



Investor Strategy Day

Management Presentation

18 October 2023



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Numbers are subject to rounding and stated in Australian dollars unless otherwise noted. Unless otherwise specified, all information in this presentation is provided as at 30 June 2023.

Agenda for today



01 Introductions



02 Tyro's strategy



03 Deep-dive on our core capabilities: In-house switch and banking (incl. ADI)



04 Transformation Roadmap and Capital Management



05 Tyro Health: Deep-dive and Product Demonstration



06 Answering your questions



Introducing our experienced management team



Jonathan Davey
Chief Executive Officer

- Appointed CEO in 3 October 2022
- Joined Tyro in May 2021 following Tyro's Medipass acquisition
- Previously NAB EGM Digital, Innovation & Customer Experience



Deanne Bannatyne
Chief Growth Officer

- Joined Tyro in April 2023
- Previously, GM of Payments at NAB, GM Financial Services for Australia Post, and Chief Customer Officer & Managing Director at Prezzy



Dominic White
Chief Product Officer

- Appointed CPO in February 2023
- Previously GM Payments at ANZ, CBA and NAB; VP Pacific Region Ingenico, Country Manager Ireland & Head of Merchant Sales and Acquiring Visa UK



Praveenesh Pala
Chief Financial Officer

- Appointed CFO of Tyro in October 2014
- Extensive managerial experiences in the Property and Financial Services sectors



Paul Keen
Chief Technology Officer

- Joined Tyro in August 2022
- 20 years of technology leadership experience at Qantas, AirTasker, Red Balloon and Nuix



Steve Chapman
Chief Risk Officer

- Appointed Chief Risk Officer in June 2021
- Prior leadership roles with Woolworths, IAG and QBE



Adrian Perillo
CEO Tyro Health

- Commenced leadership of the Tyro Health business in October 2022
- Leadership roles at Sensis, Medibank and Telstra Health



Monica Appleby
Chief People and Communications Officer

- Appointed Chief People and Communications Officer in January 2022
- Previously at KPMG, Deloitte, King & Wood Malletsons and Tabcorp



Tyro's strategy

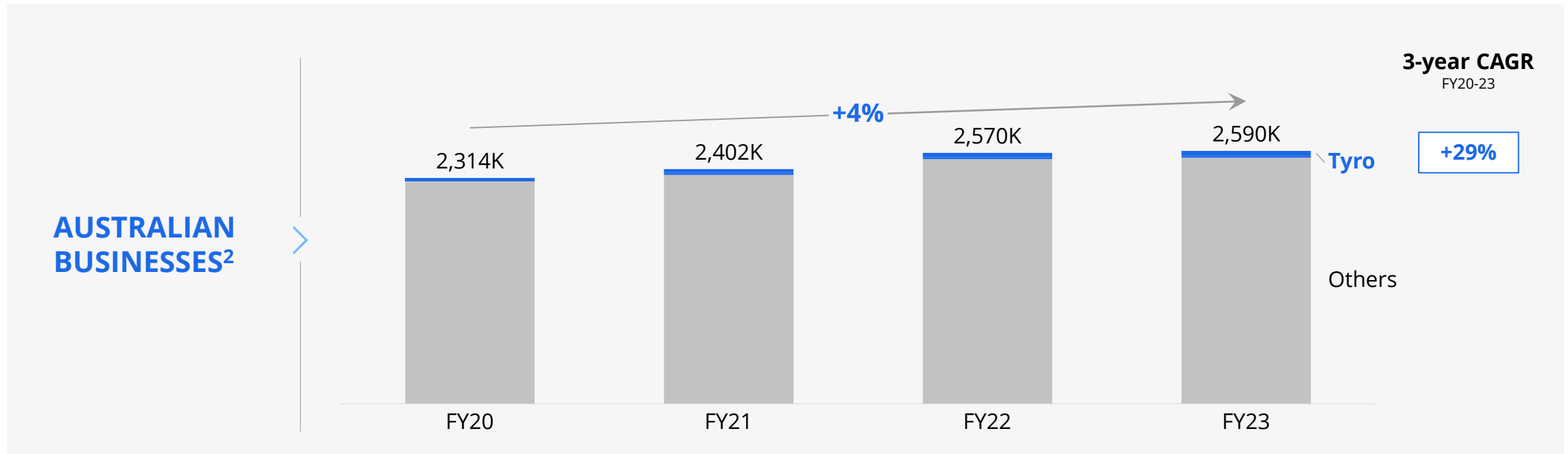
We are growing our installed base of customers, in a growing market



We serve a large and fast-growing market of **2.6M (+4% CAGR¹)** Australian businesses, turning over **\$836B (+8% CAGR¹)** in card payments annually



We have a **sizable (69k)** and loyal (**29% CAGR**) installed base of customers



1. 3-year CAGR over FY20-23
2. Number of entities with an Australian Business Number (ABN)
Source: ABS, RBA, Tyro internal data

We help merchants navigate complex needs



We manage the **most critical function**, inherently the commercial centre of a business:
authorising and processing payments



We have an opportunity to create integrated solutions – just as we have in **cashflow management and banking**

Marketing & Strategy

Marketing, design, strategy, consulting

Business Services

Telecommunications, Wi-Fi, utilities, printing, travel, transportation, shipping, recruiting

Legal & Insurance

Compliance, contract reviews, tax advice, litigation, professional liability, workers' compensation, business interruption,

Payroll & HR management

Employees' salaries, wages, bonuses & deductions tracking, benefit accounts, time sheet monitoring



Merchant Services

Point-of-sale interfaces, accept, process, and receive payments from customers, transaction data

Cashflow Management

Accounting & budgeting tools, forecasting, accounts payable or receivable automation

Banking & Treasury

Deposit accounts, operating account functionality, international payments & transfers

Lending

Lines of credit (secured or unsecured), term loans, equipment financing, merchant cash advance, mortgages

Tyro is well-positioned to deliver continued growth

We won leadership in our verticals because we built payments from the ground up for Australian businesses, serving their unique requirements. We made SME payments our core focus, not an adjacent business. Our in-house payments switch, and banking licence set us apart.

We are **frictionless 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**.

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

Tyro's strategy



Continuing to provide **industry-specialised payment and cashflow solutions** for Australian businesses. We aim to provide customers the fastest, lowest-friction, and most reliable way to get paid and manage cashflow.

Growing our installed base of customers, in growing verticals, with the deepest understanding of their specialised needs.

Drawing on our **efficient, scalable in-house processing and banking capabilities** to allow us to innovate and respond quickly to changing customer needs and market dynamics.

Increasing value for and from each customer: our cashflow solutions make customers' lives easier, increase loyalty & Tyro revenue per customer, and allow us to attract new customers.

Committing capital and talent to invest in **repeating our pattern of success for new verticals and new solutions** – building on our historical strengths, which have enabled our winning offer in the past.

Our market is evolving, creating opportunities for Tyro



01

Competition including integrated payment solutions

- Emergence of fast-growing local disruptors and global scale-ups entering the market to meet merchant needs
- Merchants shifting from hardware to software-based solutions e.g. mobile-based POS apps
- Many new entrants solving broader customer needs (e.g. accounting, HR, workflow) across the value chain
- Vertically-integrated software driving POS and other providers to offer payments capability

02

Technology driving changes to the way consumers buy

- Slowing cash-to-card transition, and demand for new payment types such as digital wallets
- Significant innovation in Australian payment rails through the New Payments Platform
- Ongoing shift to eCommerce with bricks and mortar customers of all sizes introducing online options, leading to increasing demand for more integrated omni-channel payments solutions
- Integration of eftpos-mandated QR code payments, surcharging and least-cost routing options

03

Customers are seeking simple solutions to manage their business

- Merchants increasingly relying on their existing providers to solve a growing set of problems
- Global payments competitors extending into business banking to cater to growing demands of their customers

04

Uncertain macro- economic conditions

- Slowing household discretionary spend in recent months
- Rising merchant costs putting pressure on the ability of businesses to survive

