

ASX Announcement

POTENTIA WITHDRAWS FROM CHANGE OF CONTROL DISCUSSIONS

Sydney, 22 May 2023 – Tyro Payments Limited (**Tyro** or the **Company**) refers to its announcements to the ASX on 27 January 2023, 13 February 2023 and 15 May 2023 regarding its decision to grant Potentia Capital Management Pty Ltd (**Potentia**) a period of non-exclusive due diligence, and subsequent updates that negotiations were continuing with Potentia and a consortium of co-investors to acquire 100% of the share capital of Tyro by scheme of arrangement.

The Board has been working with Potentia in good faith in the best interests of all Tyro shareholders over a period of many months to conclude a proposal. However Potentia has now advised Tyro it does not intend to proceed with a proposal to acquire the Company. Accordingly, discussions with Potentia in relation to a possible change of control proposal have now ceased.

Potentia's decision to withdraw follows Tyro granting them due diligence, as well as extensive and advanced negotiation of material commercial terms and draft transaction documents. Tyro facilitated engagement with regulators to understand the complexity and anticipated timeframes to complete a transaction relating to the proposed private equity ownership of an Authorised Deposit-taking Institution (ADI). Tyro also worked with Potentia to develop processes that could potentially address regulatory requirements to reduce risk to Tyro by providing increased confidence of completion in a reasonable timeframe.

Tyro's prospects remain strong, as highlighted in Tyro's most recent FY23 guidance on 15 May 2023 in which gross profit was upgraded to a range of \$192 million to \$194 million and EBITDA was upgraded to a range of \$41 million to \$43 million. In addition, Tyro announced last week it now offers Tap to Pay on iPhone to accept contactless payments.

Tyro Chair, Fiona Pak-Poy commented:

"The Board and management team have worked with commitment and in good faith to facilitate a potential change of control transaction to be put to our shareholders for consideration. We have appreciated Potentia's engagement and are disappointed that they were ultimately unable to deliver a revised offer."

"While these have been long and drawn-out discussions, the refreshed leadership team under Jon Davey has continued to deliver substantial operational achievements, including launching Tyro Pro, Tyro Go and Tyro BYO (Tap to Pay on iPhone). These performance outcomes have strengthened the financial and market position of Tyro as we deliver our clear strategic roadmap."

"The Board and management are confident and excited about the Company's outlook and the opportunities to deliver value for our customers and shareholders."

For further information, please contact:

Media: James Strong - Citadel-MAGNUS

Ph: +61 448 881 174

E: jstrong@citadelmagnus.com

Monica Appleby

Ph: +61 466 598 946

E: mappleby@tyro.com

Investors: Giovanni Rizzo

Ph: +61 439 775 030

E: grizzo@tyro.com

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 66,800 Australian merchants chose to partner with Tyro as at 31 December 2022. The Group processed \$21.7 billion in transaction value in the first half of FY23. The Group generated \$95.2 million in normalised gross profit, originated a record \$72.7 million in loans and held merchant deposits totalling \$95.0 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 more than 600 people, approximately half of whom are in technology roles.