

ASX Announcement

TERMINAL CONNECTIVITY ISSUE – FINAL STATUS UPDATE

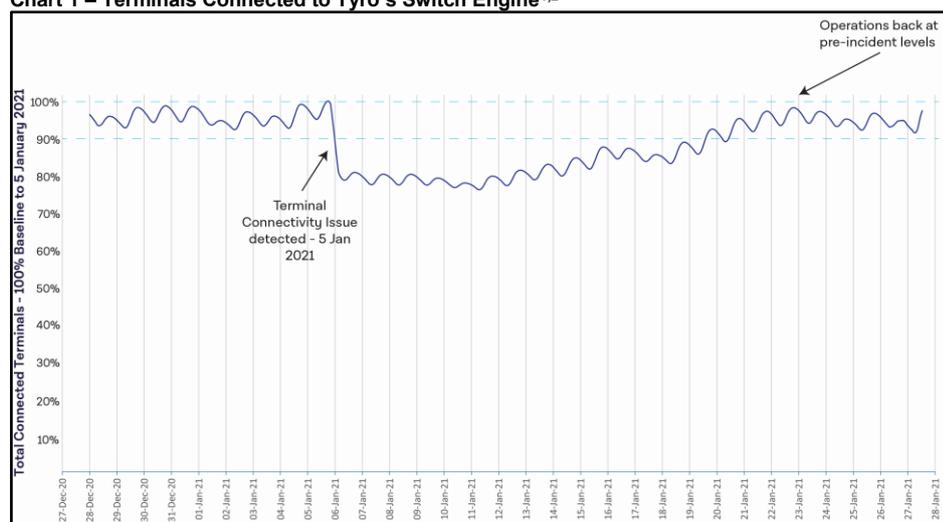
Sydney, 27 January 2021 – This release provides a final status update in relation to the terminal connectivity issue as advised to the ASX on 7 January 2021 which impacted some of Tyro's EFTPOS terminals. Tyro's priority has been, and remains, to bring all impacted merchants back online as rapidly as possible and to provide all assistance it can to minimise any disruption caused.

Operational Status

The program of collecting, repairing and returning impacted terminals has seen the number of terminals connected to Tyro's network return to pre-incident levels.

This is demonstrated in **Chart 1** which is a real-time monitoring report of terminals connected to Tyro's switch engine for the period 27 December 2020 to 27 January 2021.

Chart 1 – Terminals Connected to Tyro's Switch Engine^{1,2}



¹ Average number of terminals connected each hour with a 10 second sample rate.

² Terminal connectivity is dependant on a merchant's trading hours and connected terminals are only displayed on the above chart when a merchant is connected to Tyro's switch engine

Merchant Status

There are a limited number of active merchants who still remain impacted by the incident, specifically:

- 486 merchants who do not have an operational terminal. These are merchants where, despite all our best efforts, we have not as yet been successful in recovering their impacted terminals for repair. We will continue our efforts to bring these merchants back online.
- 1,490 merchants who have at least one fully operational terminal but still have at least one non functioning unit. Our efforts to recover and repair these remaining non-operational units continues, with an active engagement program in place seeking to coordinate collection of these terminals.
- 643 merchants with terminal types no longer manufactured (and more than ~6-years of age), the majority of which were purchased by merchants rather than rented as is Tyro's current standard operating model. These units are obsolete and Tyro has been encouraging these merchants to upgrade to current terminal models. In the circumstances Tyro is replacing these terminals (at a capitalised cost ~\$0.5 million) on terms no less favourable to the impacted merchants. New units are being dispatched to these still impacted merchants.

Transaction Value Status

In terms of the impact this incident has had on Tyro's transaction values, the usual weekly transaction value update was released Monday, 25 January 2021 covering the period to close of trading Friday, 22 January 2021. **Table 1** shows the transaction values up to close of trading Tuesday, 26 January 2021 (noting this includes the Australia Day holiday period and the continued impact of COVID-19 restrictions).

	FY21	FY20	% Increase
January to 26 January (date on date)	\$1.662 billion	\$1.541 billion	8%
January to 26 January (same day on day)	\$1.662 billion	\$1.535 billion	8%
January YTD	\$13.779 billion	\$12.606 billion	9%

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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.