

ASX Announcement

TYRO PAYMENTS LIMITED 2023 ANNUAL GENERAL MEETING AND TRADING UPDATE

Sydney, 15 November 2023 – Tyro Payments Limited (**Tyro**) today provided the following documents relating to the 2023 Annual General Meeting, for immediate release to the market.

1. Chair's Address to Shareholders.
2. CEO and Managing Director's Address to Shareholders including Trading Update.
3. 2023 Annual General Meeting Presentation.

These addresses will be webcast live at: <https://meetings.linkgroup.com/TYRO23> from 15:00 (AEDT) today and will be placed on the Tyro Investor website at:

<https://investors.tyro.com/investor-centre/?page=annual-general-meetings>

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

About Tyro - Tyro is a technology-focused and values-driven Group providing Australian businesses with payment solutions and value-adding business banking products. The Group provides simple, flexible, and reliable payment solutions as a merchant acquirer, along with complementary business banking products. More than 68,500 Australian merchants chose to partner with Tyro as at 30 June 2023. The Group processed \$42.6 billion in transaction value in FY23 and generated \$193.2 million in normalised gross profit, originated a record \$149.7 million in loans and held merchant deposits totaling \$92.7 million. Tyro is Australia's fifth largest merchant acquiring bank by number of terminals in the market, behind the four major banks.

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

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

Tyro has a team of approximately 600 employees, with ~80% of team members working in Technology, Solution, Design and Delivery and Growth teams, focused on delivering solutions for our customers.



2023 Annual General Meeting

15 November 2023

Tyro Payments Limited ABN 49 103 575 042



Disclaimer

This presentation is provided by Tyro Payments Limited ABN 49 103 575 042 and its controlled entities (variously, “Tyro”, “us”, “we”, “our” and “Group”) and is current at 15 November 2023. It is information given in summary form only and does not purport to be complete. It does not constitute personal, legal, investment, taxation, accounting or financial product advice, has been prepared as general information only, and does not take into account your personal circumstances, investment objectives, financial situation, tax position or particular needs. Having regard to those matters, please consider the appropriateness of the information before acting on it and seek professional advice.

No information herein constitutes an offer, solicitation or invitation to apply for securities, or any other financial product or service, or to engage in any investment activity, in any place in which, or to any person to whom, it would be unlawful to make such an offer, solicitation or invitation.

This presentation contains statements that are, or may be deemed to be, forward-looking statements. To the extent the information may constitute forward-looking statements, it reflects Tyro’s intent, belief or current expectations at the above date. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, assumptions and uncertainties, many of which are beyond Tyro’s control, which may cause actual results to differ materially from those expressed or implied. Undue reliance should not be placed on any forward-looking statement and, other than as required by law, Tyro does not give any representation, assurance or guarantee that the occurrence of the events, results and outcomes expressed or implied in any forward-looking statement will actually occur. Subject to any continuing obligations under applicable law, we expressly disclaim any obligation to provide any updates or revisions to any forward-looking statements in this presentation to reflect events or circumstances after the above date. There are a number of other important factors that could cause actual results to differ materially from those set out in this presentation.

This presentation includes unaudited financial information and “non-IFRS financial information” under ASIC Regulatory Guide 230. We consider this information provides a useful means to understand our performance, however, such information does not have a standardised meaning under the Australian Accounting Standards or International Financial Reporting Standards. Undue reliance should not be placed on it.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by Tyro as to the accuracy, currency or completeness of any part of this presentation.

All amounts are in Australian dollars.

Past performance information given in this presentation is for illustrative purposes only and should not be relied upon as, and is not, indicative of future performance.



