

DECEMBER 2018 QUARTERLY RESULTS

Highlights

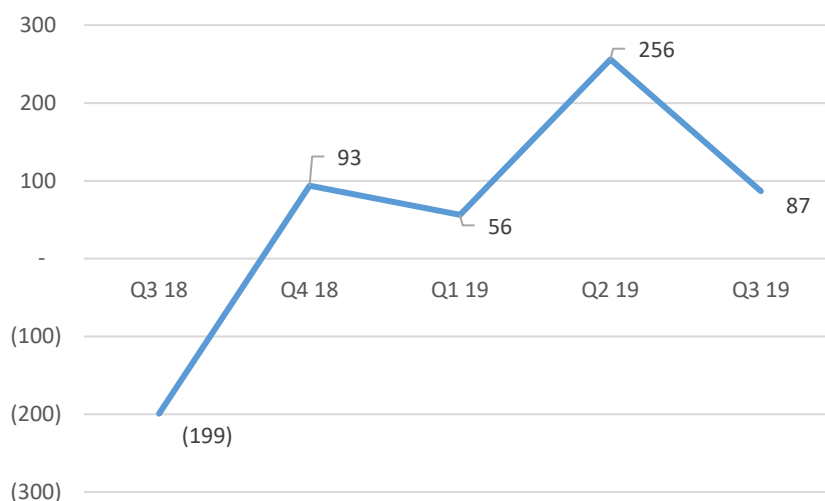
- **Operating cash flow continues to be positive for the December 2018 quarter**
- **Fourth consecutive quarter of positive operating cash flow**
- **Cash balance \$3.7 million**

OPERATING CASH FLOW – 4th CONSECUTIVE QUARTER OF POSITIVE RESULTS

As set out in the accompanying 4C Quarterly Report for the quarter ended 31 December 2018, Transaction Solutions International Limited (TSN or the Company) achieved positive operating cash flow of \$87k.

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

TSN's Group Quarterly Operating Cash Flow for the last 5 quarters (in \$ '000)



CASH BALANCE – INFLOW FROM SHARE PLACEMENT

TSN has increased its cash balance from \$1.7 million at the end of September 2018 to \$3.7 million at the end of December 2018 mainly as a result of the share placement to acquire 100% of Cloudten, a cloud and cloud security service provider, based in Sydney.

ACQUISITION OF CLOUDTEN – STILL ON TRACK

The acquisition of Cloudten is due for completion on 31 January 2019 subject to shareholder approval at the General Meeting to be held on 29 January 2019.

For more information:

Jeffrey Lai
Managing Director
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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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

TRANSACTION SOLUTIONS INTERNATIONAL LIMITED

ABN

98 057 335 672

Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,012	3,323
1.2 Payments for		
(a) research and development	(15)	(15)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(720)	(2,265)
(f) administration and corporate costs	(172)	(628)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (due diligence)	(26)	(26)
1.9 Net cash used in) operating activities	87	399
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(15)
(b) businesses	-	-
(c) investments	-	-
(d) intellectual property	-	-

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received	-	-
2.5 Other	-	-
2.6 Net cash from/(used in) investing activities	(5)	(15)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,975	1,975
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(100)	(136)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from financing activities	1,875	1,839

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,755	1,490
4.2 Net cash used in operating activities (item 1.9 above)	87	399
4.3 Net cash from/(used in) investing activities (item 2.6 above)	(5)	(15)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from financing activities (item 3.10 above)	1,875	1,839
4.5	Effect of movement in exchange rates on cash held	(1)	(2)
4.6	Cash and cash equivalents at end of quarter	3,711	3,711

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	736	555
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits)	2,975	1,200
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,711	1,755

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in
item 1.2

6.2 Aggregate amount of cash flow from loans to these parties
included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in
items 6.1 and 6.2

Current quarter \$A'000
77
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Managing Director's salary & directors' fees including PAYG and superannuation
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Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	750
9.6 Administration and corporate costs	200
9.7 Other (Initial net payment for Cloudten acquisition – see explanation in note 3 below)	1,450
9.8 Total estimated cash outflows	2,400

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.
- 3 Initial net payment for Cloudten acquisition is Tranche 1 Cash consideration of \$3 million as per the Acquisition Agreement less cash received from Cloudten on completion of \$1.55 million.

Sign here:



Director

Date: 29 January 2019

Print name: Jeffrey Lai