

TSI INDIA UPDATE

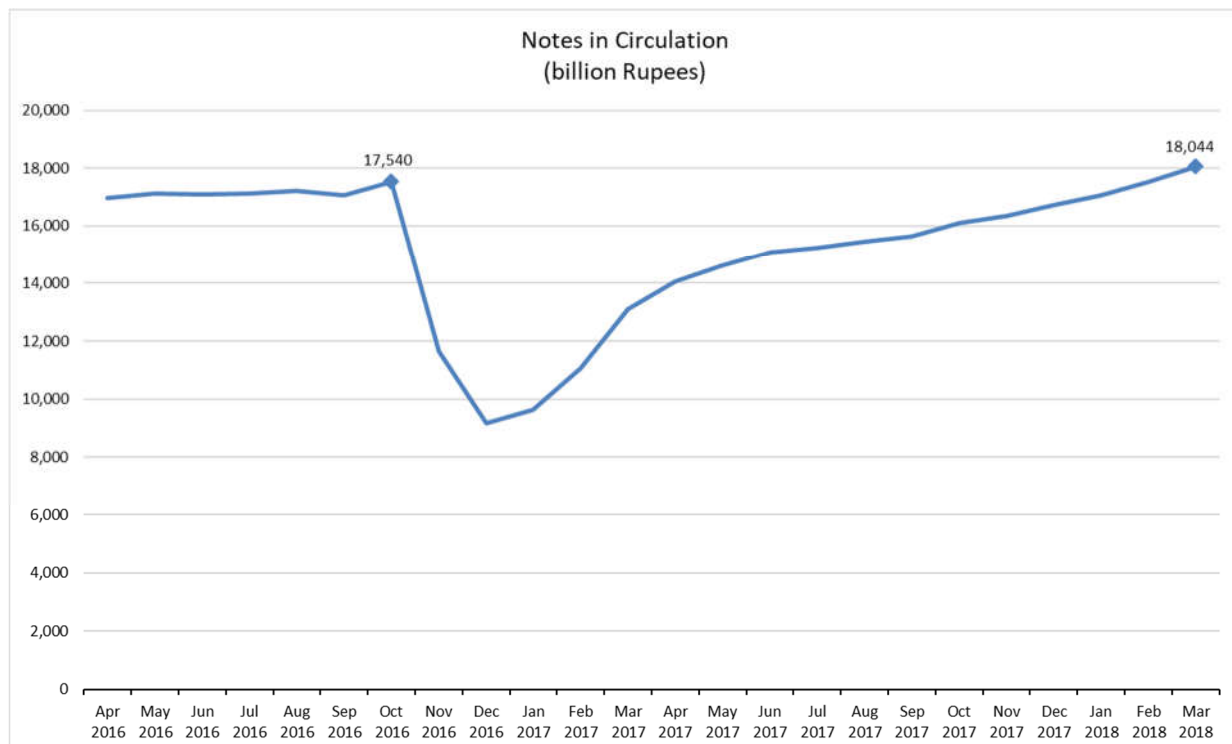
Highlights

- Currency notes in circulation in India now exceeds pre-demonetisation levels
- ATM transaction volumes close to pre-demonetisation levels
- TSI India's EBITDA shows 5 consecutive quarters of improvement
- TSI India achieves positive EBITDA and Cash Flow from Operations for FY18

General Market

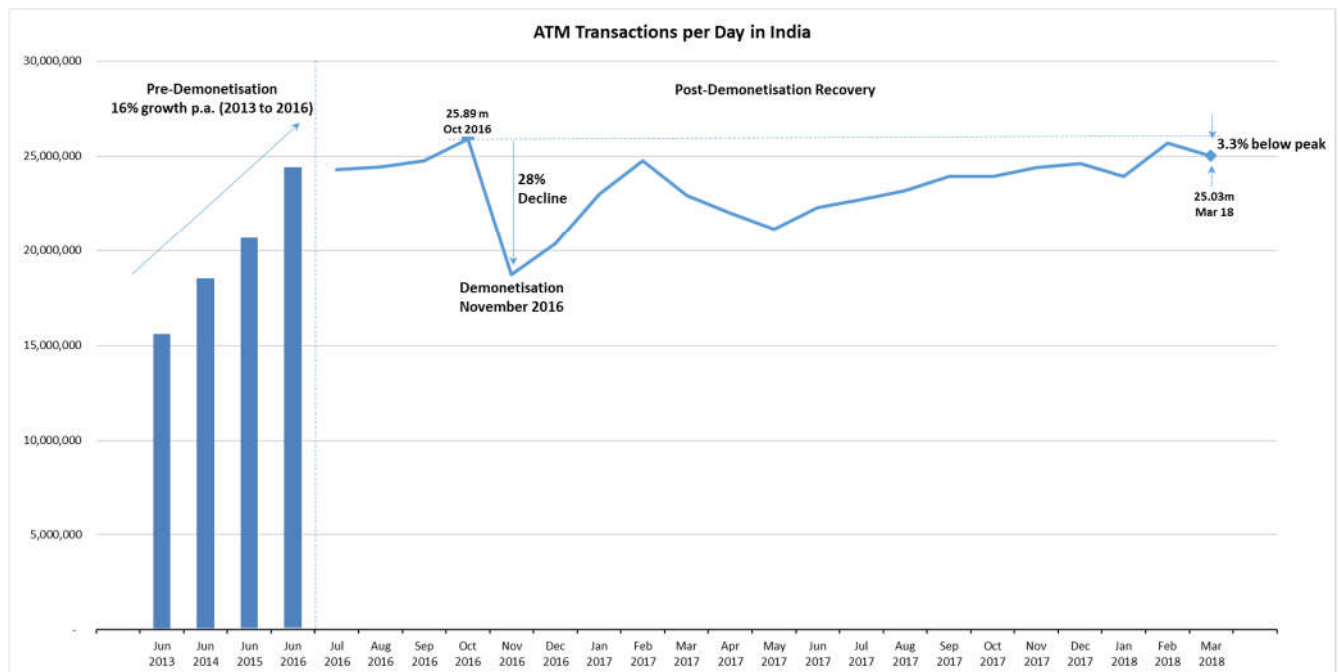
Demonetisation of the Rp500 and Rp 1000 notes by the Indian government on 8 November 2016 resulted in a 48% decrease in currency notes in circulation and a 28% decrease in ATM transaction volume in India.

Based on latest data from Reserve Bank of India (RBI), currency notes in circulation now exceeds pre-demonetisation levels. Currency notes-in-circulation has reached Rp 18.04 trillion as at 30 March 2018; the first time it has exceeded pre-demonetisation high of Rp 17.5 trillion as at 28 Oct 2016.



Source: Reserve Bank of India's Bulletin on Money Stock Measures

Correspondingly, ATM transaction volume have almost recovered to pre-demonetisation levels, reflecting the availability of currency notes in circulation. As at 30 March 2018, ATM transaction volume is less than 3.5% below the peak of 25.89 million transactions per day in October 2016.



Source: Reserve Bank of India's Bankwise ATM/POS/Card Statistics

TSI India

The recovery of ATM transaction volume has resulted in improvement of TSI India's financial position since the demonetisation.

TSI India has recorded an improvement in EBITDA for 5 consecutive quarters, and as a result, TSI India achieved positive EBITDA overall for FY18.

Accordingly, TSI India achieved positive cash flow from operations for the last 3 quarters and overall for FY18.

TSI India remain active in engaging with targeted large financial groups and evaluating inorganic growth opportunities.

For more information:

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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.