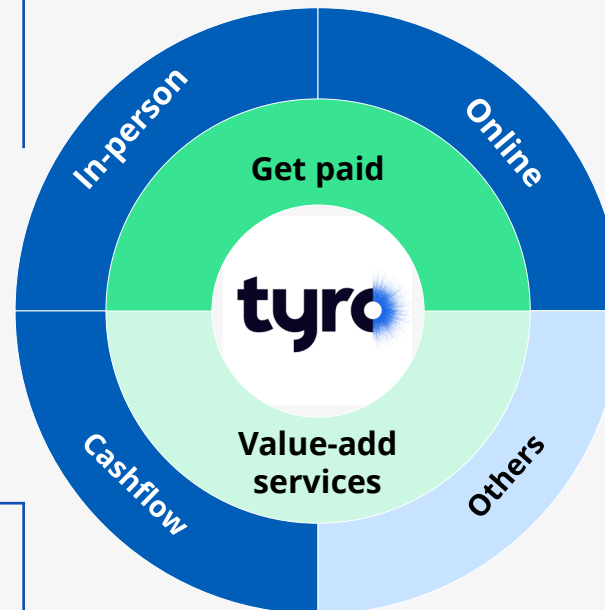
Tyro provides industry-specialised payment and cashflow solutions, to support Australian businesses

In-person payments for Australian businesses

We build from the ground up to solve problems and create value for Australian SMEs, focusing where we can manage complexity, and serve industry niches with unique payment requirements

Integrated cashflow management

We offer value-adding cashflow solutions (for our payments customers) to help them meet their financial obligations.
e.g. same-day settlement, cash advance



Omnichannel offering for in-person customers

We provide competitive online features, to allow our in-person customers to meet their omni-channel payments needs

Selectively connect with other merchant services

We integrate seamlessly with the leading hardware and software solutions customers rely on, enabling our customers to easily assemble the suite of solutions that works best for their business

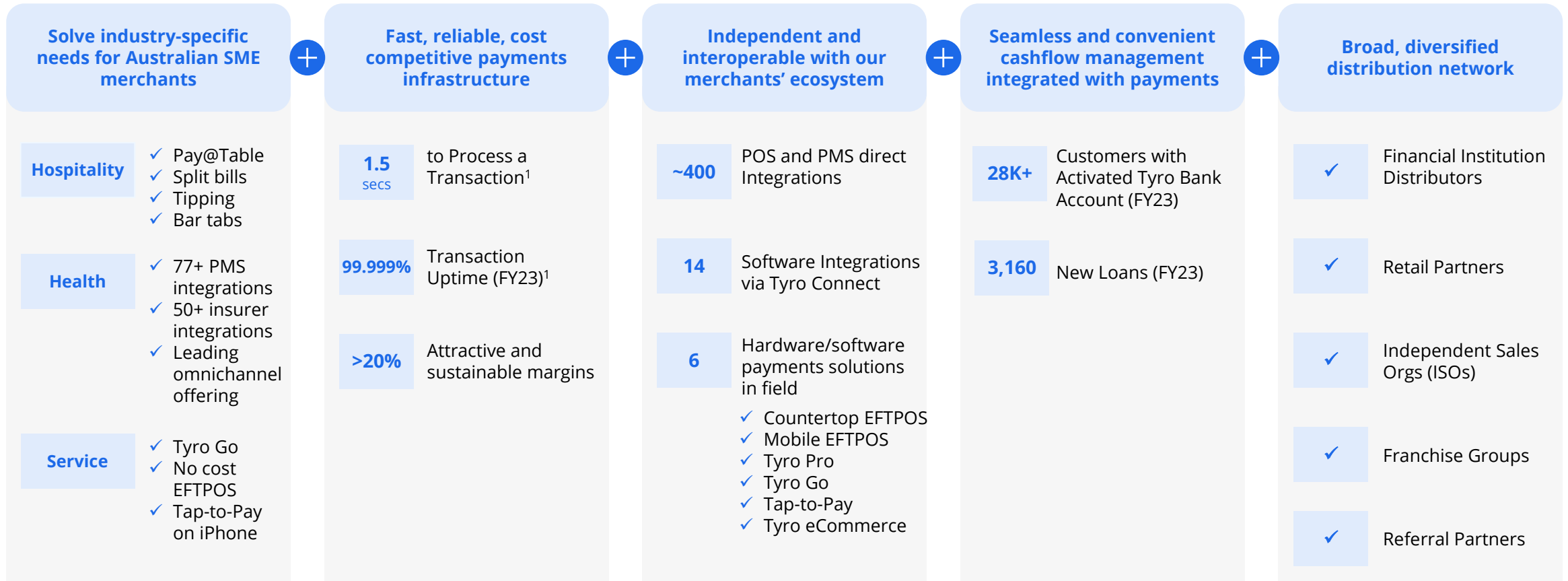
Attractive verticals provide us headroom for further growth



Total TAM ¹ : \$836B (FY23) 8.1% CAGR (FY20-FY23)					
Vertical / Segment	Hospitality	Retail	Health ²	Services	Other Verticals
Tyro focus	Maintain	Maintain	Grow	Grow	Enter
TAM ¹	~\$226B (FY23)			~\$610B (FY23)	
Tyro share	Medium	Low	Low	Low	
Priority sub-sectors	<div>Pubs & Bars</div> <div>Cafes & Restaurants</div> <div>Fast Food & Catering</div> <div>Accommodation</div>	<div>Supermarket & Grocery</div> <div>Bakeries</div> <div>Clothing</div> <div>Hardware & Building Supplies</div> <div>Other</div>	<div>GP</div> <div>Specialists</div> <div>Allied Health</div> <div>Dental</div> <div>Pharmacies</div>	<div>Trades</div> <div>Beauty</div> <div>Hairdressers</div> <div>Vets</div>	Framework to evaluate new verticals <ul style="list-style-type: none"> Attractive economic fundamentals <ul style="list-style-type: none"> Large and growing transaction value Customer growth potential Path-to-market Less discretionary category Attractive payments systems <ul style="list-style-type: none"> Sufficient & enduring card-present mix Manageable forward delivery risk Payment pain points that Tyro can solve <ul style="list-style-type: none"> Complex payments needs or systems Localised requirements Low competitive presence

1. Total Addressable Market shown is the value of C2B card-based payments in Australia (inclusive of card-present and card-not-present)
 2. Our TAM for Health also includes the value of government (e.g. Medicare, Traffic Accident, Workers Compensation) and private health funded payments but are not captured in these figures
- Source: RBA; ABS; Tyro internal data

We win through a unique combination of strengths



1. This relates to Tyro's proprietary switch and does not include third party integrations

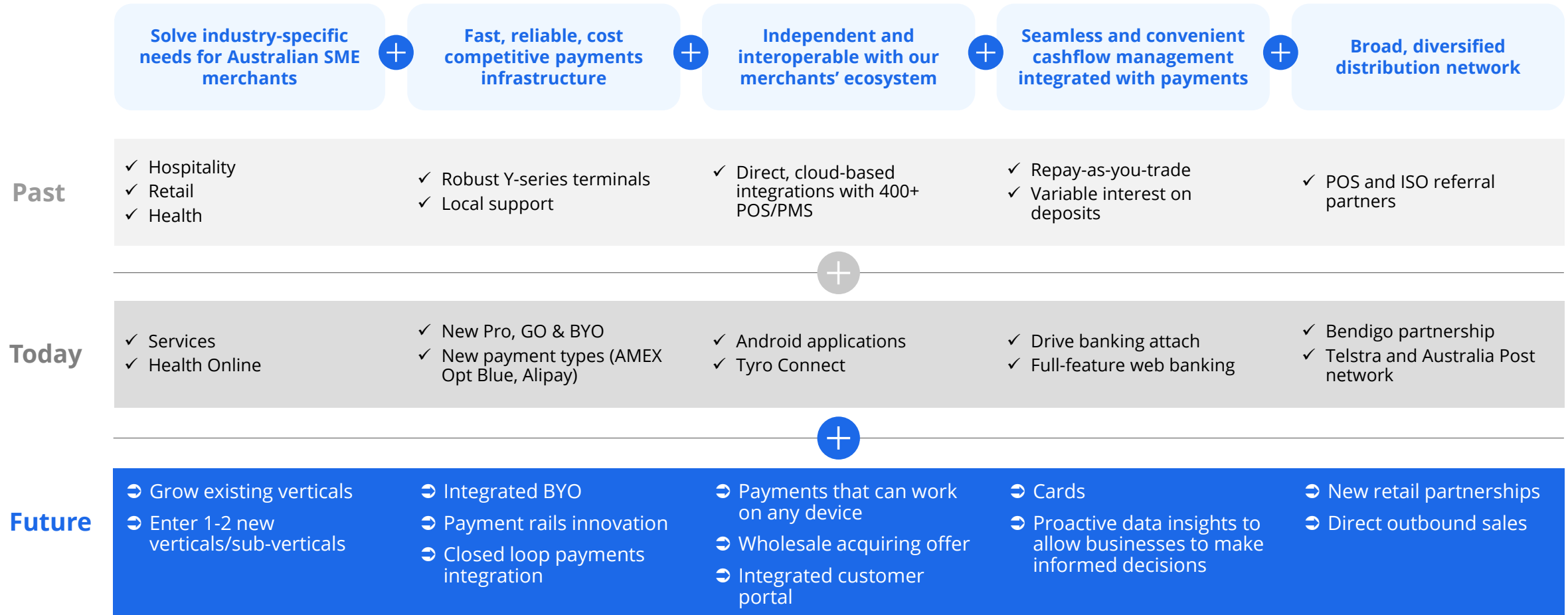
Our competitors do not match our hard-won capabilities



