

# ASX Announcement

## UPDATE – STATUS OF MAKE GOOD ACTIONS

- Strong progress made in the assessment of 'make good' claims following the terminal connectivity incident in January.
- All financially impacted merchants invited to register with Tyro to enable remediation claims to be assessed.
- A total of 3,656 merchants have registered to date with claims of financial loss with more than 888 already settled.
- The remediation process remains available for claims of financially impacted merchants - providing a fast and straightforward assessment aimed at resolution without the cost, delays and uncertainty inherent in legal proceedings.

**Sydney, 27 May 2021** – Tyro today provided an update on the strong progress made in the remediation actions taken following the terminal connectivity incident experienced in January 2021 which impacted the operations of some of its merchants' EFTPOS terminals.

Tyro's initial focus at the time of the incident was dedicated to returning all impacted merchants to normal operation as rapidly as possible. This was immediately followed by establishing a remediation framework to provide financially impacted merchants a fast and straightforward channel to seek to claim financial loss caused by the connectivity incident.

To this end Tyro has actively engaged with all impacted merchants (via its usual merchant communications portal, email, SMS and in some cases direct mail) inviting them to register with Tyro if they claimed to have suffered financial loss. To date a total of 3,656 merchants have registered with Tyro (**Registered Merchants**).

Registered Merchants have been provided with a remediation proposal which involves two alternative options, namely:

- **Accelerated Path Assessment** – which provides a simple remediation solution via a merchant service fee rebate over a designated period if loss is assessed, such rebate designed to offset the financial loss suffered.
- **Case Managed Path Assessment**– which provides a more tailored remediation solution under which an impacted merchant provides specified claim information about their particular circumstances and loss claimed to have been suffered.

In addition to the above terminal rental charges were waived for impacted merchants in January.

Tyro has received 973 responses from merchants wishing to pursue the 'accelerated path' option and 76 responses from merchants wishing to pursue the 'case managed' option. To date of the 3,656 merchants who have registered as having claimed to have suffered a financial loss, 888 have had their claims settled. This 'make good' process is a priority for Tyro and all remaining claims received are being assessed at pace. In commenting on the make good actions Robbie Cooke Tyro's CEO and Managing Director said:

*"I am profoundly sorry for the disruption the event in January caused some of our customers. In our 18 years of operation we have not had such a situation occur and, as a team that has always taken much pride in providing the best customer experience possible, the incident did not sit comfortably with us and we took immediate action.*

*Since resolving the operational issue, our focus moved to making good to those merchants with claims of financial loss and the establishment of a remediation process to provide a prompt and fair resolution for those merchant claims without the delay, uncertainty and cost incumbent in legal proceeding.*

*To date more than 3,600 merchants have registered as having suffered a loss and almost 900 have been settled already with all remaining claims being processed with priority. We continue to encourage any impacted merchants who have not already registered, to participate in our remediation program by contacting Tyro at [cs@tyro.com](mailto:cs@tyro.com) or on 1300 966 639."*

The remediation framework established by Tyro is designed to:

- provide a fast, fair and straightforward resolution to assess the financial loss claimed to have been suffered;
- provide a more tailored option for those merchants preferring that course;
- avoid the unnecessary incursion of legal and litigation funding costs, along with inevitable time delay and uncertainty associated with legal process.

Tyro continues to encourage merchants claiming any impact, who have not already done so, to register their claims to participate in the remediation process by contacting Tyro at [cs@tyro.com](mailto:cs@tyro.com) or on 1300 966 639.

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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 36,700 Australian merchants who chose to partner with Tyro at 31 December 2020, the company processed more than \$20.1 billion in transaction value in FY20 and a record \$12.1 billion in H1 FY21. In FY20 the company generated \$93.5 million in gross profit (H1 FY21 \$61.2 million), originated \$60.1 million in loans (H1 FY21: \$2.6 million) and held merchant deposits totalling \$50.5 million (H1 FY21: \$104.0 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 500 people, approximately half of whom are in technology roles.