

27 November 2017

ASX ANNOUNCEMENT (ASX: TSN)

TSN BUSINESS UPDATE on TSI INDIA

*****Transaction Solutions International Limited (TSN) holds a 24.89% interest in TSI India*****

TSI INDIA HIGHLIGHTS

- **TSI India wins 300 ATM management deal with Corporation Bank – now controls 35% of Corporation Bank network**
- **Overall ATM transactions in India records fourth consecutive monthly increase**
- **TSI India records the highest monthly revenue since demonetisation**

TSI India wins deal to manage 300 ATMs of Corporation Bank

In a recent transaction, TSI India will manage a further 300 ATMs of Corporation Bank under a tripartite agreement between TSI India, Corporation Bank and the banks' current service provider. The contract is for 7 years and falls within the terms of the previously announced Ministry of Finance Indian Bank ATM initiative. With this deal, TSI will control and manage around 35% of Corporation Bank's ATM fleet.

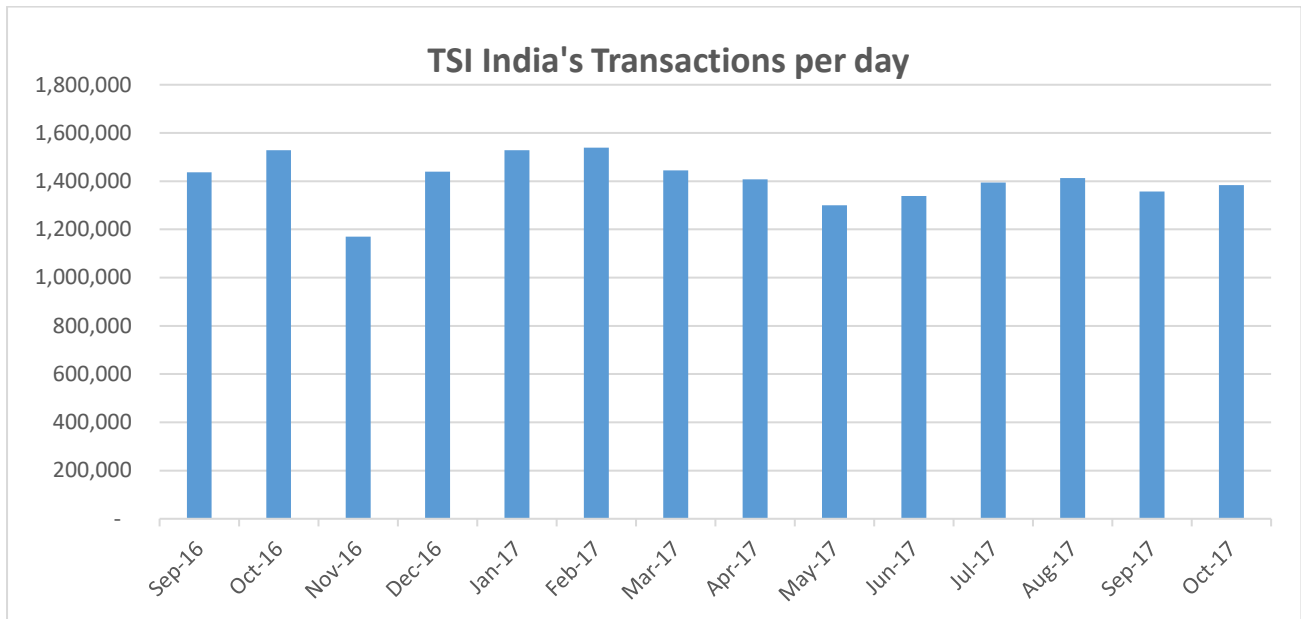
General Market Update

The Indian ATM market continues to re-stabilise since the Indian Government's regulatory changes and the withdrawal of old Indian currency notes for new. Industry-wide ATM transaction volumes, as reported by the Reserve Bank of India, was 23.95 million transactions/day in September 2017, representing four consecutive months of increase since the lowest post-demonetisation volume was recorded in May 2017.