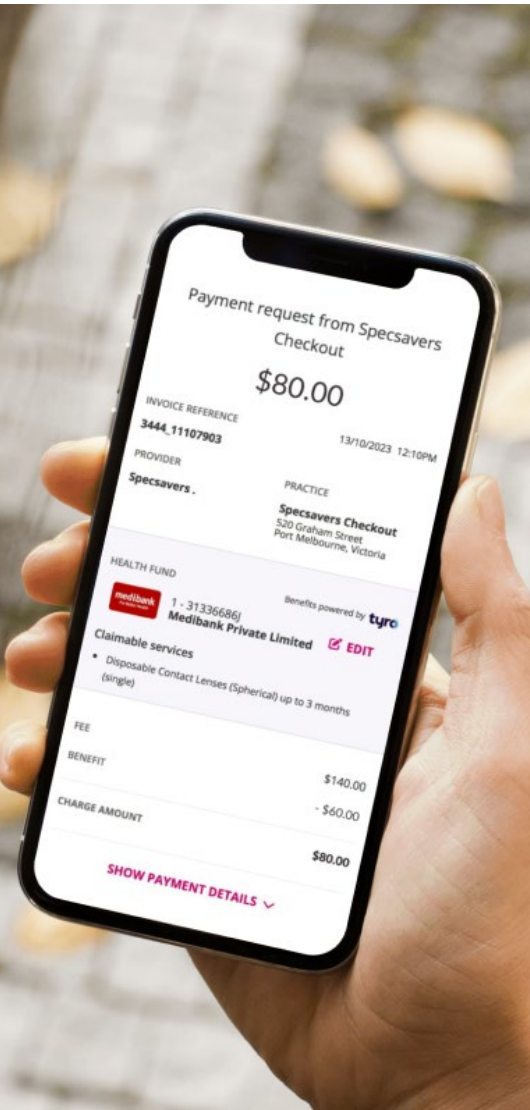
Tyro's differentiators	Tyro's capabilities	Large Aus. banks	Local PayFacs	Global scaleups	Integrated POS	Other POS
Solve industry-specific needs for Australian SME merchants +	✓ <ul style="list-style-type: none"> Australian SME focused Full-featured payments offering End-to-end payments innovation 	≈	≈	≈	≈	×
Fast, reliable, cost competitive payments infrastructure +	✓ <ul style="list-style-type: none"> In-house switch Fast, automated on-boarding Onshore assisted servicing 	✓	×	✓	≈	×
Independent and interoperable with our merchants' ecosystem +	✓ <ul style="list-style-type: none"> Cloud-based POS integrations Tyro Connect / Card-linked loyalty offering Ability to work with any bank, terminal, POS 	≈	≈	≈	≈	≈
Seamless and convenient cashflow management integrated with payments +	✓ <ul style="list-style-type: none"> Repay-as-you-trade Deposit-funded lending Instant settlement 	≈	×	≈	≈	≈
Broad, diversified distribution network	✓ <ul style="list-style-type: none"> ISO and POS/PMS referral network Exclusive Bendigo partnership Large and growing retail footprint 	≈	≈	≈	≈	×

✓ Claims to match Tyro
 ≈ Partially match Tyro
 × Does not appear to match Tyro

We will continue to build on our traditional strengths to win



Two case studies illustrating how our strategy unlocks opportunities for innovation



We solve industry-specific needs for Australian SME merchants

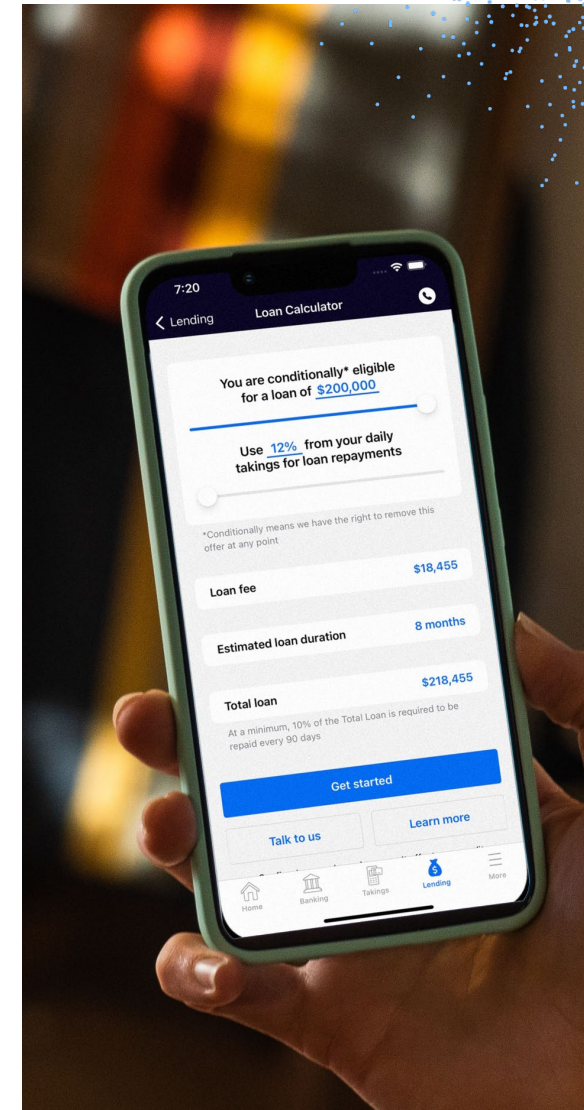
Example Case Study I Online extras claiming

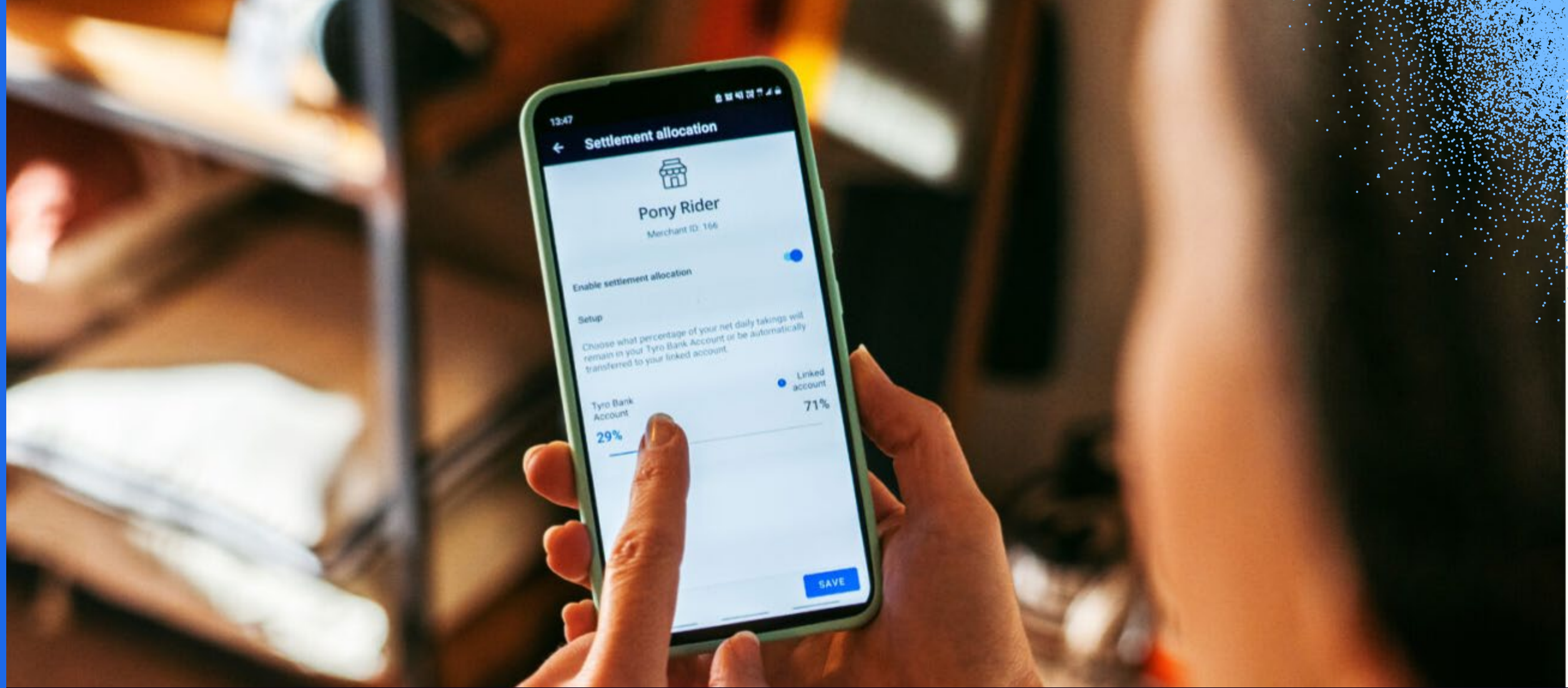
- Leading platform to offer online private health extras claiming
- Provide consumer visibility of their insurance benefit, only pay out-of-pocket
- Customers receive patient payment and private health payment