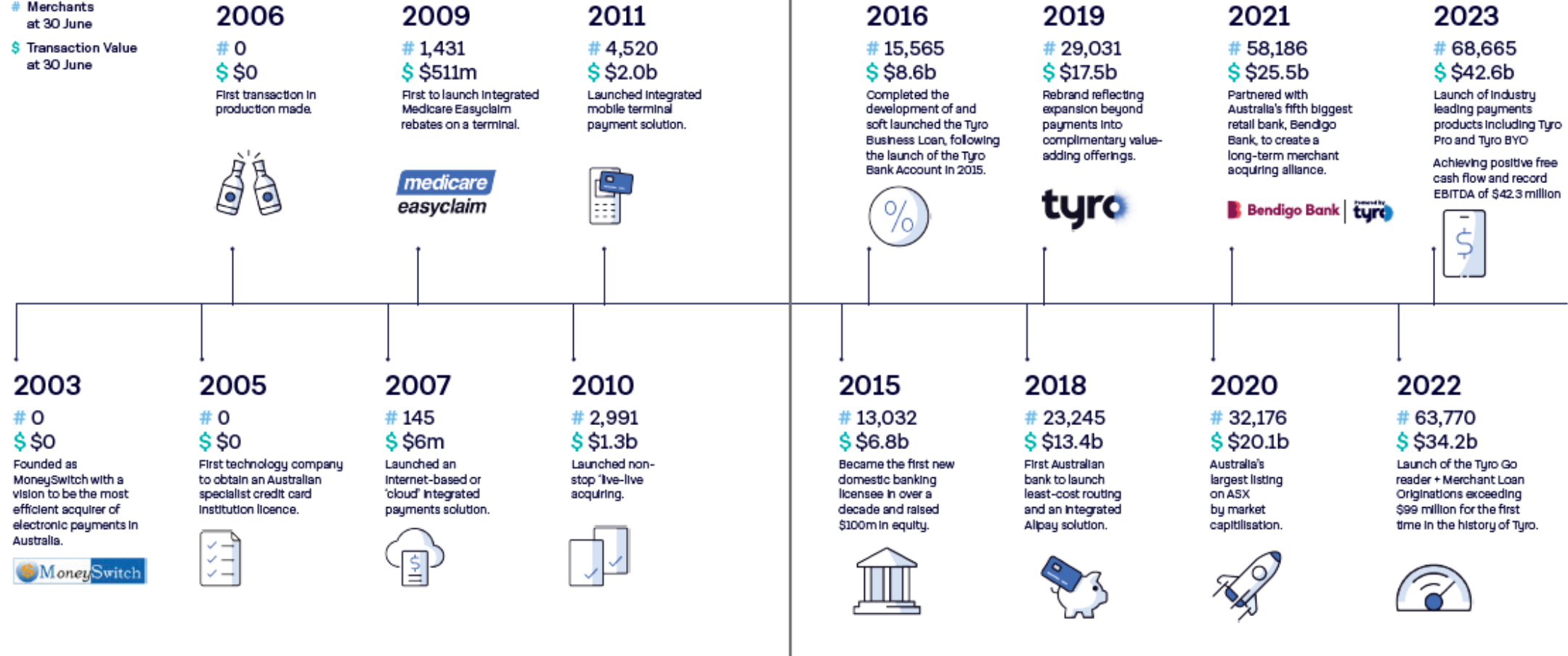
Chair's Address to Shareholders

Fiona Pak-Poy



Tyro's 20-Year History

Merchants at 30 June
\$ Transaction Value at 30 June



FY23 - Evolving Tyro's way of doing business



1 Delivered our plan

- Strong delivery of our **three key strategic priorities**:
 - **Enhanced our product portfolio**
 - **Optimised pricing**
 - **Drove operating efficiency through a new operating model, including the delivery of our cost reduction program**



2 Grew sustainably

- **Improved efficiency and EBITDA margin through** ongoing focus on cost management
- **FY24 will see further improvements** with leaner, more disciplined operations



3 Core business performed strongly

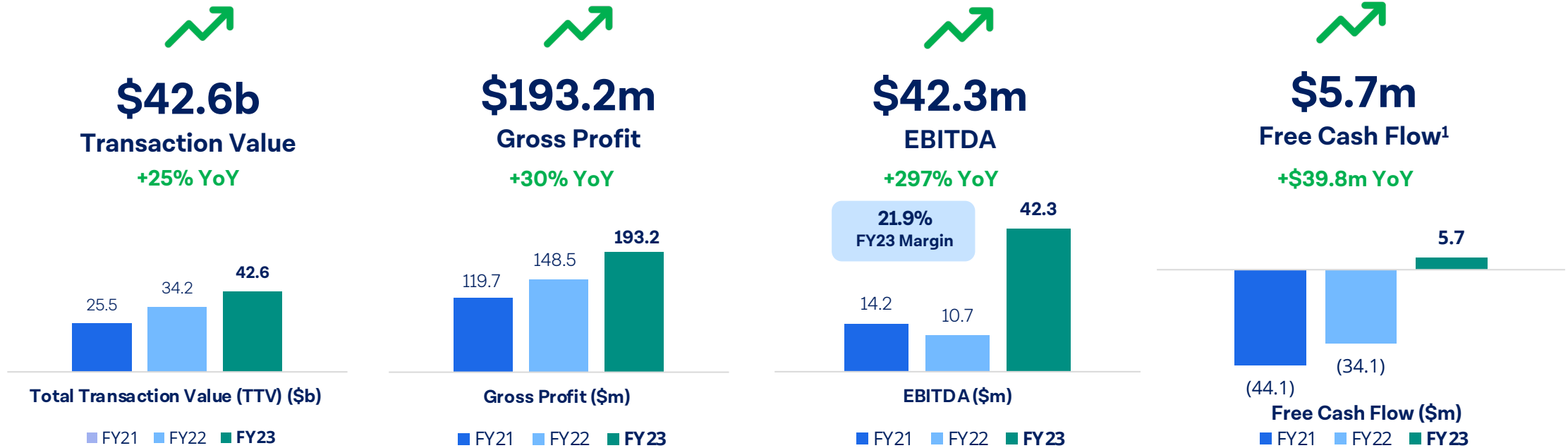
- Grew **Core merchant base by 14% YoY**, while total merchant base grew by 8% inclusive of Bendigo
- **Increased diversification in core merchant mix**, with strong growth in Health and Services



4 Key strategic work undertaken

- Developed a clear **plan to execute on our strategy**
- Refined our understanding of the **strength of our proprietary switch**, the **opportunities offered** by our **ADI licence**
- **Committed to enter into at least one or two new verticals in the next 12 months**

FY23 Highlights



68,665
Merchants

+8% YoY
(+14% YoY Tyro, excl. Bendigo)



\$149.7m
Loan originations

+51% YoY



¹ 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.

Remuneration, Sustainability & Governance

- Achieved **Carbon Neutral accreditation**
- **Diversified Organisation:**
 - 51% of employees born outside of Australia
 - 67% female representation of Non-executive Directors on the Board
 - 87% of our employees believe Tyro is a diverse and inclusive place to work
- **The Board has the necessary depth of experience** in payments, technology, banking, risk management, customer excellence, governance, M&A and strategy



Conclusion

- Created a strong foundation for future growth and profitability
- Developed our team and performance culture – we have the passion to deliver on our future strategy
- Renewed focus on capital management and profitability to deliver superior shareholder returns





CEO & Managing Director's Address to Shareholders

Jon Davey



Positioned to deliver continued growth

We serve a **large and growing card payments market** that turns over \$836B per year; and support just 3% of all Australian businesses, and process less than 5% of card payments.

We won leadership in our verticals because we built solutions that **serve unique industry needs**. We have made SME payments our core focus.

We are **fast and reliable** because our solutions are designed to be **effortlessly interoperable** with our partners and other services, encouraging customers to assemble a suite of hardware and software that **works best for their business**.

We have products that support the **cashflow needs of businesses**, and we have a broad, diversified, **direct and third-party sales** and distribution network.

We are now **cashflow positive**, will continue to **generate capital** and **increase operating leverage**. As we hone our platform, we will deliver continued growth, along with real cost and yield synergies.

