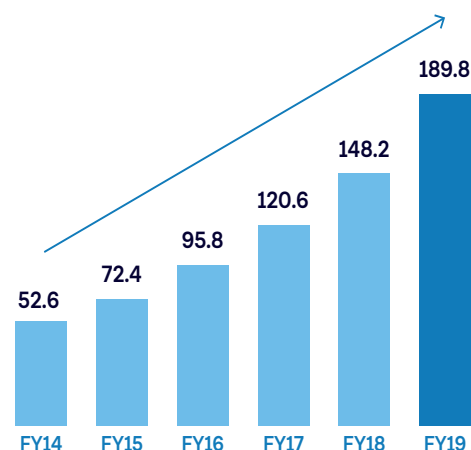
FY14 - FY19 CAGR +23%



FY19 ▲ 28%

Revenue³
(CAGR %, \$ million)

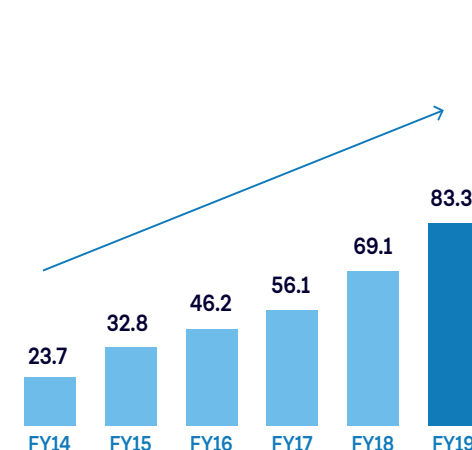
FY14 - FY19 CAGR +29%



FY19 ▲ 21%

Gross Profit⁴
(CAGR %, \$ million)

FY14 - FY19 CAGR +29%



Source: Internal Data

Note: 1) Excludes switching-only transactions processed; 2) Merchants based on Merchant IDs; 3) Revenue = fees and commission income + interest income + fair value gain on merchant loans + terminal and accessories sales + other income; 4) Gross Profit = gross revenue from payments, lending and other income less: scheme and transaction-related expenses, partner support fees, deposits interest expense and other expenses.

History of Innovation + Purpose Built Solutions



Payments

- A record 12 months with \$17.5 billion transacted, up 31% on prior comparative period
- 29,000+ Merchants up 25%
- Merchant churn 11.7% (FY18: 13.0%)
- POS/PMS integrations - 275
- Payments revenue \$183.7 million up 28%



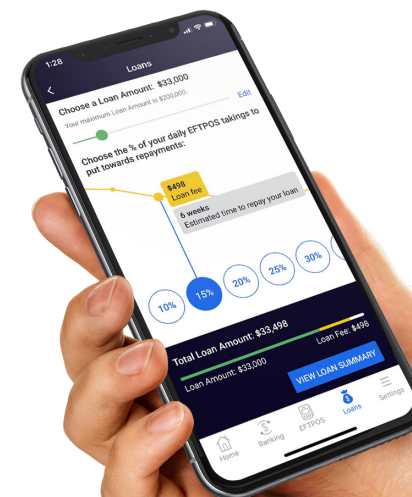
Deposits

- Fee-free interest bearing account
- 2,401 active Tyro Bank Accounts up from 1,285
- \$26.9 million in deposit balances



Loans

- Cash-flow based unsecured merchant cash advance
- Repayment via merchant-selected percentage of daily payment settlements - cycles with the merchant's cashflow
- More than \$100 million in originations since inception
- Loan losses in FY19 \$542,000



The Year in a Snapshot



eCommerce

Single payment solution to merchants who also operate an online sales channel



Alipay

First Australian bank to offer a seamless, all in one EFTPOS solution with Alipay, the world's largest mobile + online payment platform with over 870 million active users



Tap & Save

First Australian bank to launch least cost routing - contactless debit cards through the most economical scheme



Single highly scalable payments platform



High speed payment processing



Highly reliable end-to-end systems



Greater innovation + speed to market



Customisation with a vertical focus



Eliminating friction



Integrated eCommerce



Cloud based integration to POS

Q1 FY20 Trading Performance¹

Merchants - ▲ 24% to 30,875 (Q1 FY19: 24,834)

Transaction value - ▲ 30% to \$5.1 billion (Q1 FY19: \$3.9 billion)

Revenue - ▲ 29% to \$54.8 million (Q1 FY19: \$42.4 million)

Loans - ▲ 113% Originations \$17.9 million (Q1 FY19: \$8.4 million)

Deposits - ▲ 89% Balances at end of Q1 of \$30.8 million (end of Q1 FY19: \$16.3 million)

¹ Based on unaudited management accounts

FY20 Guidance

Merchants - ▲ more than 36,000 Merchants (FY19: 29,031)

Transaction value - ▲ in the range of \$22.5 billion representing a ~29% increase (FY19: \$17.5 billion)

Revenue - ▲ in the range of \$240 million representing a ~27% increase (FY19: \$189.8 million)

Gross Profit - ▲ in the range of \$100 million representing a ~20% increase (FY19: \$83.3 million)

Based on the current operating environment we expect to generate an improvement in our **Operating Leverage** consistent with the trend over the past two years.

¹ Subject to a number of key assumptions (including continuation of the current macro-economic competitive and regulatory landscape), estimates and the risks inherent in conducting our business. For those reasons the guidance above may not be achieved and is subject to change.

Multiple avenues for long term growth

Grow merchant share in existing payment verticals

Enter **new payment verticals**

Cross-sell lending and other **value-added services**

Drive expansion into **eCommerce + other payment types**

M&A and strategic partnerships

Develop API platform – **Tyro Connect**



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