We offer seamless and convenient cashflow management integrated with payments

Example Case Study II Cashflow solutions

- Flexible repay-as-you-trade
- Quick and easy access to funds





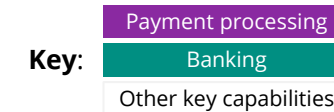
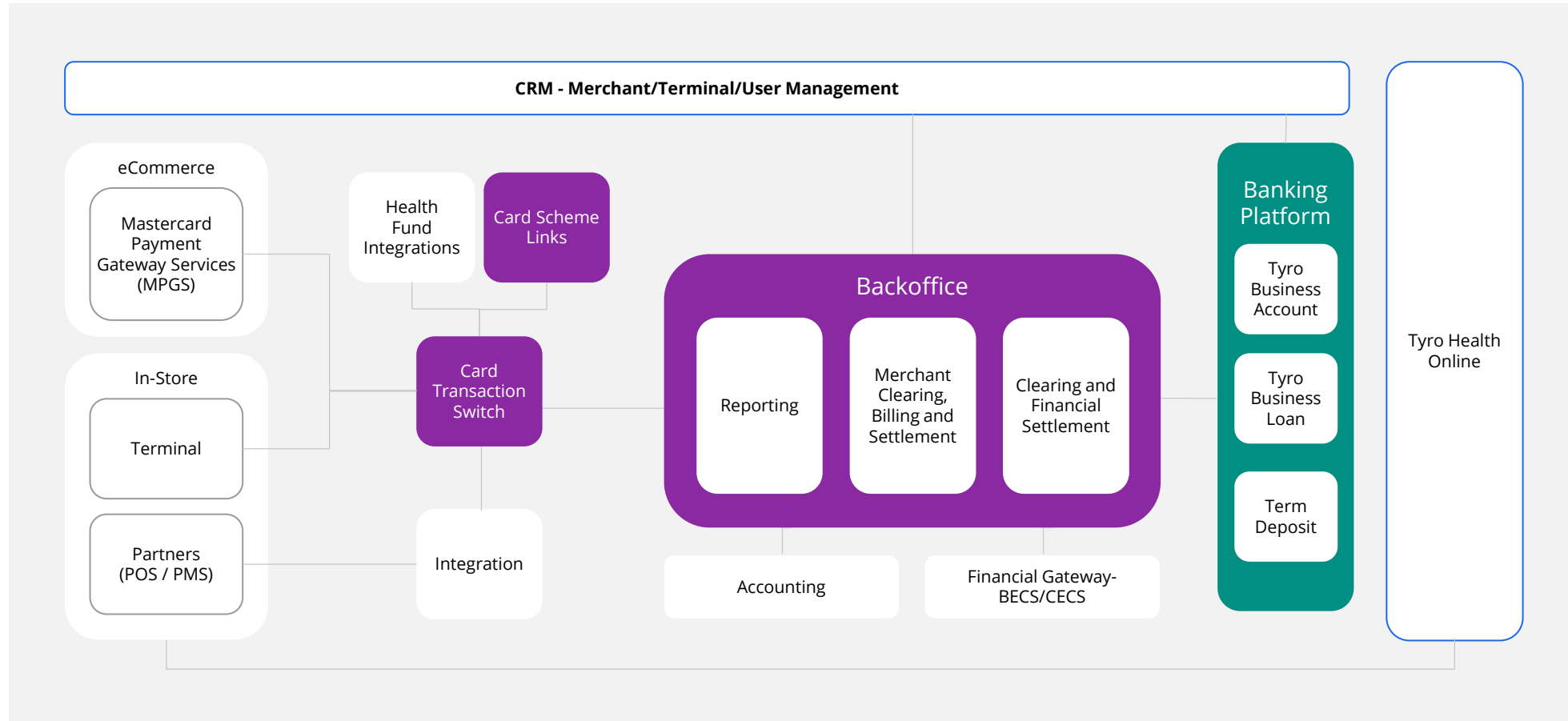
Deep Dive on our Core Capabilities

Our in-house payments assets provide an innovation platform and competitive differentiation

Deep Dive 1:
Proprietary switch and in-house back-office



We have assembled an integrated end-to-end system



In-house payments processing enables innovation at low-cost



Innovation enabled through our in-house payment processing

- Healthcare payment rails (e.g., Private Health extras, Medicare)
- Payments-integrated cashflow solutions
- Wide-scale direct POS/PMS integrations

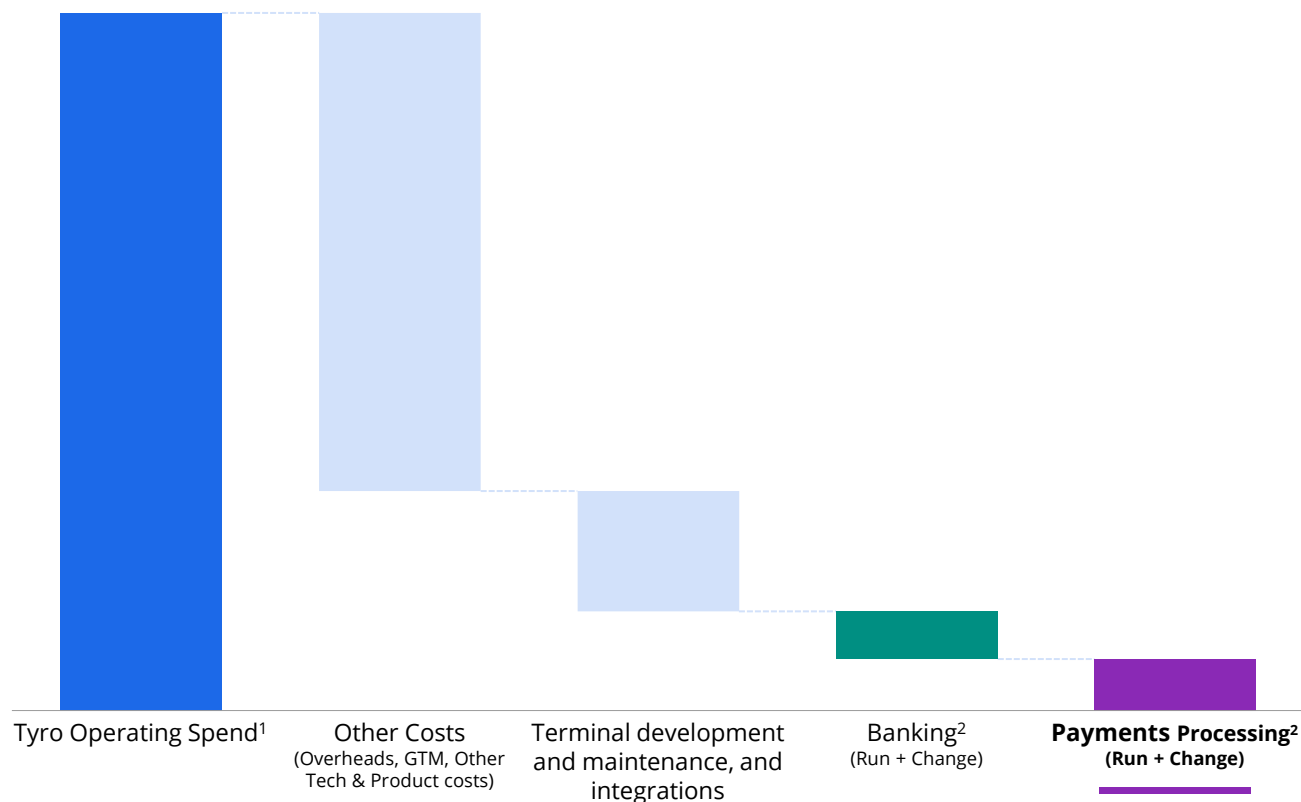


Next...