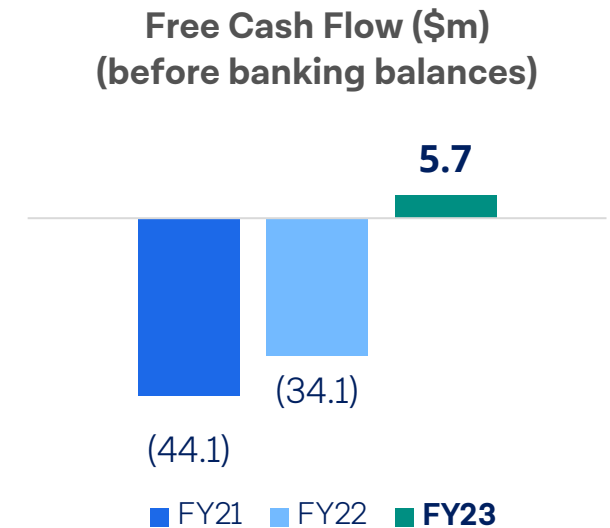
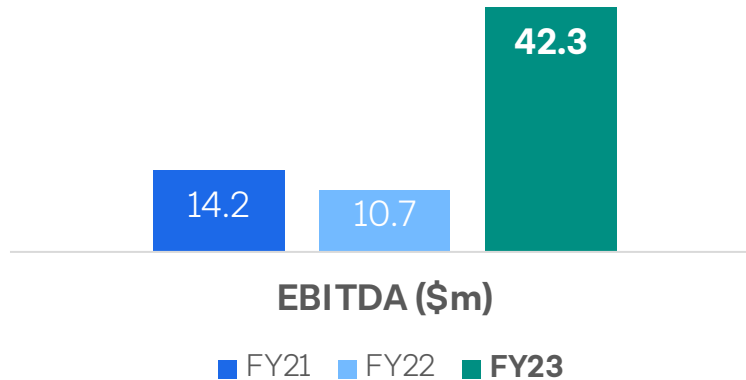
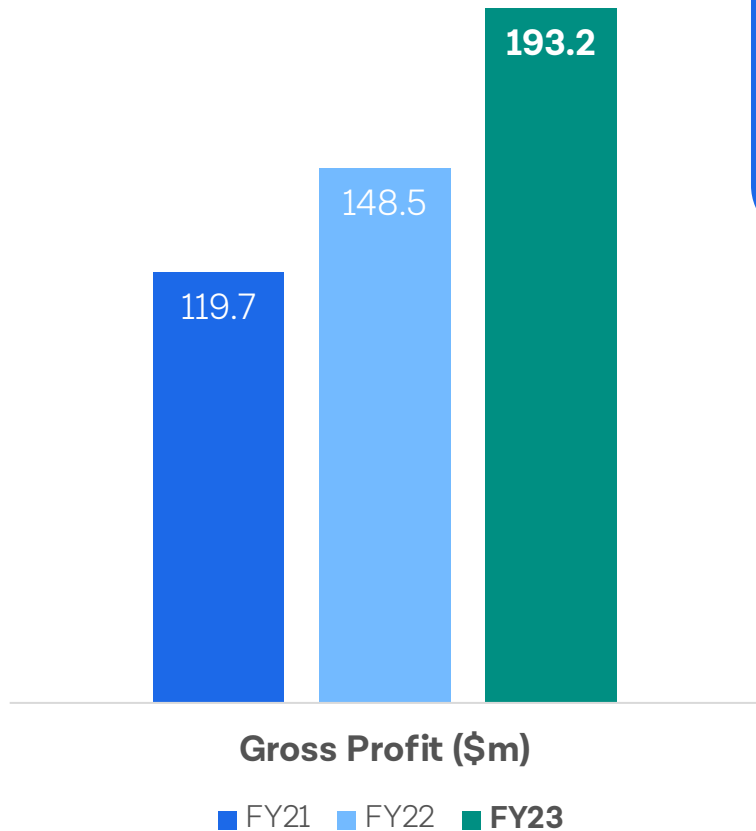
Strong financial performance

