

ASX Announcement

DEFENCE OF CLASS ACTION

Sydney, 20 October 2021 – Tyro has become aware today that proceedings have been filed in the Federal Court of Australia (but not yet served on Tyro) in relation to a representative proceeding alleging, amongst other things, misleading and deceptive conduct. Tyro understands that these proceedings relate to the terminal connectivity incident which Tyro has previously reported (see ASX announcements of 7, 13, 19 and 27 January 2021). Tyro has retained King & Wood Mallesons to defend these proceedings.

As previously advised, Tyro has established a remediation program to provide financially impacted merchants a fast and straightforward channel to seek to claim financial loss caused by the connectivity incident¹. This 'make good' process continues to be available to any financially impacted merchant who has not as yet sought remediation. Tyro remains fully committed to this approach notwithstanding the proceedings instituted.

Tyro's remediation program has seen it actively engage 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. Merchants who registered were provided with a remediation proposal which involved two alternative options for selection based on individual merchant preference, 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.

As at the date of this announcement, **92% of merchants who selected one of the above assessment options have had their claims settled** and Tyro continues to actively work with the remaining merchants to resolve their claims.

The remediation program established by Tyro is designed to:

- provide a fast, fair and straightforward resolution to assess the financial loss claimed to be 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.

Notwithstanding the filing of the Federal Court proceedings, Tyro continues to encourage merchants claiming any impact to register their claims to participate in its direct remediation process by contacting Tyro at cs@tyro.com or on 1300 966 639. Tyro is confident that such a move will bring a swifter resolution to any claims than a class action and will avoid the unnecessary legal and litigation funding costs and delay.

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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.

¹ See ASX release of 27 May 2021 and page 24 of Tyro's 2021 Annual Report published on 26 August 2021.

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.

For the more than 58,000 Australian merchants who chose to partner with Tyro at 30 June 2021, the Group processed more than \$25.5 billion in transaction value in FY21. In FY21 the Group generated \$119.4 million in gross profit, originated \$25.8 million in loans and held merchant deposits totalling \$75.5 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 Group, 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.