- New closed loop payments solutions
- Integration of real time account to account payments

Non-exhaustive

Low-cost payments processing

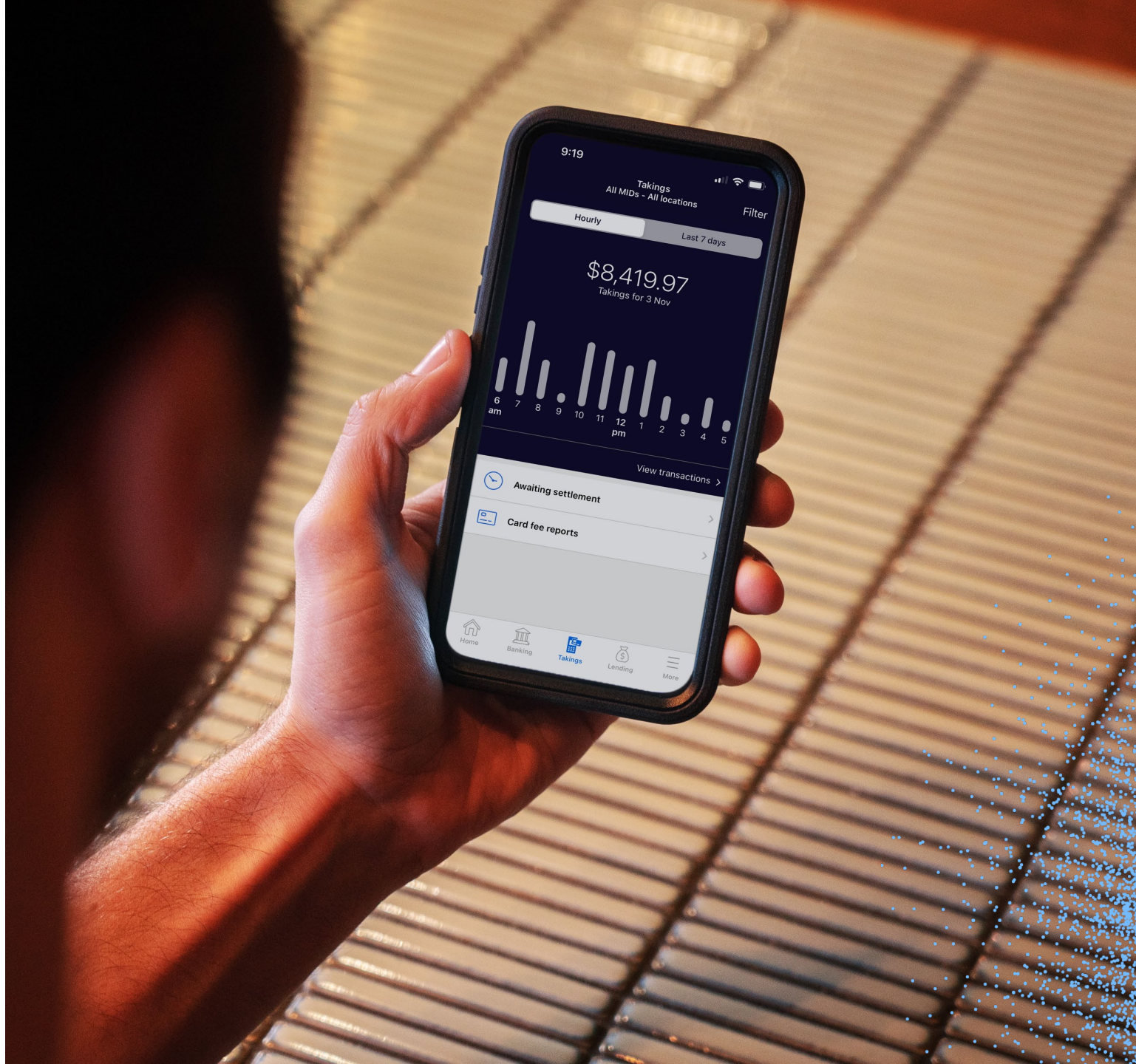


1. Operating expenses plus internally capitalised costs less lending and non-lending losses

2. Includes all run and change costs. Run costs defined as the ongoing cost of operating and maintaining the system and performing the required change to keep the system current and compliant. Change costs defined as all other costs (including non-recurring projects that may be required from time to time to modernise or keep the system compliant)

Our banking model provides enhanced economics, and enables product differentiation

Deep Dive 2:
Innovative banking product and ADI licence



Three cashflow management products support earnings



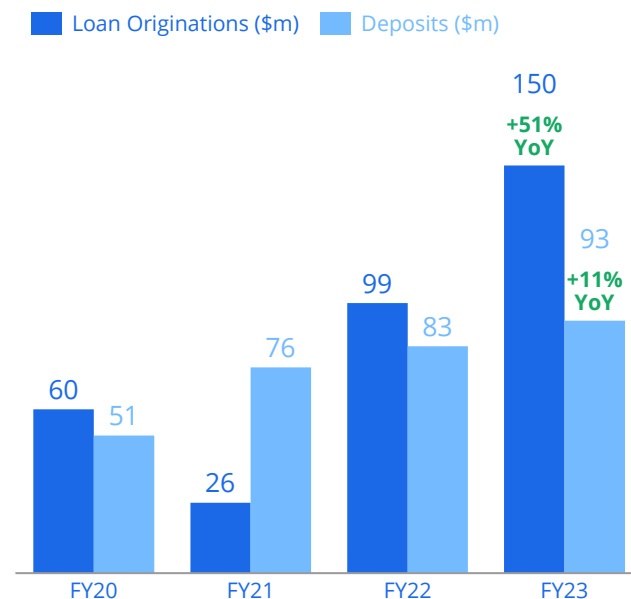
What we offer

- 1 Tyro Business Loan
- 2 Tyro Bank Account
- 3 Term Deposits

How we deliver

- Integrated in-house tech
- Own ADI licence
- Deposit-funded lending
- De-risked lending product

Returns



BANKING BUSINESS	FY23 \$'000	FY22 \$'000	GROWTH %
Loan Originations	149,710	99,071	51.1%
Interest income	11,069	4,877	127.0%
Fair value (loss)/gain on loan	(1,697)	627	Large
Revenue	9,372	5,504	70.3%
Less: Interest expense on deposits	(814)	(274)	197.1%
Gross profit	8,558	5,230	63.6%

Having an ADI licence allows us to generate low-cost deposits and invest excess funds to generate a positive spread.

Our banking model has strategic advantages



Integrated banking improves payments economics

- +61 Favourable NPS from customers that hold banking products and use the Tyro App
- 30% Materially longer average tenure

