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ASX ANNOUNCEMENT AND PRESS RELEASE
TRANSACTION SOLUTIONS INTERNATIONAL LIMITED (TSN)

TSN CONTRACT WIN and BUSINESS UPDATE

HIGHLIGHTS

- **Decipher Works (“DWX”) secures contract extension valued at \$100,000 per month**
- **TSN and DWX expand Managed Services business**
- **DWX secures Partnership Agreement with ForgeRock, U.S.A.**
- **TSN continues to evaluate selective targets for acquisition to complement existing business – current discussions underway**

DECIPHER WORKS UPDATE

Contract Extension:

DWX, a 100% subsidiary of TSN, has recently secured a six-month contract extension valued at \$100,000 per month with one of its largest clients. This represents approximately 35% of DWX’s FY17 revenue monthly run-rate. Mr Jeff Lai, CEO of TSN commented that “it is pleasing to see such contract renewals as they reflect a high level of confidence in the DWX team and their offering. We intend to both develop and acquire a wider range of products and services in the cybersecurity sector to cross-sell to our loyal customer base”.

Growth Initiatives:

As previously announced, DWX is pursuing a growth strategy, specifically in:

- Expanding the Cybersecurity Managed Services business to provide a recurring revenue stream;
- Establishing an offshore delivery centre to handle the current and anticipated future growth; and
- Expanding DWX product and service offerings through internal development and inorganic opportunities

Expanding the Cybersecurity Managed Services business: The Cybersecurity Managed Services business is attractive because it provides a stream of recurring revenue providing an excellent foundation for further growth. DWX has already begun generating multiple opportunities in the Managed Services business. Most notably, the company is in advanced discussions with an Australian bank for a 3 + 2 year Managed Services engagement. Whilst the contract is yet to be executed, major terms have been agreed between the parties.

Establishing an offshore delivery centre: DWX has begun the process of establishing an offshore delivery centre to provide additional capacity at a lower operating cost and to further support planned growth in the Managed Services business. DWX has evaluated the best geographical location to house its business and has narrowed its focus to two Asian locations. Several proposals are being evaluated and operations are targeted to commence within the next three to four months.

Expanding service offerings: To broaden and increase its revenue, DWX is expanding its service offering by:

- Partnering with proven cutting-edge technologies to continuously strengthen its core offering; and
- Growing the threat detection and vulnerability businesses.

As an example of this service offering expansion plan, DWX has recently signed a strategic partnership agreement with Forgerock to be a Managed Services Provider and Reseller for the Forgerock solution. According to Gartner¹, Forgerock is a “visionary” identity and access management technology solution with advanced capabilities for supporting *Internet of Things (IoT)*. Its focus is related to customer, cloud, mobile, IoT and enterprise environments. This partnership will enable DWX to expand their service offering to existing and new clients utilising the Forgerock solution.

TSI INDIA UPDATE

TSN holds a 24.89% interest in TSI India. The management of TSI India has reported that the recovery within the ATM market continues to be strong.

Whilst there is much current debate in Australia over ATM fees and ATM usage declining and moving to other forms of payments and heavier use of Point of Sale terminals (“tap and go”), the dynamics of India show that currency in circulation is going up. According to the Economic Times of India’s interview in August 2017 with deputy governor of Reserve Bank of India, Mr Viral Acharya, cash is still highly prevalent as a form of payment and it continues to grow.

As an example of the prevalence of cash, Reserve Bank of India monthly statistics show that between June 2017 and August 2017, transactions at Indian ATM’s increased 8% to 716,362,372 transactions.

OTHER OPPORTUNITIES

TSN continues to evaluate other growth and acquisition opportunities, primarily in cybersecurity to complement DWX’s business. The Company will continue to keep the market informed of its activities and any new acquisition opportunities.

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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 24.89% interest in TSI India, which was formed by to create scalable operations in the field of e-transactions and payments in India. TSN is actively pursuing growth in the cybersecurity industry and has acquired 100% of Decipher Works (DWX).

TSI India, which was founded by Paul Boyatzis and Gary Foster, Australian nationals with considerable experience in the financial services industry in more developed markets, has emerged to become a leading operator of bank-branded ATMs in India. In addition, TSI India offers bill payment and electronic surveillance services to banks and utility companies.

DWX, based in Sydney, is a cybersecurity specialist in providing consulting, support and managed services to financial institutions and large corporations.

¹ Gartner’s Magic Quadrant for Access Management – Review of Identity and Access Management Solutions, June 2017