Positive free cash flow for FY23

\$193.2m
Gross Profit
+30% YoY

\$42.3m
EBITDA
22% EBITDA margin

\$5.7m
Free Cash Flow
+\$39.8m YoY



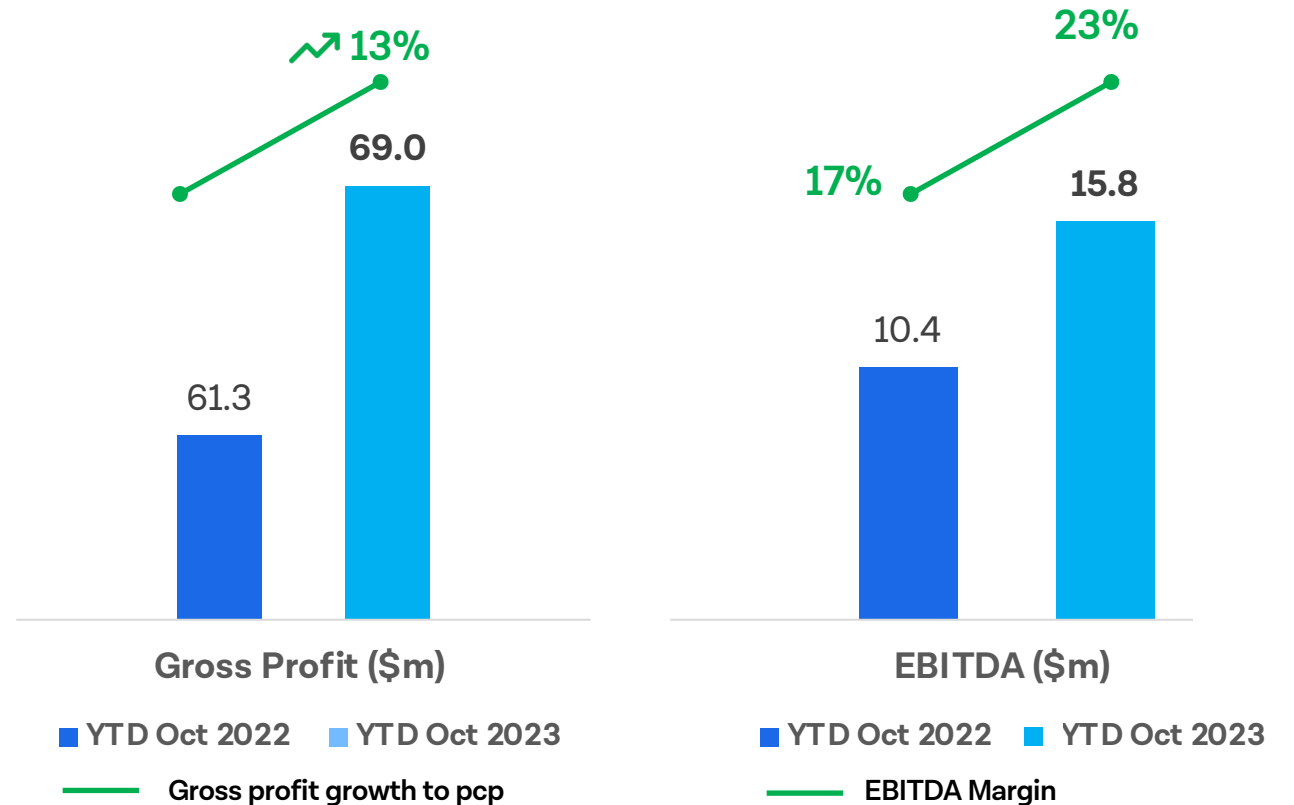
Trading update¹

H1 FY24 driven by weaker discretionary spending - factored into FY24 Guidance.

Transaction value 1 July 2023 to 12 November 2023: \$15.9 billion, up 3.0% on pcp - Tyro core transaction value up 5.1% on pcp

- Hospitality +3.2%
- Health +24.9%
- Retail (2.5%)
- Services/Other +9.3%
- Bendigo powered by Tyro (10.5%)

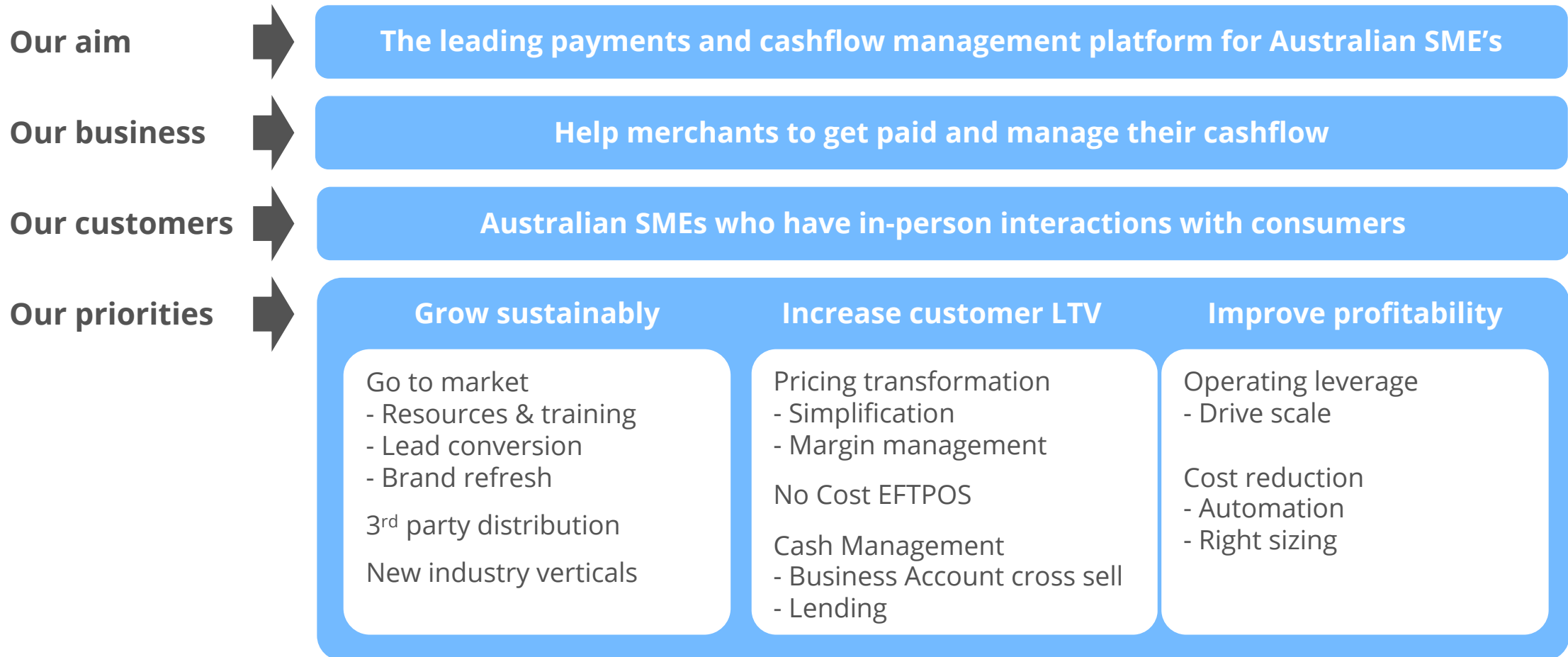
Loan originations 1 July 2023 to 12 November 2023: \$49.4 million



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

Our business and our priorities

We have a clear plan and strategic priorities



Guidance Re-affirmed



Earnings guidance range for FY24

Transaction value	\$45.0 billion	to	\$47.5 billion
Gross Profit² (after Bendigo commission)	\$206 million	to	\$215 million
EBITDA⁴ (before share-based payments)	\$52 million	to	\$58 million
Targeted EBITDA margin³	~26%		

Positive Free Cash Flow

- Targeting continued increase in positive free cash flow⁵ (after all operating expenses + capital expenditure)

¹This FY24 guidance includes forward-looking statements. Refer below.