On-balance-sheet, own-ADI model lowers cost

~1.5%
FY23
exit rate Overall cost of funds³

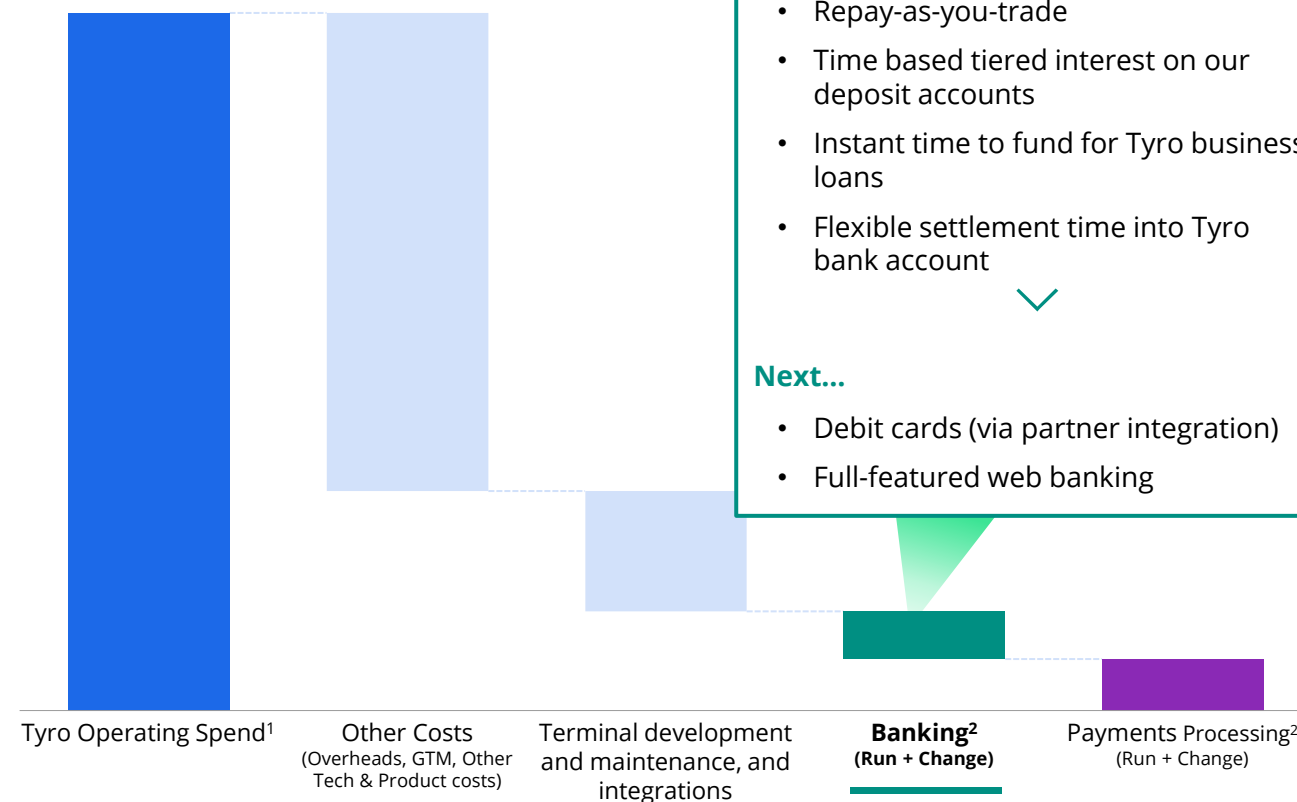
Our banking model is built to manage risk

~1.9%
FY23 Low lending losses to originations ratio



ADI brings discipline in systems, reporting and compliance that protects us from future changes in the regulatory environment

Low-cost banking model



1. Operating expenses plus capitalised costs
2. Includes all run and change costs. Run costs defined as the ongoing cost of operating and maintaining the system and performing the required change to keep the system current and compliant. Change costs defined as all other costs (including non-recurring projects that may be required from time to time to modernise or keep the system compliant)
3. Reflects the cost of deposits only



Transformation Roadmap and Capital Management

Pursuing opportunities now to deliver value over three horizons



01

Next 12 months

Maximise value from existing capabilities and set up for future growth

- Drive go-to-market and cost discipline
- Simplify and migrate tech to the cloud
- Close last gaps in existing products

02

Next 6 – 18 months

03

Next 12 – 24 months

Transform our business to drive sustainable, profitable growth

- Selectively enter new verticals
- Build out differentiated payments and cashflow product suites

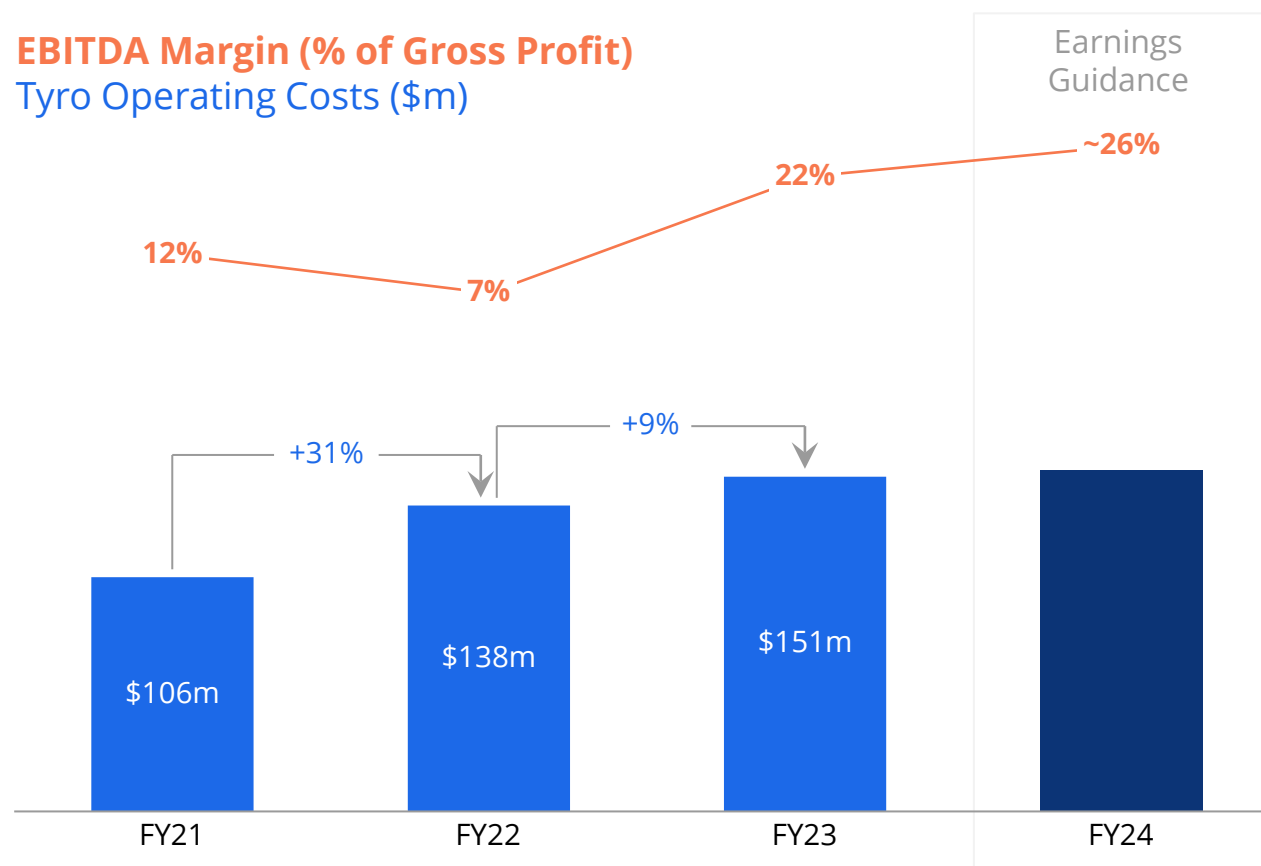
Capitalise on revolutionary growth opportunities to create new value

- Innovate in new verticals
- Build single online platform for customers to manage their products
- Launch new payment methods

Our EBITDA margin continues to improve



EBITDA Margin (% of Gross Profit)
Tyro Operating Costs (\$m)



Cost savings delivered



- ✓ Preliminary op-model efficiencies
- ✓ Optimised contractor mix
- ✓ Delivered automated onboarding

