

SEPTEMBER 2018 QUARTERLY RESULTS

Highlights

- Improvement in all key cash flow metrics in the September 2018 quarter:

	June Quarter	September Quarter
○ Operating cash flow	\$56k	\$256k
○ Receipts from customers	\$1.0 million	\$1.3 million
○ Bank & cash balance	\$1.51 million	\$1.76 million

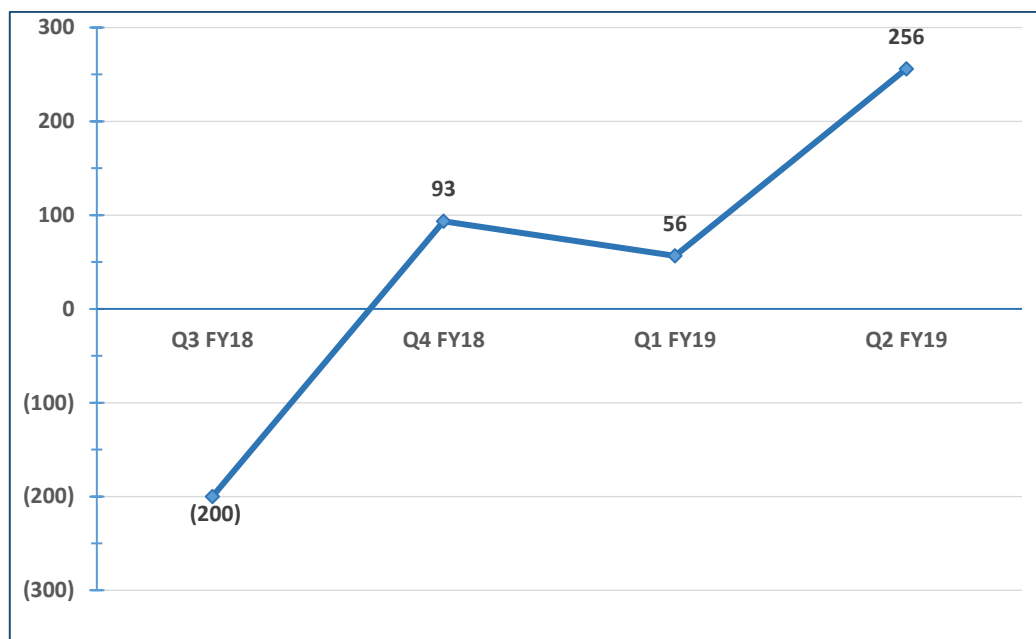
- Third consecutive quarter of positive operating cash flow

OPERATING CASH FLOW – 3rd CONSECUTIVE QUARTER OF POSITIVE RESULTS

As set out in the 4C Quarterly Report for the quarter ended 30 September 2018 released on 9 October 2018, Transaction Solutions International Limited (TSN or the Company) achieved positive operating cash flow of approximately \$256,000.

This is the third consecutive quarter of positive operating cash flow.

TSN's Group Quarterly Operating Cash Flow for the last 4 quarters (in \$ '000)



RECEIPTS FROM CUSTOMERS – REFLECTS STRONG BUSINESS FUNDAMENTALS OF DWX

The increase in cash flows from operations results from the increase in customer receipts from \$1.0 million achieved in the June 2018 quarter to \$1.3 million in the September 2018 quarter . This reinforces the strong business fundamentals and the consistent performance of Decipher Works (DWX).

The increase in receipts from customers reflects the success of the DWX business strategy to:

- **Grow its customer base:**
DWX continues to retain its loyal customer base as well as acquire new customers by targeting new segments e.g. the insurance sector and more recently, government;
- **Build new capabilities:**
DWX has secured new technology partnerships over the last 12 months with leaders in their respective technology areas to broaden its service offering (e.g. Forgerock, Netskope and more recently CyberArk, a global leader in privileged access security that serves more than 50% of Fortune 100 companies);
- **Offer new services:**
DWX continues to develop and offer new services, specifically cloud-related offerings. In the past, DWX has successfully acquired customers for SaaS (Software-as-a-Service) solutions and more recently, DWX is extending its offering to PaaS (Platform-as-a-Service) to capitalise on the cloud-migration trend where customers move their traditional IT architecture to the cloud; and
- **Gain industry certifications to qualify for larger projects:**
DWX has achieved ISO 27001 certification, a leading global standard on information security management. This certification enables DWX to retain and expand its customer base with customers now often requiring ISO 27001 certification as a qualifying condition to participate in larger contracts.

BANK & CASH BALANCE – HEALTHY, SUSTAINABLE FINANCIAL POSITION AND IMPROVING

TSN has increased its bank and cash balance from \$1.51 million at the end of June to \$1.76 million at the end of September 2018, reflecting the healthy financial position and sustainability of the Company, without the need for additional capital to drive future organic growth of existing businesses.

4D INTERIM FINANCIAL REPORT

TSN is currently preparing its half-year financial statements for audit with the statements to be released by 30 November 2018. Based on the operating cash flow results as reported in the Appendix 4C Quarterly Reports of \$56,000 for the June quarter and \$256,000 for the September quarter, TSN expects to report a positive profit before tax – the first time for TSN – for the half year ending 30 September 2018.

For more information:

Jeffrey Lai
Managing Director
E: jlai@tsiplc.com.au

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.