²Gross 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.

³EBITDA Margin is measured as EBITDA (including lending and non-lending losses) divided by gross profit (after Bendigo commission).

⁴Tyro 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.

⁵Free 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.

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 lock-downs, 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 2023.

Certain statements contained in this announcement are forward-looking statements or statements about future matters, including indications and expectations of, and guidance and outlook on, the future earnings, financial position and/or performance of Tyro. These statements are based on information available as at the date of this announcement, and involve known and unknown risks and uncertainties and other factors (many of which are beyond the control of Tyro).

No representation is made or guarantee given that the occurrence of any of the events expressed or implied in these statements will actually occur. Actual future events may vary from these forward-looking statements and it is cautioned that undue reliance should not be placed on any forward-looking statement.

Capital management

Given the growth opportunities and operating leverage improvements we see in our business, we believe that our shares are undervalued.

We are targeting to continue to be able to generate self-sustaining levels of capital through continued improvements in operating leverage, with further scale and efficiencies available.

Specifically, we are targeting that we will continue to be sufficiently capitalised to:

- Invest to drive capital efficient growth initiatives in payments and banking
- Invest in our self-sustaining transformation program
- Maintain appropriate levels of capitalisation and liquidity

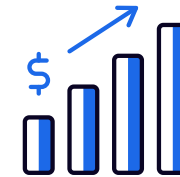
- **Exploring a share buy-back of up to \$20m (implementation subject to regulatory approval).**
- **Investigating on-market purchase of shares to be held within a cash-settled Trust for share based compensation, to mitigate dilution of existing shareholders.**

In summary ...

1

Sustainable growth

- Invest in sales
- Deliver go to market improvements
- Expand our retail and third-party distribution channels
- Entering one or two new verticals in the next 12 months



2

Improve customer LTV

- Pricing simplification
- Margin optimisation
- No Cost EFTPOS
- Cross-sell our Tyro Business Account and cashflow lending solution



3

Increase profitability

- Ongoing cost management, for profitability but also to create investment capacity for growth
- Digitisation and automation
- Organisation right sizing



4

Share buyback

- Share buyback of up to \$20m
- Invest in the on-market purchase of shares to be held within a cash-settled Trust for share based payments compensation
- Subject to regulatory approval

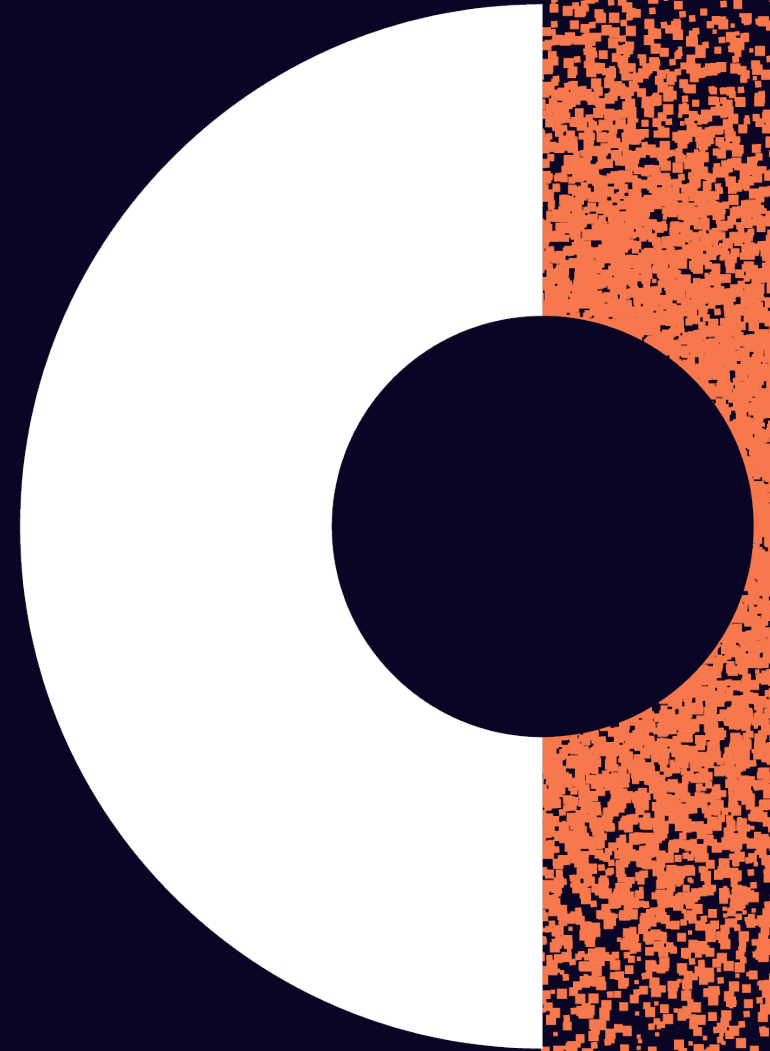


Thank you

www.tyro.com

[instagram.com/tyrolimited](https://www.instagram.com/tyrolimited)

[linkedin.com/company/tyro-payments](https://www.linkedin.com/company/tyro-payments)



TYRO PAYMENTS LIMITED
2023 ANNUAL GENERAL MEETING
CHAIR'S ADDRESS TO SHAREHOLDERS

Good afternoon and on behalf of my fellow Directors and the entire Tyro team, I am pleased to welcome you to Tyro's 2023 Annual General Meeting. My name is Fiona Pak-Poy, and I am Chair of Tyro Payments Limited.

Before we begin today, I would like to acknowledge the Traditional Owners and Custodians of the land, sea and waters from where I am joining you today in Woolloomooloo. For me, that is the Gadigal people of the Eora Nation. I also acknowledge the Traditional Owners and Custodians of the various lands from which you are all joining this meeting today virtually, and I wish to pay my respect to elders past, present and emerging.

