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ASX ANNOUNCEMENT AND PRESS RELEASE

TSN BUSINESS UPDATE

HIGHLIGHTS

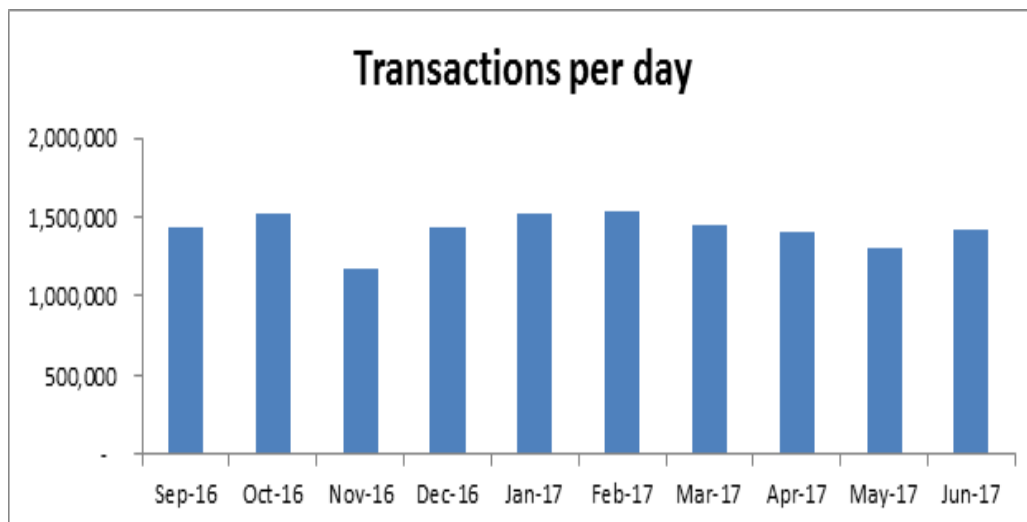
- **TSi India's transaction volumes continues healthy recovery;**
- **TSN identifies cyber-security opportunities as one element to drive growth;**
- **Due diligence commenced on 2 revenue producing cyber-security companies;**
- **Identified synergies between these 2 companies and TSN.**

TSi India Update

TSN remains encouraged by the rebound in the Indian ATM transaction growth since the Indian government's introduction of a new series of bank notes that temporarily disrupted Bank networks and ATM transaction volumes, introduced in November 2016.

Further, a recent article by Bloomberg news released on 29th June 2017, headlined "*Cash won't be obsolete in India anytime soon*" stated that there is a significant reliance on cash in the Indian economy and there is no known reason why cash will not continue to be in high demand in India for many years to come. The full article is available for viewing on Bloomberg.

TSN remains vigilant in assessing the opportunity to acquire the balance of TSi India and is continuing to review all available data to ensure value accretion for investors of TSN. The chart below shows the average total daily transactions per day on a month by month basis from September 2016 in TSi India's ATM fleet. From this data, ATM transactions volume are recovering well and the mix of transactions between actual ATM enquiries and ATM withdrawals, are also improving well. Typically, ATM outsourcing operators are paid a higher revenue per transaction than what a balance enquiry would attract, and both metrics are recovering well.





People waiting in line in January to get cash from a bank branch in Dhadgaon, India.

PHOTOGRAPHER: DHIRAJ SINGH/BLOOMBERG

TSN'S GROWTH STRATEGY

As previously announced, TSN has outlined its strategy to expand its service offering in the financial and technology space. One identified target space TSN has focussed on is cyber-security as a potential core business line to drive the next phase of growth for TSN.

Cyber-security is an exciting investment area for TSN because:

- High growth potential: estimated to grow from \$100b in 2015 to \$200b in 2020¹, representing 15% CAGR; with Asia being the fastest growth region for cyber-security due to under-investment historically. Australia has strong technical expertise and talent to exploit the potential market in Asia²
- In a recent article by Quartz India (3rd July 2017), the issue of cyber security is identified as one of the 3 top issues facing the Reserve Bank of India
- The cyber-security market remains open (not captive) and offers opportunities for proven technologies and capabilities to gain new customers. Cyber-security is still at nascent stage of development and will remain to be fragmented, as new innovations and ventures enter the market. From the demand side, companies remain open to explore solutions to meet their cyber challenges and are not captive to established global players.
- TSN can add significant value by helping existing established technology companies with proven capabilities and technologies which are already cash flow positive to scale up and enter the Asian market. TSN can provide market access by leveraging its relationships and market knowledge of India and other countries in Asia.

¹ Australian Government, Department of Industry, Innovation & Science website on Cyber Security Growth Centre

² Australia's Cyber Security Strategy 2016, by Malcolm Turnbull

ACQUISITION TARGETS

During the last 6 months, the Company has evaluated numerous business opportunities, with the view of acquiring majority stakes in existing proven technologies with existing revenues being generated.

After thorough analysis and shortlisting, TSN has begun due diligence on two companies that meet the criteria. The timeframe to completion of a binding offer post due diligence has been agreed so we expect to provide an update on these opportunities in the coming weeks. Should due diligence be successful, the completion of the two transactions are independent of each other; i.e. one or both or neither transactions may materialise.

The two potential targets reflect TSN's growth strategy in aligned technologies such as cyber-security, which is to take majority stakes in proven established businesses that have commercially tangible intellectual property, technical expertise and should demonstrate a strong customer base, revenue stream and positive EBITDA.

We look forward to keeping the market informed of the progression of TSN.

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About TSN

Transaction Solutions International (TSN) is a technology based company focused on the financial services sector. The company has a 24.89% interest in TSI India, which was formed by to create scalable operations in the field of e-transactions and payments in India.

TSI India, which was founded by Paul Boyatzis and Gary Foster, Australian nationals with considerable experience in the financial services industry in more developed markets, has emerged to become a leading operator of bank-branded ATMs in India. In addition, TSI India offers bill payment and electronic surveillance services to banks and utility companies.

Beyond its investment in India, TSN is pursuing a growth strategy in the financial and technology space, specifically in cyber-security by bringing proven capabilities and technologies for entry to the Asian market.