

ASX Announcement

TYRO OFFERS DUE DILIGENCE TO POTENTIA

Sydney, 27 January 2023 – Tyro Payments Limited (**Tyro** or the **Company**) refers to recent media speculation.

Over the past five months, the Tyro Board has engaged with Potentia in relation to a potential change of control transaction. In this period, Tyro has been presented with two non-binding indicative offers from Potentia; one at \$1.27 per share received on 7 September 2022 and the most recent offer of \$1.60 per share received on 11 December 2022.

Both of these offers were carefully considered by the Tyro Board, with the assistance of Tyro's external advisors, and were unanimously rejected on the grounds that the indicative offers significantly undervalued Tyro with the Board determining that these offers were not in the best interests of Tyro's shareholders as a whole.

Following discussions between Tyro's advisors and Potentia's advisors and following further consideration and consultation with its external advisors, the Tyro Board yesterday offered to provide Potentia with a 4 week period of due diligence to enable Potentia to develop a significantly improved proposal and confirm the necessary funding commitments attached to any possible future offer.

The Company notes that there is no certainty that a further non-binding indicative offer, a binding offer, or a transaction of any kind will eventuate.

The Tyro Board will continue to act in the best interests of shareholders as a whole and will consider change of control proposals that represent fair value for shareholders.

Tyro shareholders do not need to take any action at this time. Tyro will continue to keep the market informed of any material developments, in accordance with its continuous disclosure obligations.

For further information, please contact:

Media: Brett Clegg - Citadel Magnus
Ph: +61 487 436 985
E: bclegg@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 63,700 Australian merchants chose to partner with Tyro at 30 June 2022. The Group processed \$34.2 billion in transaction value in FY22. Group generated \$154.7 million in statutory gross profit, originated a record \$99.1 million in loans and held merchant deposits totaling \$83.3 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.

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