It has been an honour for me to succeed David Thodey and be appointed as Chair in March this year. In doing so I accepted the challenge of leading the Tyro Board and entire Tyro team through a transformative year for our business, focused on our goal to be Australia's leading payments and cashflow management partner for small businesses.

We celebrated our 20th birthday in February 2023 celebrating our roots as one of Australia's first true fintechs. In these 20 years we have processed over \$175 billion in total transactions and currently help over 69,000 Australian businesses grown through the provision of an innovative payments and cashflow management platform.

To continue to grow and develop, as we have in the past 20 years, we made a number of significant changes in FY23. After our successful listing on the ASX in December 2019, the challenges of Covid and now dealing with the high interest rate environment that all Australians, including which our merchants and their customers face, FY23 was the opportune time to evolve Tyro's way of doing business.

This started with the transformation of our management team. In October 2022 we appointed Jon Davey as CEO. Jon has refreshed our leadership team with the recruitment of a new Chief Product Officer, a new Chief Growth Officer, and a new leader of our Health business. Jon has brought a renewed energy and determination to the leadership of the company.

Jon and his team focused on core foundational priorities that needed to be put in place. This included the delivery of new innovative products including Tyro Go, Tyro Pro and being equal first in the Australian market to introduce Tap to Pay on iPhone. We introduced a new operating model and cost base to drive efficiency, while further developing a culture of high performance. Importantly, the team also worked on optimising our pricing plans to compete in the payments market more profitably.

The team have also been working over the past 4 months assessing our strategic direction to ensure we remain relevant, competitive and innovative in the increasingly changing payments landscape in which we operate. Our strategic direction was articulated to shareholders at our strategy day in October 2023. Following this work,

we now have an enhanced clarity of our business specifically an understanding of the strength of our proprietary Switch, the opportunities offered by our ADI licence and the key areas of growth that we will need to focus on to achieve our vision, including a commitment to enter into at least one or two new verticals in the next 12 months.

Jon will provide greater detail in his address on this work and our plans going forward, however I would like to stress for our shareholders that this work has only confirmed the confidence that the Board and Management Team has in our plans to deliver enhanced shareholder returns from continued growth by serving our merchants profitably.

The results achieved in FY23 were strong. Tyro generated record transaction value of \$42.6 billion from over 68,500 merchants, record gross profit of \$193.2 million, record EBITDA of \$42.3 million and a statutory net profit after tax of \$6.0 million together with positive free cash flow of \$5.7 million. It is important to note that these very strong results in FY23 were delivered during a 10-month period of significant uncertainty and disruption created by the interest from third parties in a possible change of control transaction. Notwithstanding this disruption, focused execution of key foundational strategies and the resulting product delivery by our team, enabled us to deliver on our guidance, which was upgraded three times through the year.

2023 also saw Tyro make significant progress towards minimising our environmental footprint and building on our foundations for a sustainable business model. This work will not only benefit Tyro but also our community and merchants in the years ahead.

A few of the key strides we made in the year were to be accredited by Climate Active as being a Carbon Neutral organisation for the first time in Tyro's history. We are investing in our sustainability program to drive strategic projects that will assist our SME merchants to become more sustainable, as well as offering a service to their customers to contribute directly to good causes through their Tyro payments terminal.

The Tyro team is a diverse and inclusive one, where over 50% of our employees were born outside of Australia. At board level, as it is the first AGM since David Thodey stepped down as Chair, I would like to take this opportunity to thank him publicly for his significant contribution and leadership of Tyro over the last four and a half years as a Director and as Chair. David was a huge advocate for diversity. As incoming Chair, I am extremely pleased to lead our Board that is now one of the most diverse of all ASX-listed companies with 67% female representation of our Non-executive Directors. We believe that diversity in experience, thought and gender genuinely helps deliver high performance and creates a great place to work. In addition, diversity around our board table helps deliver the robust governance that has, and continues to, serve us well.

The diverse backgrounds of Board members means we have the necessary depth of experience in payments, technology, banking, risk management, customer excellence, governance, M&A and strategy to take a rejuvenated Tyro into its next phase of growth.

With reference to our 2023 Remuneration Report, I acknowledge the concerns raised by some of our investors and proxy advisors.

In the leadup to this AGM, I, together with the Chair of the People Committee, Claire Hatton, have spoken directly with many of our investors and proxy advisors relating to our remuneration framework and FY23 incentives.

While we are confident in our remuneration framework - which is designed to achieve our strategic objectives, and in turn, drive outcomes for shareholders - we will continue to actively engage all shareholders and investors to understand your concerns. We will also ensure that we provide updates on our performance against our strategic objectives which our remuneration approach seeks to drive. In addition, we will continue to communicate the rationale for our strategy for which the Board and Management has high conviction.

We welcome further comments and questions relating to the Remuneration Report when the resolution is put to the meeting later today.

Over the past year we have created a strong foundation for future growth and profitability. We have the right team, the right culture and most importantly the passion to deliver on our future strategy, continuing with the innovation that has been delivered over the past 20 years. Now that the company is cashflow positive, Management and the Board has a renewed focus on capital management and profitability to deliver superior shareholder returns. As Jon will elaborate later, we have today announced that the company is exploring a share buy-back of up to \$20 million, implementation of which is subject to regulatory approval. We are also investigating opportunities to invest, both this year and on an ongoing basis, in the on-market purchase of shares to be held within a cash-settled trust for the settlement of share-based payments compensation. This will remove the dilutionary impact of share-based compensation to existing shareholders.

As Chair of the Board, I would like to thank all Board members for their contribution over this past year and on behalf of the Board, I would like to sincerely thank our dedicated team of committed employees, our merchants, Shareholders and all our other partners for their ongoing support through the year.

That concludes my address, I will now hand over to Jon who will elaborate on the achievements the company has made in the past year, and our plans for continued success.

