

BUSINESS UPDATE

Highlights

- **TSN achieves revenue of \$2.36 million for financial year ending 31 March 2018**
- **Net loss improves to \$0.59 million in FY18 compared to \$1.30 million in FY17**
- **DWX's revenue increased by 18% compared to pre-acquisition**
- **DWX customer contracts total to \$3.8m in the last 9 months**

FINANCIAL PERFORMANCE

Revenue

Transaction Solutions International Limited ("TSN" or the Company) achieved revenue of \$2.36 million for the financial year ending 31 March 2018 (FY18).

The revenue is predominately derived from the Decipher Works (DWX) business since its acquisition in August 2017. Based on the 7 months of revenue between August 2017 to March 2018, DWX's annualised revenue is approximately \$4 million. This represents a 18% increase in revenue compared to revenue from the 12 months prior to acquisition.

Result

TSN's net loss for the FY18 improved to \$0.59 million compared to \$1.30 million in FY17. This improvement is due largely to the profit contributed by DWX for the 7 months post acquisition.

CYBERSECURITY BUSINESS

TSN is pursuing a 2-prong approach to growing the cybersecurity business:

- organic growth of DWX's business
- inorganic growth through acquisition of complementary businesses.

Organic Growth of Decipher Works

DWX continues to pursue organic growth through the expansion of its customer base and service offering.

New business won for the 9 months since the acquisition of DWX amounts to \$3.8 million with \$2.9 million of revenue recognised for that period. The difference of \$0.9 million adds to the Sold Backlog, i.e. contracted work that DWX is committed to deliver in the future.

37% of the \$3.8m sales is for contract extensions, with the remaining 63% for new contracts. This is a healthy metric, as the Company balances growth through new contracts with extending existing contracts.

For the current financial year (FY19), DWX aims to maintain its revenue growth rate by:

- new office in Melbourne;
- increase in sales and business development personnel;
- expanding the range of service offering; and
- focus on recurring revenue Managed Services business,

Other Acquisitions

TSN continues to pursue an acquisition strategy to grow its cybersecurity business. TSN is currently in negotiations with target companies and will provide updates if these negotiations progress to the next stage.

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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 100% ownership of Decipher Works (DWX). DWX is a Sydney-based cybersecurity specialist, providing consulting, support and managed services to financial institutions and large corporations. The Company has strong long-term relationships with many of the major banks and institutions in Australia, and is now moving into other market sectors such as Insurance and Financial Services businesses. TSN is actively pursuing growth in the cybersecurity industry.

TSN also holds a 24.89% interest in TSI India, a company having 400 employees, which has created a scalable operation in the field of e-transactions and payments in India. TSI India has over 30 major bank relationships, owns and manages approximately 14,000 ATMs, also offers Bill Payment services to a number of utility companies in India and owns a Managed Services platform.