

## TSN UPDATE

### Highlights

- **57% increase in value of TSN's TSI India holding after independent expert's valuation**
- **TSI India current holding value is \$15.34 million for FY2018**
- **Increase in valuation reflects recovery in the ATM sector in India and TSI India's overall cash flow and EBITDA improvement**

### Revaluation of TSI India

In accordance with the Australian Accounting Standards Board ("AASB") 13 Fair Value Measurement, Transaction Solutions International Ltd ("TSN" or "the Company") engaged an independent valuation expert to assist with the determination of a fair value of TSN's investment in Transaction Solutions India Pvt Ltd ("TSI India") as at 31 March 2018.

The assessment of the fair value of TSI India is a 'Level 3' hierarchy under AASB 13 and is based on significant unobservable inputs. The fair value measurement model is based on the sum-of-parts methodology comprising the following:

- Discounted Cash Flows (DCF) method of TSI India's forecasted cash flows based on current contracts, transaction volume, actual financial results and growth assumptions; and
- the value of other assets and liabilities of TSI India based on its carrying value in TSI India's Balance Sheet at 31 March 2018.

Based on the independent expert's valuation and information that is available to the Company, TSN has concluded that the fair value of the Company's investment in TSI India as at 31 March 2018 is \$15.34 million.

This represents a 57% increase compared to the \$9.75 million carrying value at 31 March 2017.

This increase is consistent with the improving Indian ATM market environment and TSI India's positive EBITDA and overall cash flow for the financial year ended 31 March 2018 as previously announced.

The \$5.59 million increase in valuation is reflected in Other Comprehensive Income, resulting in a positive Total Comprehensive Income of \$5.00 million in the Audited Annual Financial Report 2018.

### TSN's Market Capitalisation, Assets and Investments

As at 31 March 2018, TSN's key assets and investments includes the following:

- Available for sale financial assets (TSI India)      \$15.34m
- Cash      \$ 1.49m
- Decipher Works ("DWX") which has been generating annualised net profit of approximately \$1m. (The 5-year historical Price-Earnings ratio of the ASX All Ordinaries is between 14.4x to 19.0x).\*

In comparison, TSN's current market capitalisation is \$15.22 million (based on a share price of \$0.007).

\* Source: Market Index's market-cap weighted PE Ratio for the All Ordinaries Index

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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.