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**ASX ANNOUNCEMENT AND PRESS RELEASE**

## **TSN BUSINESS UPDATE**

### **HIGHLIGHTS**

- **TSN and DWX grow Managed Services and threat detection offerings**
- **TSI India revenue and transaction volumes continue to recover, achieving an EBITDA positive result both in July and August 2017**
- **TSN has identified and is evaluating targets for acquisition to complement existing business**

### **Decipher Works (DWX)**

Since the completion of the DWX acquisition on 23 August 2017, Transaction Solutions International Limited (TSN or the Company) has been working closely with the DWX team to define the strategies and roadmap to grow its business.

Initially, DWX will focus on building a Managed Service business for identity and access management. TSN is exploring with TSI India (TSN holds a 24.89% interest in TSI India) in relation to TSI India becoming the managed services technical support and outsourcing partner for the DWX cybersecurity business.

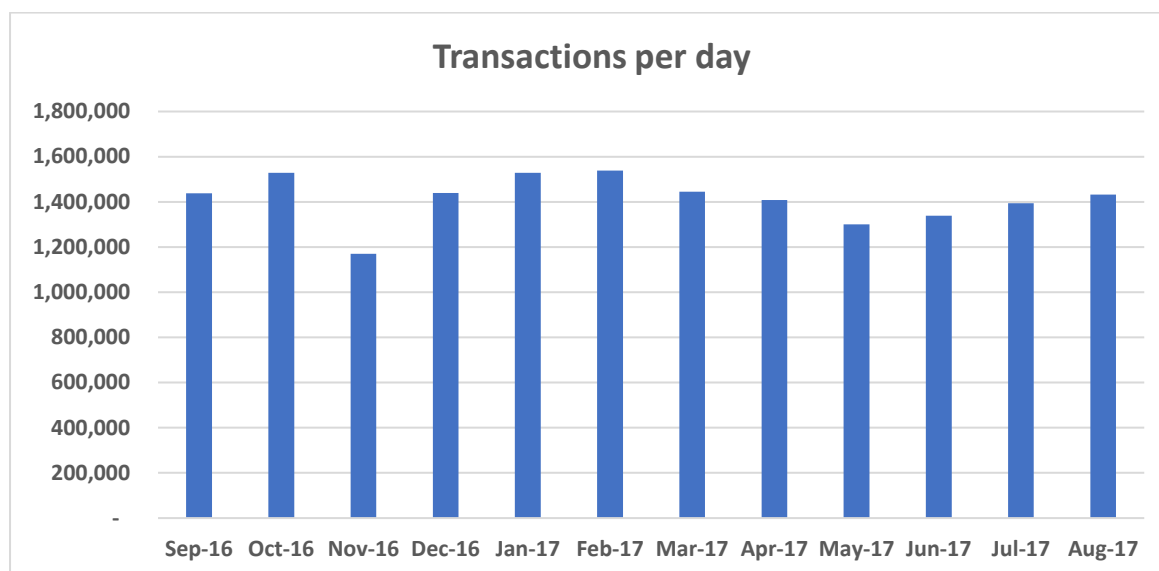
DWX will also be looking to extend its service offering to complementary services, such as threat detection, vulnerability assessment and penetration testing. We are pursuing organic and inorganic approaches to scale up in these areas. In addition, we are seeking new technology partnerships, specifically in threat detection as well as assessing opportunities for geographic expansion.

At the operational level, DWX will be implementing a number of initiatives to improve its efficiency and effectiveness in both sales and delivery to increase revenues and profitability.

### **TSI India**

Overall ATM revenues and transaction volumes in India continue to recover following the Indian government's introduction in November 2016 of a new series of bank notes that disrupted bank networks and ATM transaction volumes.

Similarly, TSI India's ATM transaction volumes continue to recover in line with the overall market. The following chart shows the average total daily transactions on a month by month basis from September 2016. In addition, the mix of transactions between enquiries and withdrawals is returning to pre-demonetisation policy introduction. This is important for revenue as ATM outsourcing operators such as TSI India are paid a higher fee per transaction for withdrawals compared to balance enquiries.



### **OTHER OPPORTUNITIES**

TSN continues to identify and evaluate acquisition opportunities, particularly within the cybersecurity space to complement existing business.

The Company will continue to keep the market informed of its activities and any new acquisitions opportunities

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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.