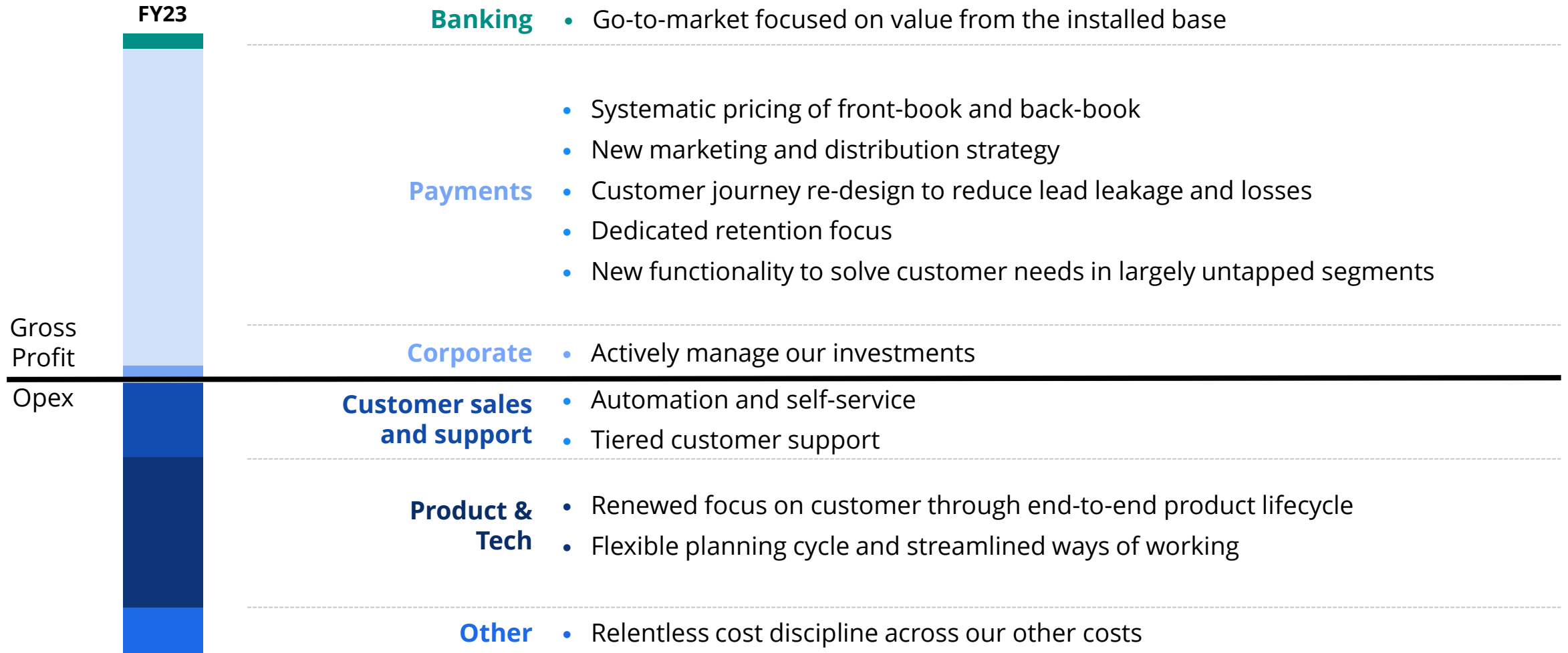


Cost savings in-progress



- Completing our investment in modern terminals
- Improving self-service
- Maintaining cost discipline

Our transformation plan is to sustainably maximise the P&L



Note: Scale is illustrative; list of initiatives and focus areas is non-exhaustive

We will continue to deploy the increasing capital we generate to lift customer lifetime value



We are increasing our Free Cash Flow from operations....



\$5.7m of positive FCF for the first time in FY23



Expect strong FCF growth driven by growth and accelerated by efficiency gains

....and expect to generate deployable capital beyond target ratios and current growth plans

Existing capital of \$88m¹ adequately meets capital and liquidity needs

(including future growth expectations)

Therefore, any excess existing capital plus the additional capital generated will be fully deployable

We will use this capital to maximise competitive advantage and generate sustainable shareholder returns

We will invest deployable capital against priorities that maximise shareholder return



Delivering payment and banking products and features that increase customer stickiness and lifetime value (LTV)



Increasing delivery velocity and realising scale benefits from our technology



Forming partnerships and making acquisitions that defend our customer base and lower cost to acquire (CAC) & cost to serve (CTS)



...and returning capital when doing so represents greatest shareholder value

tyro Health

Tyro Health

Deep Dive and Product
Demonstration



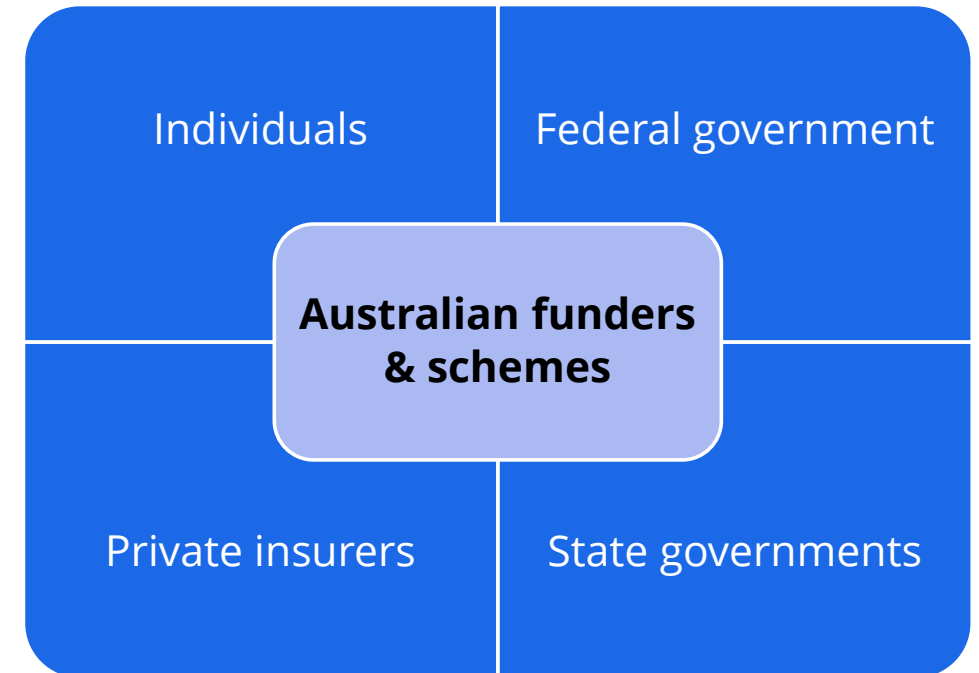
Health payments is a large and growing market

8% of Australian household spending is on health, up from 6.4% in 2022¹



80+
Funders & Schemes

Mix of federal, state-based
and private insurers



Each health sub-segment has unique payments needs



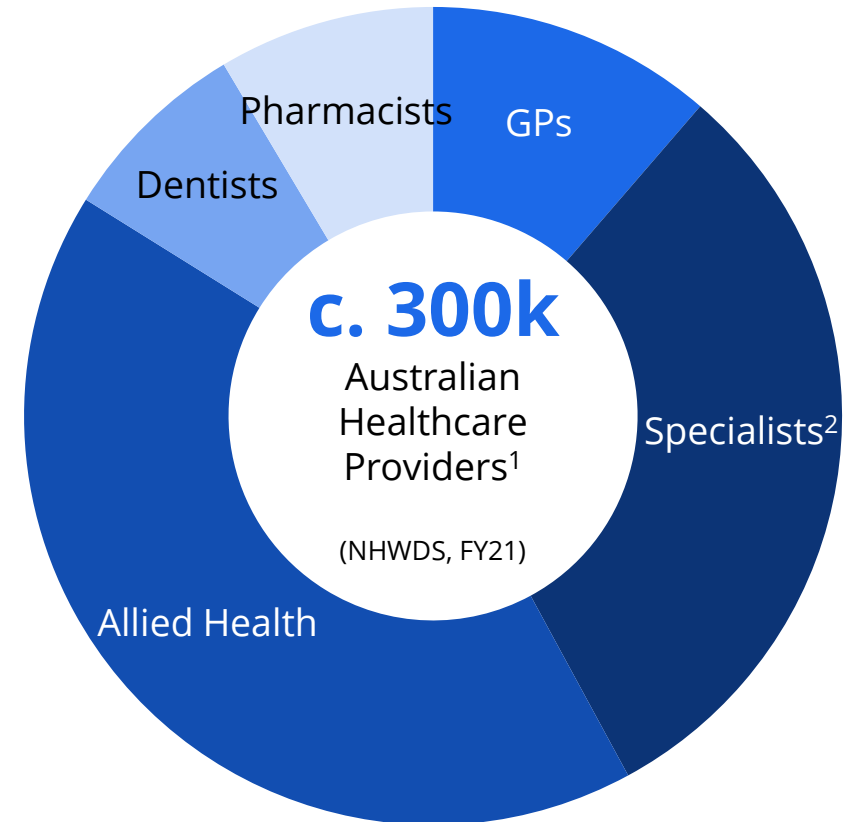
80+
Funders & Schemes

Mix of federal, state-based
and private insurers



c. 300,000
Healthcare Providers

Unique needs for each
health segment and modality



1. Excludes Nurses and Midwives. Includes Registered and Employed Clinicians only.

2. Includes all Medical Practitioners who are not General Practitioners (i.e. Hospital non-specialist, Specialist, Specialist-in-training and Other Clinician) plus Medical Radiation Practitioners

Sources: National Health Workforce Data Set 2021, Australian Institute of Health and Welfare 2021

Creating a health payments platform that will be adopted by users, is a complex task



80+
Funders & Schemes

Mix of federal, state-based and private insurers



c. 300,000
Healthcare Providers

Unique needs for each health segment and modality



120+
Software Partners

Providers need payment solutions integrated to their daily workflow tools



Simple, real time claims processing requires deep understanding of and integration to each of these uniquely Australian third parties

