13 April 2017 **ASX ANNOUNCEMENT AND PRESS RELEASE**

TRANSACTION SOLUTIONS INTERNATIONAL AND NOVATTI SIGN EXCLUSIVE AGREEMENT TO TARGET INDIAN PAYMENTS MARKET

Highlights

- Novatti Group Limited and Transaction Solutions International Limited (TSN) execute exclusive reseller agreement to establish a range of mobile and alternative payment solutions for the multi-billion-dollar Indian market
- Large market opportunity as the Indian economy is moving away from traditional cash-based transactions
- TSN will work with TSI India to tap into their deep relationships with key financial institutions in India that includes more than 35 tier-one banks
- Novatti has extensive knowledge in deploying financial services technologies in emerging and developed markets

Transaction Solutions International Limited (ASX: TSN) is pleased to announce that it has entered into an exclusive agreement with a subsidiary of **Novatti Group Limited** (ASX: NOV, "Novatti") to target the multi-billion-dollar Indian digital payments market.

The formal agreement follows the signing of an MOU between the two parties on 10 February 2017, which was announced on the ASX, to seek to negotiate a formal agreement to establish and market a range of mobile and online payment services designed specifically for the Indian market.

The Indian digital payments market presents an enormous opportunity for Novatti and TSN to provide Indian consumers with access to an extended range of electronic payment products and services at a time of significant growth in demand for such solutions following the Indian government's move to remove certain bank notes from circulation.

According to a report by the Boston Consulting Group, it is estimated that total value of payments conducted via digital instruments in India will reach US$500 billion annually by 2020, an increase of approximately 10 times over current levels[1].

[1] finextra.com/finextra-downloads/newsdocs/bcg-google%20digital%20payments%202020-july%202016_tcm21-39245.pdf

This rapid growth is being driven by the growing digitisation of the Indian economy, a favourable regulatory environment and the emergence of payment service providers.

Under the agreement, Novatti and TSN will work on a shared outcome basis to deploy Novatti payment solutions to clients of TSI in India. TSN has a 24.89% interest in TSI India.

Novatti will provide its innovative mobile and alternative payment technologies, which includes consumer digital wallets, mobile money, electronic bill payments and remittance services. TSN will receive a mixture of wholesale and revenue share fees with the revenues dependant on sales volumes.

TSN will work with TSI India to market these products and services to the banks in India. TSI India has established relationships with more than 35 tier-one Indian banks, including the Central Bank of India and the State Bank of India.

TSN's Chief Executive Officer, Jeffrey Lai, said "We are excited at this opportunity of satisfying the demands of our banking clients in India with Novatti's solution. With the increasing digital adoption rates in India, the banks are exploring new ways to on-board, serve and offer new products to customers. The demonetisation policy helps speed up this demand."

"We will first introduce the Novatti solution to our 35 long-term banking clients and the network of 14,000 ATMs before addressing the broader market beyond."

"Our partnership with Novatti will enable TSI to position itself as an integrated transactions solutions provider, and capitalise on the market for next generation payment solutions."

Peter Cook, Chief Executive Officer of Novatti, said "We are extremely well placed to take advantage of the enormous opportunity that the Indian market presents through our experience in emerging and developing markets and the deployment of our convenient, intuitive, customer friendly and secure products and solutions".

"TSN is an ideal partner to help Novatti establish a strategic beachhead into the large and lucrative Indian market as they have extensive relationships with financial institutions in that country."

For further information, contact:

Jeffrey Lai
CEO
jlai@tsiplc.com.au

About TSN and TSI India

Transaction Solutions International (TSN) was founded in 2005 by current directors, Paul Boyatzis and Gary Foster, Australian nationals with considerable experience in the financial services industry. Based on their knowledge of financial markets in more developed countries, TSI India was formed to take advantage of the opportunity to create shareholder value by creating scalable operations in the field of e-transactions and payments within India. TSN and its subsidiaries hold a 24.89% equity interest in TSI India.

At the time of entering India, TSI India was first to market with its unique recurring revenue outsourcing model, focussed on partnering with Banks to increase the size of its bank branded ATM network.

Today, TSI India remains firmly entrenched in the e-transaction sector. With the implementation of recent agreements, TSI India will become one of the largest operators of ATMs in India, with approximately 14,000 ATMs under management along with its automated Bill Pay solutions for utility companies.

About Novatti Group Limited

Novatti is an award-winning global software technology and payment services provider. Both through technology and services, Novatti helps economies, corporations and consumers digitise cash transactions. Novatti's robust and efficient software solutions include Consumer Digital Wallets, Branchless Banking, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems. Novatti's transaction processing services include Flexepin, an open-loop cash voucher service and TransferBridge, a global remittance network.

Transaction Solutions International Limited
ABN 98 057 335 672
41-47 Colin Street, West Perth, WA 6005
Tel: +61 8 9226 2235 Fax: +61 8 9226 2237