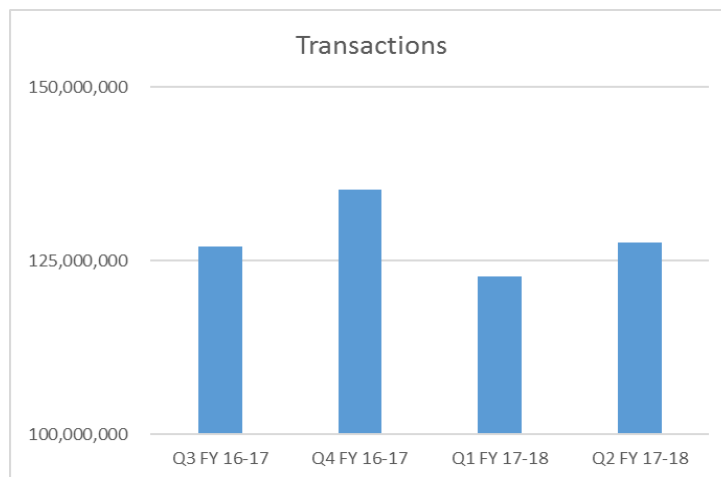
TSI India's transaction volume increased by 2% to 1.38 million per day in October compared to September 2017. This represents a 6.4% uplift since the lowest post-demonetisation level in May 2017.

TSI India's monthly revenue also exhibits encouraging recovery. Revenue in October 2017 of Rs 213.8 million (approximately A\$4.3 million) represents a 5.1% increase from September 2017. This is the highest level achieved since demonetisation and is 9.3% above the lowest post-demonetisation level achieved in May 2017.

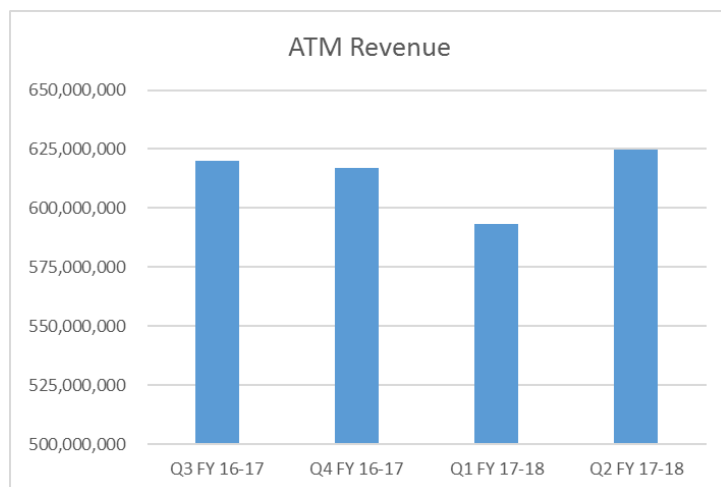
Please see the following transaction volume chart provided by TSI India management.



Quarterly Transaction Growth – source TSI India



Quarterly ATM Revenue Growth (INR)



Electronic Bill Payment Offering by TSI India

TSI India management has prepared a presentation in relation to their Bill Payment business which includes their product and technology stack, which is available to view on the TSN website.

Update on Cash and Cash Availability in India

The Indian economy has been undergoing a transition in regulations and government initiatives on digitization. Many believed a change in customer behaviour would impact cash demand. This has not been the case to date. The overriding bottleneck in driving digital transactions is the lack of adequate secured infrastructure. These doubts and inconveniences have seen people continuing to use cash as their preferred mode of transacting. Cash demand from ATMs is also bouncing back since demonetisation. During the last quarter ending 30 September 2017 cash is now being loaded into ATMs with similar volumes of cash as pre-demonetization September 2016 levels.

TSI India New Business

As ATM transaction volumes show steady recovery trends, TSI India is now actively pursuing new business opportunities. There are select active discussions with existing customers and updates will be provided as new business is secured.

TSI India believes that the industry is currently undergoing consolidation arising from the disruptions caused by the demonetisation and the need to increase economies of scale. Therefore, TSI India is exploring inorganic growth opportunities, by seeking opportunities to acquire existing ATMs deployed by other service providers. A case in point is the above mentioned Corporation Bank deal.

TSN continues to closely monitor and share regular updates of the recovery path of TSI India with shareholders. TSN will continue to explore all options in respect to its investment interest in TSI India.

For more information contact:

CEO – Jeffrey Lai

jlai@tsiplc.com.au

Cadmon Advisory – Cameron Low

cameron@cadmon.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.