Tyro Health makes it easy for providers to get paid



Deep integrations, built over 14 years



Over 50 integrated insurers and schemes

medicare
easyclaim

medicare
ECLIPSE

WorkCover
QUEENSLAND

Australian Government
Department of Veterans' Affairs

icare™

Australian Government
Comcare

ndis

WorkSafe
VICTORIA

HEALTHPOINT

QBE



Over 77 integrated software partners

Best Practice
An evolution in medical software

Cliniko

Core Practice
Online Dental Software

COVIU

dental4windows
Australia's Leading Practice Management Software

FRED

Genie Solutions

Halaxy

MedicalDirector

Nookal
Smart Practice Management

powerdiary

PracSuite

splose

TM3

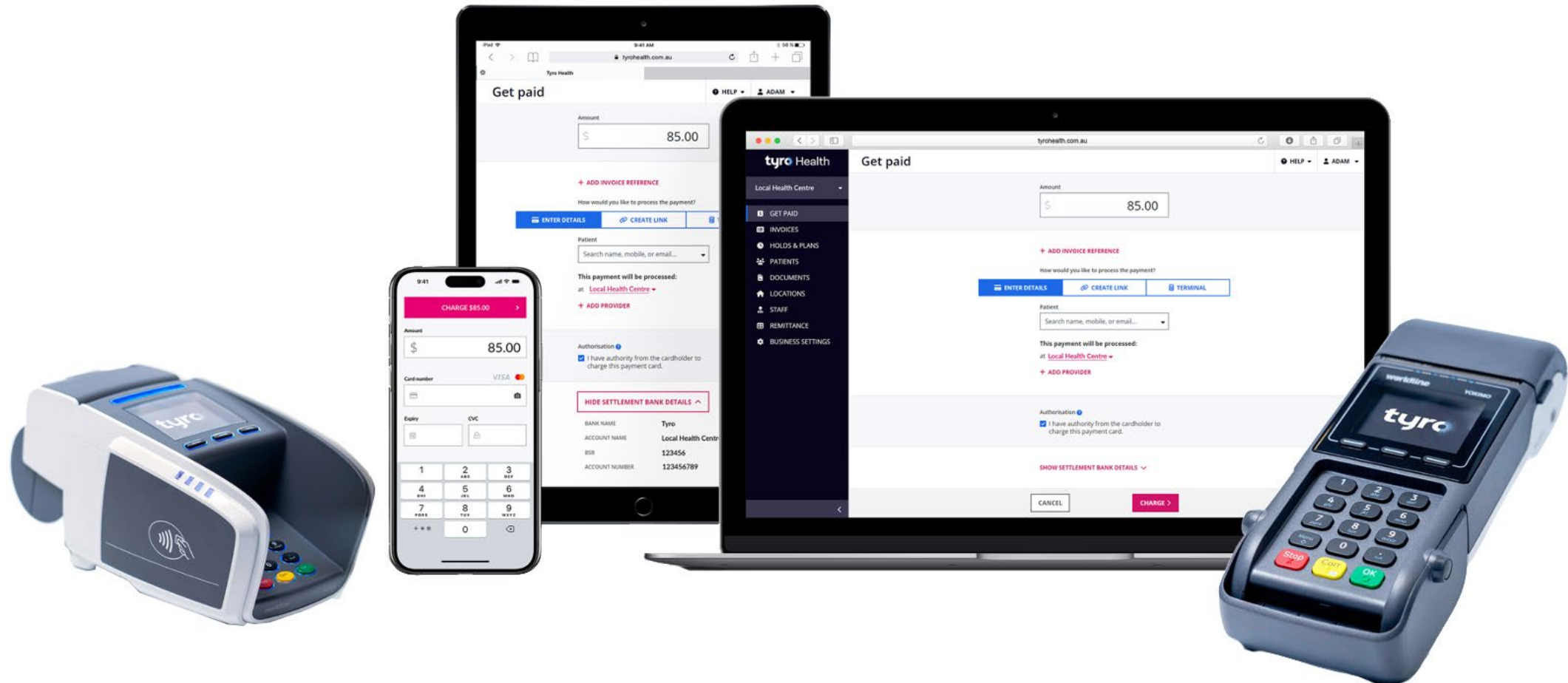
ZEDMED

Plus many more market leaders in GP, dental, allied health and pharmacy

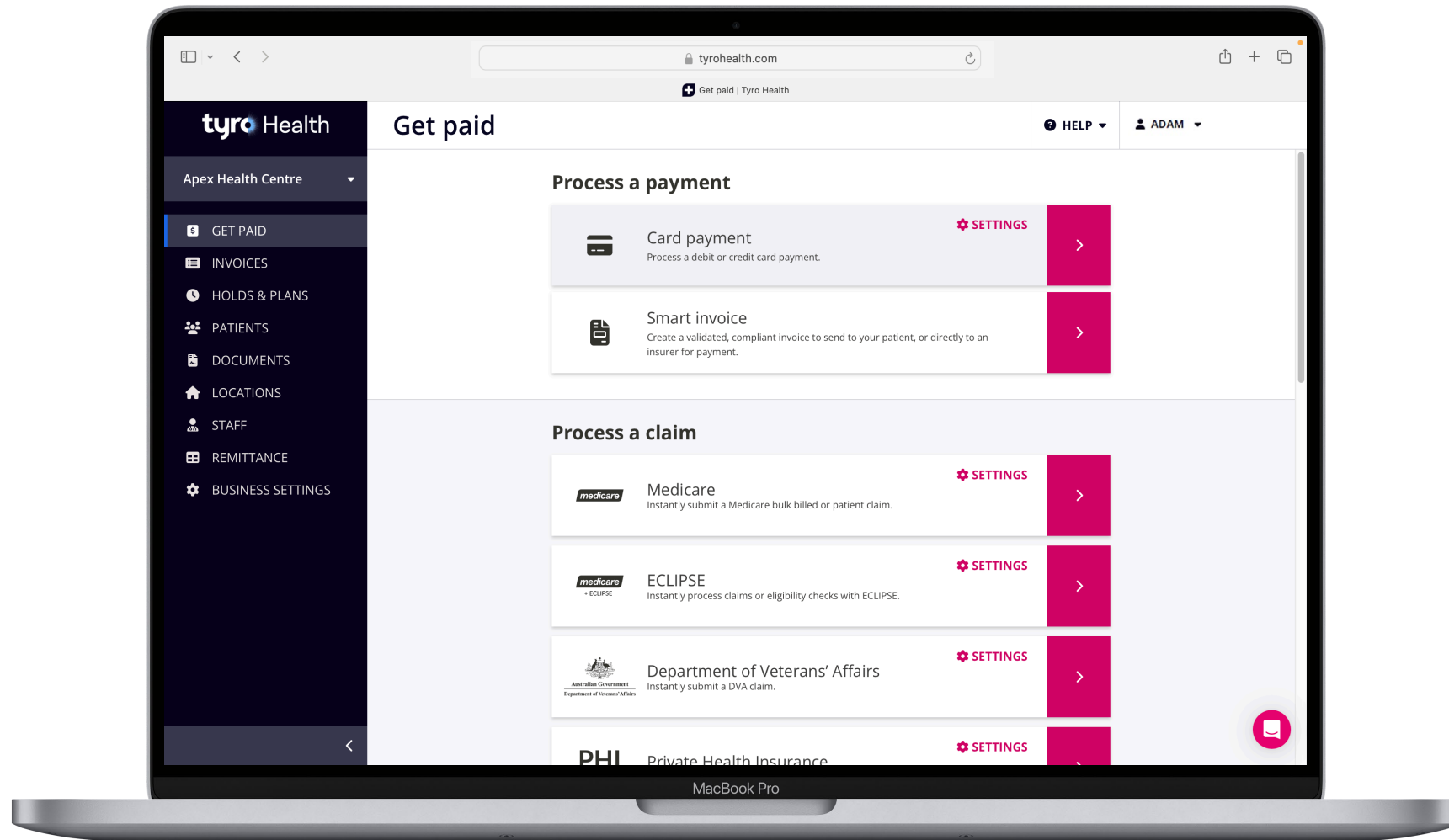
Our product range includes leading EFTPOS and Online solutions



Supporting claiming for all types of care delivered: out-patient, in-patient, at home, telehealth



Tyro Health Online is at the centre of our provider experience



tyro

**Answering
your questions**