Tyro Payments Limited

Address by the CEO to Shareholders

Thanks Fiona and good afternoon to all our shareholders and guests. It is a pleasure to join you for our 2023 Annual General Meeting.

The 2023 Financial Year was marked by several important milestones as the Tyro team worked to deliver on our objective of being Australia's leading payments and cashflow management partner, for small businesses. In the 12 months since our last AGM, we have made strong steps towards this objective, and we have delivered a number of product, operational, and cost related improvements. We have also updated our strategy, introduced several new senior leaders to the business, and made good progress in driving a performance-based culture. Tyro is in a significantly stronger position than we were 12-months ago.

Today I will:

- discuss performance during the 2023 financial year.
- provide an update on current trading.
- summarise three strategic priorities;
 1. The exciting opportunities we have for growth and the initiatives that we will pursue;
 2. Our focus on improving customer lifetime value; and
 3. Our commitment to drive profitability, through an ongoing focus on operating leverage and cost reduction.
- I will reaffirm guidance as provided to the market in August; and lastly;
- I am pleased to announce our plans for a share buy-back, subject to regulatory approval.

In February, we celebrated Tyro's 20th birthday. We have come a long way from start-up to where we are today with a large, loyal, customer base made up of more than 69,000 businesses. In a market that has grown at four percent over the past 3-years, Tyro has scaled organically, and inorganically, to achieve an annual merchant growth rate of 29%.

We are Australia's fifth largest merchant acquirer. We serve a large and growing card payments market that turns over \$836b per year; and yet we support just three percent of all Australian businesses, and we process less than five percent of total card payments. These statistics demonstrate that Tyro has significant opportunities for further growth.

Our core business is payments, and we know our customers. We have won leadership in the key verticals that we serve, hospitality, health, retail and more recently services, because we build solutions based on the needs of these businesses. We understand their industry specific requirements. For hospitality merchants, this is being able to pay at table, add tips, and split bills. For healthcare, it is capabilities that support Medicare, private health and other funding claims, and features that support single settlement and easy payments reconciliation.

Since my appointment, we have undertaken a detailed review of our strategy. This has included an assessment of the competitive environment, expected regulatory changes, and the impact of new technology to our business. We have also assessed our current processes, capabilities, and cost base, to develop a plan for the future. We adopted a greenfield approach, one where we assessed our current capabilities and costs, and our future needs and investment requirements. We adopted a mindset that was open to exiting parts of our business, and sourcing services that are currently performed in-house, from third parties.

What this work has made abundantly clear is that no one competitor can match Tyro's unique combination of capabilities:

- our fast, reliable, cost competitive infrastructure;
- direct integrations that drive inter-operability with our customers systems;
- products that support the cashflow needs of businesses; and
- our broad, diversified, direct and third-party sales and distribution network.

As we will shortly discuss, we are also cashflow positive and we will continue to generate capital and increase operating leverage. This provides opportunities for us to invest in organic growth, and, where opportunities are both strategic and earnings accretive, inorganic growth.

Our 2023 financial results were very strong, highlighted by strong gross profit and EBITDA growth, as well as our first full year of positive free cash flow. These results were achieved as we made improvements to transaction margin, and significant improvements to profitability, and operating leverage. Our results highlight the ongoing benefits of scale, while our analysis has highlighted further opportunities to increase efficiency.

We earned normalised gross profit of \$193.2m; this was 30% higher than last year. Our focus on cost reduction contributed to a record EBITDA of \$42.3m, representing an EBITDA margin of 22% compared to 7% the year before. We achieved \$5.7m of free cash flow; our first full year positive result as a publicly listed company; and we generated a statutory net profit after tax of \$6m compared to a loss of \$29m a year earlier.

We processed \$42.6b of transaction value; this represents growth of more than 24% on the prior year. Our gross profit growth demonstrates that effective margin management, and segments other than payments are beginning to contribute more meaningfully to the bottom line.

We processed more than 17,000 new customer applications and the core Tyro customer base grew by 12%. Across our industry verticals, Tyro Health and our emerging Services business were the standouts with Health generating 33% more applications, and Services 42% more applications than the previous year.

While these are great results, we acknowledge that the year has been a challenging one for our team, our customers, and our shareholders. Headcount reductions, changes in our operating model, and a potential acquisition created uncertainty for our team members. For our customers, changing macro-economic conditions in the

second half of the year have led to an increase to input costs, resulting in higher business closures. For you, our shareholders, our share price performance has been very disappointing; we share that disappointment. Although consistent with the performance of global payments peers, we recognise that we must deliver on all our commitments and manage the business judiciously to instil in investors the same level of confidence in future growth and profitability that Management and our Board share.

Transaction value for the period of the 1st of July to the 12th of November was \$15.9b, up 3% on the corresponding period. Core Tyro, that is excluding Bendigo powered by Tyro customers, performed better at 5%. Growth in our Health vertical was strongest at 25%. The more discretionary nature of hospitality is highlighted with growth of 3%, retail spend declined by more than 2%. Bendigo powered by Tyro transaction value declined by almost 11%. This was greater than expected but consistent with the customer churn previously reported. While Bendigo performance has been disappointing and is behind expectations, it continues to contribute positively to the EBITDA of the group.

As expected, transaction value growth has slowed compared to the corresponding period which was characterised by a strongly growing economy. The Reserve Bank was just starting its series of thirteen interest rate rises. The impact of these is highlighted by a decrease in discretionary spend, offset by an increase in prices because of inflation.

The core Tyro customer base has grown by 5% compared to the corresponding period. We have processed more than 6,600 applications to the end of October, 15% higher than the same period last year. We have seen merchant churn increase to 14.7% from 11.8%. 2.4% of this can be attributed to Bendigo, 2.2% to the impacts of Lightspeed, and 5.3% from business closures that we attribute to tougher economic conditions. Transaction value churn has increased to 12.5% year to date. This includes a previous top 10 retail merchant that was foreshadowed. Excluding this merchant, our transaction value churn was 10.5%.

