

## Corporate Update

- **TSI India again reports strong quarterly results**
- **Company engaging with ATO on tax treatment of capital return proposals**
- **Acquisition opportunities being evaluated**

Vortiv Limited (ASX: VOR or “the Company”) is pleased to provide this update to the market.

### TSI India ATM managed Services business December quarterly performance.

Vortiv continues to hold its 24.89% investment interest in Transaction Solutions International (India) Private Limited (“TSI India”).

TSI India management has again reported continued strong financial performance during the quarter ending 31 December 2020, with unaudited revenue of \$13.5 million and Underlying EBITDA of \$3.3 million. This comes on the back of the September 2020 quarter which showed a significant increase in Underlying EBITDA of \$3.2 million compared to the \$0.4 million in the June 2020 quarter.

The table below highlights the significant financial performance improvement reported in the September and December 2020 quarters compared to previous quarters.

Unaudited in A\$ million <sup>2</sup>	FY19 Qtr average	FY20 Qtr average	Jun 2020 Quarter	Sep 2020 Quarter	Dec 2020 Quarter
Revenue	12.0	11.7	9.4	12.3	13.5
Underlying EBITDA <sup>1</sup>	0.43	0.46	0.40	3.2	3.3

(1) Underlying EBITDA excludes one-off ATM logistics costs to decommission and dispose of the old ATMs during the upgrade programme. One-off costs amount to \$0.93m in FY20, \$0.05m in Jun 20 quarter and \$0.16m in Sep 20 quarter.

(2) The exchange rate used is based on a standard of AUD1:INR50 over the past three financial years. It is noted that the rate has increased in the past three to six months. However, a consistent exchange rate has been used for purposes of comparison across the reported periods.

Revenue in the December quarter demonstrates the stability and uniformity of the business as a result of the structural investments with solid growth in EBITDA over previous quarters.

As previously announced on 22 June 2020, TSI India invested approximately \$28 million in capital expenditure through external financing to upgrade its ATM network to address security vulnerabilities and comply with the directives from the Reserve Bank of India. The ATMs were financed mainly through three-year lease agreements. Current net debt is \$34.3 million.

### **Engaging with ATO regarding class ruling on capital return proposals.**

The Company is seeking to tax effectively return approximately \$20 million to shareholders. Accordingly, an Australian Tax Office (ATO) class ruling has been sought regarding a capital return proposal.

In January 2021 the Company advised that it was yet to receive a firm date from the ATO for the ruling due to processing delays. Vortiv and its tax advisors have recently been in contact with the ATO and are working with them providing answers to requests for further information. This is being pursued as a matter of urgency.

Upon receipt of the ruling and professional advice, the Company will announce details of the Company's recommended capital return proposal and provide shareholders with the required information to make a decision on the proposal.

The Board continues to work with the Company's advisors to consider alternatives for the effective and timely distribution of funds to shareholders and to provide the Company with a secure financial base going forward.

### **Evaluation of acquisition and investment opportunities.**

The Company has been seeking well-priced, high growth acquisition opportunities which could benefit from public market listing and capital markets access.

The Company is reviewing a selection of potential candidates and will provide more information as this process moves forward.

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### **Forward Looking Statements**

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. These estimates and assumptions while considered reasonable by the Company are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Company to be materially different from the future results and achievements expressed or implied by such forward-looking statements. Forward looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. Investors are cautioned that forward looking information is no guarantee of future performance and accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.