

ASX Announcement

TERMINAL CONNECTIVITY ISSUE – STATUS UPDATE

Sydney, 19 January 2021 – This release provides a status update in relation to the terminal connectivity issue impacting some of Tyro's EFTPOS terminals. Tyro's priority remains to bring all impacted merchants back online as rapidly as possible and to provide all assistance it can to minimise the disruption caused.

Merchant Status

Table 1 below shows the progress in collecting, repairing and returning impacted terminals. This process is tracking to the program outlined in our release of 13 January 2021.

| | Merchants (%) 13 January 2021 | Merchants (%) 18 January 2021 |
|---|----------------------------------|----------------------------------|
| Merchants with all terminals fully functional | 70% | 85% |
| Merchants with at least one terminal fully functional | 11% | 6% |
| Merchants with no functional terminals | 19% | 9% |

Based on the quantity of terminals being collected daily and the time to return repaired units to merchants, Tyro expects to have the incident resolved by the end of the week.

Transaction Value Status

In terms of the impact this incident is having on Tyro's transaction values, the usual weekly transaction value update was released yesterday covering the period to close of trading Friday, 15 January 2021. **Table 2** shows the transaction values up to close of trading Sunday, 17 January 2021 (noting this includes the impact of the Brisbane lockdowns and continued impact of COVID-19 restrictions on Australian businesses):

| | FY21 | FY20 | % Increase |
|---|------------------|------------------|------------|
| January to 17 January (date on date) | \$1.052 billion | \$0.990 billion | 6% |
| January to 17 January (same day on day) | \$1.052 billion | \$1.013 billion | 4% |
| January YTD | \$13.170 billion | \$12.055 billion | 9% |

Potential Claim

On 18 January 2021 Tyro received correspondence from a law firm advising that it is currently investigating a potential class action against Tyro. At this time no proceedings have commenced.

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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 \$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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