Management's focus on margin and cost management has delivered strong gross profit and EBITDA results. Gross profit for the period to the end of October was up 13% to \$69.0m; EBITDA was up 52% to \$15.8m. Our EBITDA margin increased from 17% to 23%. Included in our EBITDA margin are several one-off costs including work related to our strategy review and our decision to take legal action against Kounta.

While the broader macro-economic environment is creating headwinds, the team are firmly focused on disciplined management of factors that we control, our go to market approach, lead conversion, efficient and effective product development, pricing and margin management, and disciplined cost management.

We provide the leading platform of tools and solutions that help Australian small businesses get paid and manage their cashflow. Our strategy is to drive sustainable customer and transaction value growth, and to improve profitability through greater loyalty and customer lifetime value.

To drive **growth**, we are prioritising improvements in our go to market approach, and through entry into new verticals.

For go-to-market, we are investing in resources, training, and automation to improve sales and sales lead conversion, and we continue to expand our retail and third-party distribution channels. Last week we launched new retail partnerships with The Good Guys and JB HiFi. Tyro products are now available in 60 of The Good Guys stores, and with JB HiFi through an initial pilot of seven specialists selling business solutions to SMEs. Tyro products are also available on the JB HiFi business website. We are also excited by the additional sales momentum expected from a brand refresh in February.

We have completed an assessment of all 19 industry verticals based on card payment spend, expected growth, and opportunities for Tyro to innovate and win. We have several attractive targets that we will address via an expanded go-to-market effort and via new product and feature development to maintain vertical specialisation. We are targeting entry into the most attractive 1 – 2 new verticals in the next 12 months.

To increase **customer lifetime value**, we will continue to improve transaction margin through a structured and carefully managed Pricing Transformation program, and through higher margin products such as our recently released No Cost EFTPOS.

Our cashflow management products drive at least 2.5 times higher customer lifetime value through increased earnings and improved retention compared to our payments only customers. Importantly, our strategy does not rely on replacing all our customers' incumbent banking services; instead, we focus on an integrated acquiring and banking solution to a SME's biggest pain-point: cash-flow management. Customers that settle funds to a Tyro Bank account get their money faster, and uniquely for a business transaction account, they earn interest on their balance. For Tyro, these customers have a lifetime value more than 20% higher than a payment only customer. Likewise, our 'repay-as-you-trade' Tyro Business Loan automatically deducts loan repayments from payments cashflows lowering our credit exposure and delivering customer lifetime value that is at least 2.5 times higher than a payment-only customer.

We must do a better job of taking this compelling offer to more of our customers through better communication of the customer value proposition, more seamless integration in our owned channels, and via the improved go-to-market efforts described previously.

Finally, we will continue to focus on improving **profitability**, through efficiency-enabled cost reduction, and greater operating leverage. Our cost base remains too large for a business of Tyro's size, and we intend to realise further efficiencies. We have implemented further headcount reductions this week, contributing to a circa 10% reduction from our end of FY23 totals in the first five months of this year. Reductions will not impact growth, as roles have been reduced following the automation of manual processes, and by right sizing our customer support and operational technology teams.

We will target ongoing productivity improvements and implement initiatives that increase customer self-service. We will adopt a disciplined approach and reinvest savings on growth opportunities that we are confident will deliver strong returns.

Today we re-affirm guidance across all metrics.

We remain cautious of the broader macro-economic environment and the impact of interest rate increases to transaction value, particularly in the more discretionary hospitality and retail verticals, and in the regionally located Bendigo customer base.

As noted, over the remainder of FY24 and into FY25, we will maintain our focus on those factors that we can directly control, our go to market approach, lead conversion, efficient and effective product development, pricing and margin management, and disciplined cost management.

Given the growth opportunities we see in our business, and our drive to continue to expand the EBITDA margin, we believe that our shares are materially undervalued by comparisons to domestic and international peers.

We are also targeting that we will continue to generate self-sustaining levels of capital as we drive profitability. Specifically, we will target to be sufficiently capitalised to drive growth in payments and provide cashflow management solutions to our customers, while maintaining required levels of capital and liquidity to operationally run a business of increasing scale, and more than cater for regulatory requirements.

In the context of our assessment that Tyro shares are materially undervalued, we are currently exploring a share buy-back of up to \$20m, implementation of which is subject to regulatory approval. We are also investigating opportunities to invest, both this year and on an ongoing basis, in the on-market purchase of shares to be held within a cash-settled Trust for share based payments compensation. This will remove the dilutionary impact of share-based compensation to existing shareholders.

The 2023 Financial Year was an important one for Tyro. We delivered an excellent financial result, and we have laid the foundations for an exciting future. Our ambition is to be the leading payments and cashflow management partner for Australian small businesses, and this ambition has energised the team. With this focus we make the following commitments for FY24 and ahead:

Firstly, we will invest in ongoing growth. We will drive customer growth through investment in our sales capability, go to market improvements, the expansion of our retail and third-party distribution channels, and by entering one or two new verticals in the next 12 months.

Secondly, we will improve customer lifetime value through pricing simplification, margin optimisation, our No Cost EFTPOS solution, and by driving cross-sell of cashflow management products.

Thirdly, we commit to ongoing cost management, for profitability but also to create investment capacity for growth. To help deliver FY24 earnings guidance, by the end of November we will have reduced our total headcount by circa 10% from our end of FY23 total.

Finally, we confirm an intention to implement an on-market share buy-back program of up to \$20m over a 12-month period, and an intention to cash-settle share-based

compensation through the on-market acquisition of shares from the second half of FY24, implementation of which is subject to regulatory approval.

I hope that today I have been able to provide better clarity to you, our shareholders, on the prospects for this business as we continue to grow, improve operating leverage and profitability, and generate shareholder wealth.

Finally, I would like to thank our customers and our network of partners who trust us with their business daily. To the Tyro team, thank you for embracing the changes I have led and for your hard work to deliver a fantastic set of 2023 financial and operating results.

Back to you Fiona

--ENDS--