

# ASX Announcement

## COMMENCEMENT OF PROCEEDINGS AGAINST KOUNTA PTY LTD

**Sydney, 4 September 2023** – Tyro Payments Limited (**Tyro** or the **Company**) has today commenced proceedings in the Supreme Court of New South Wales against Kounta Pty Limited (**Kounta**).

Tyro considers that Kounta has breached its legal obligations to Tyro by offering a competing product in Lightspeed Payments to Tyro merchants, at a time that Kounta is Tyro's agent under a contract between the parties as well as being an authorised representative under Tyro's Australian Financial Services Licence.

Kounta is part of a group of companies including Lightspeed Commerce, Inc. (the **Lightspeed Group**). The Lightspeed Group offers several point-of-sale (**POS**) systems to merchants in Australia, including some which integrate with Tyro's products and services. Recently the Lightspeed Group has also started offering a payment solution branded 'Lightspeed Payments'.

Tyro has become aware that Kounta is marketing to Tyro merchants and encouraging them to adopt Lightspeed Payments as their payment solution, including through the imposition of new fees for merchants using a Lightspeed Group POS solution that do not adopt Lightspeed Payments. Tyro considers that this conduct by Kounta directly breaches Kounta's obligations to Tyro, including its contractual obligations as Tyro's agent.

Tyro has sought to resolve this matter commercially with Kounta but the parties have not been able to reach a resolution that is acceptable to Tyro. Accordingly, Tyro has sought orders from the Supreme Court of New South Wales, including orders:

- restraining Kounta from breaching its contractual non-solicitation obligations to Tyro which extend to September 2024;
- for Kounta to indemnify Tyro for all loss arising out of, in connection with, or in relation to any breach or non-performance of its contractual obligations;
- for damages; and
- for equitable compensation or an account of profits.

Tyro will update the market further in relation to this matter as required in accordance with its continuous disclosure obligations.

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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.