ASX Announcement

TERMINAL CONNECTIVITY ISSUE – STATUS UPDATE

Sydney, 13 January 2021 – As advised to the ASX on Thursday, 7 January 2021, Tyro has experienced a terminal connectivity issue with respect to some of its EFTPOS terminals.

The root cause of the incident has been established with the assistance of Tyro's terminal supplier, Worldline. Specifically, an issue existed in some versions of the terminal platform software installed on Tyro's Worldline terminals. This issue caused a subset of those terminals to lose connectivity with Tyro's network meaning they could neither transact nor be updated remotely. For the avoidance of doubt, the issue is contained and at no time was the security of the terminals nor merchant data compromised.

To resolve the situation Tyro has been collecting, repairing, and returning impacted terminals to merchants as rapidly as possible. The turnaround time, from terminal collection to return, ranges between two and four days with this timeframe being location dependent. Tyro has engaged Amtek to assist and they have a team of approximately 250 personnel involved in the collection/return activities.

At the date of this release 70% of Tyro's merchants are unaffected by the incident. A further 11% of Tyro's merchants have multiple terminals with at least one functioning unit allowing them to continue to process payments. The remaining 19% of merchants are fully impacted by the incident and are a focus of the recovery effort. Approximately 2,000 terminals a day are now being collected from our merchants and everything possible is being done to accelerate this to minimise the impact of this incident upon them.

Based on the quantity of terminals being collected daily and the time to return fixed units to merchants, Tyro expects to have the majority of impacted merchants back to normal operations by the end of this week with the balance operational in the course of the following week.

In terms of the impact this incident is having on Tyro's transaction values, the weekly transaction value release made on Monday 11 January 2021 included three full impacted trading days. In terms of transaction values to 12 January 2021 the position is as follows (noting this includes the impact of the Brisbane lockdowns):

	FY21	FY20	% Increase
January to 12 January (date on date)	$0.704 billion	$0.685 billion	3%
January to 12 January (same day on day)	$0.704 billion	$0.696 billion	1%
January YTD	$12.822 billion	$11.750 billion	9%

Tyro intends to provide its next scheduled weekly trading update on Monday 18 January 2021 which will provide the market with continued visibility on the transaction value impact together with the continued impact of COVID-19.

Tyro's priority is to bring all its impacted merchants back online as rapidly as possible and to provide all assistance it can to minimise the disruption caused.

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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 FY20, the company processed more than $20.1 billion in transaction value. In FY20 the company generated $210.7 million in revenue, originated $60.1 million in loans and held merchant deposits totalling

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ACN 103 575 042 AFSL 471951 (Tyro) is the issuer of its own financial products

Better business banking

$50.5 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 475 people, approximately half of whom are in technology roles.

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