

ASX Announcement

PROSPECTUS FORECAST WITHDRAWAL DUE TO COVID-19 IMPACT

Sydney, 30 March 2020 – Tyro provides payments and banking solutions to more than 32,000 merchants, including many SMEs, predominantly operating in the hospitality, retail and health verticals. Many of our merchants are finding the impact of COVID-19 extremely challenging despite all their efforts to innovate and adapt, and notwithstanding the various assistance packages on offer.

In view of the COVID-19 situation, Tyro's Board has been actively monitoring the impact on our merchants of the measures being implemented by the federal, state and territory governments to combat the COVID-19 pandemic. This monitoring has included assessing any impact upon our transaction values and the Forecast Financial Information¹ contained in Tyro's prospectus lodged with ASIC on 18 November 2019 (**Prospectus**). On announcing our FY20 Half Year results on 20 February 2020 we confirmed Tyro was tracking to the pro forma forecast in the Prospectus.

Guidance withdrawn

As is evident from our weekly transaction value update (as provided to ASX today), Tyro has experienced a compression in its transaction value growth rates², with transaction values:

- for the month of March to 27 March 2020 up 11% (against the prior corresponding period) at \$1.489 billion; and
- on a year-to-date basis to 27 March 2020 up 27% (against the prior corresponding period) at \$16.168 billion.

It is the current view of Tyro's Board that the escalation of the measures being implemented by the federal, state and territory governments in response to COVID-19 will as time progresses, increasingly negatively impact our merchants' businesses and any revenue we may derive from those transactions. Coupled with the current uncertainty in relation to the spread and duration of the COVID-19 pandemic, Tyro's Board considers it appropriate to withdraw the Forecast Financial Information contained in Tyro's Prospectus. Tyro's Managing Director and CEO, Robbie Cooke said:

"We are in the midst of a rapidly evolving situation and a prime focus is continuing to provide such assistance we possibly can to support those of our merchants experiencing hardship and keeping our team together in what are extraordinary times. I am pleased to be able to say we continue to operate on a business as usual basis, providing the level of service, availability and support our merchants have come to expect from our team and we have in fact have increased our customer support teams in place 24 hours a day to assist our merchants.

We had been on track to deliver our Prospectus forecast, however the unfortunate reality of the measures being implemented to contain COVID-19 have compressed our transaction growth rates and, with the current uncertainty both as to the duration of the pandemic and the extent to which it will continue to impact our merchants, we can no longer be assured of achieving our forecast. In addition, given the considerable uncertainty that remains, we are not in a position to provide a reliable forecast at this time. We will however endeavour to provide a trading conditions update when appropriate and plan to continue to provide weekly updates of actual transaction values as previously indicated."

Tyro remains in a strong financial position, with cash, cash equivalents and financial investments available at the end of February 2020 of \$154 million (excluding net banking funds). This compares to a balance of \$149 million as at 31 December 2019 (excluding net banking funds). The increase in cash over the period is a result of the relatively higher December trade receivables received in January 2020. Tyro has a simple capital structure with no corporate debt.

¹ As defined on page 96 of the Prospectus.

² Based upon unaudited management accounts which have not been independently reviewed or verified.

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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 company providing Australian businesses with payment solutions and value-adding business banking products. The company provides simple, flexible and reliable payment solutions as a merchant acquirer, along with complementary business banking products.

For the more than 32,000 Australian merchants who chose to partner with Tyro in the first half of FY20, the company processed more than \$11.1 billion in transaction value. In H1 FY20 the company generated \$117.3 million in revenue, originated \$37.4 million in loans and held merchant deposits totalling \$39.7 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 more than 480 people, approximately half of whom are in technology roles.