



# TESSERENT

## ASX ANNOUNCEMENT

Melbourne — 13 November 2018

### TESSERENT EXECUTES ASTA ACQUISITION CONTRACT; COMBINED REVENUE OF GROUP INCREASES TO \$18M

Tesseract Limited (ASX:TNT, Tesseract) is pleased to announce the successful completion of due diligence and execution of contracts for the acquisition of innovative ICT company Asta Solutions Pty Ltd (“Asta”). This transaction delivers:



#### REVENUE

A consolidated pro-forma revenue and other income for Tesseract/Asta of \$18M for FY18.



#### CLIENTS

Increased active customer base from circa 200 to 350+.



#### END-TO-END OFFERING

Combined ability to deliver *end-to-end secure IT solutions*, better servicing current and future client needs.



#### CASHFLOW

Improved cashflow and earnings.



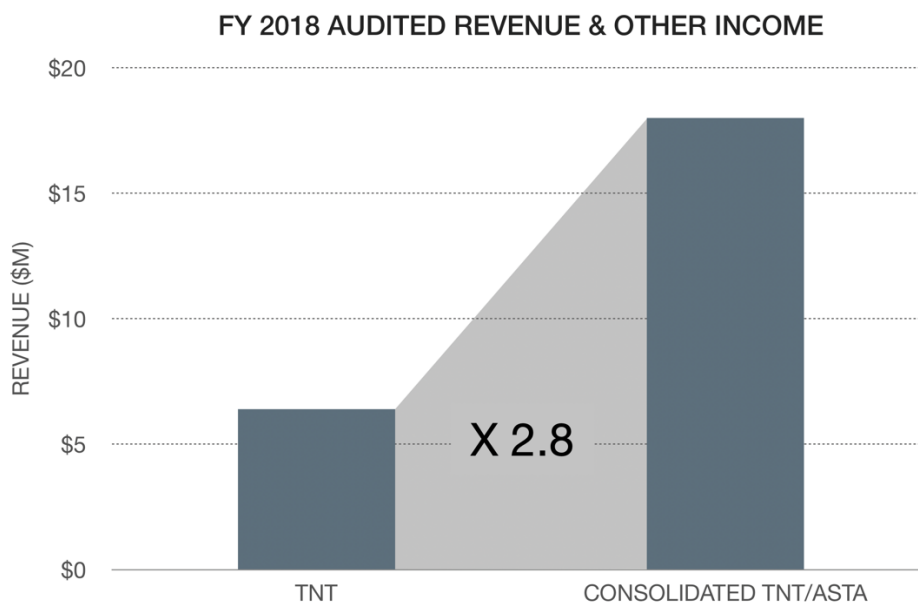
#### INNOVATION

A strong foundation for accelerated innovation with next generation security, blockchain and artificial intelligence (AI) solutions.

Binding documentation has now been signed and completion of the transaction will occur after a number of standard completion steps, including shareholder approval for the issue of securities to be sought at a General Meeting of Tesseract shareholders to be held in December 2018.



With audited accounts and due diligence completed, Asta's normalised revenue for FY18 has been confirmed to be \$11,616,000. On a pro-forma consolidated basis, revenue and other income for the combined group is \$18M for FY2018.



Julian Challingsworth, CEO of Tesserent said. *"I've worked closely with Asta CEO, Bill Angelidis, over the past few months as we prepare for integration. The due diligence process has highlighted the unique mix of innovations and complementary capabilities of the two organisations. The mix of immediate cross-selling potential and our combined abilities to deliver end-to-end secure IT solutions for customers will amplify short term revenue return and position us well to scale all aspects of the business."*

Robert Langford, Chairman of Tesserent noted: *"The Asta acquisition forms a key cornerstone of our FY19 growth strategy. Already we are seeing benefit from the synergies between Tesserent and Asta. We have some exciting projects in blockchain, artificial intelligence (AI) and cloud underway and look forward to updating the market with the details before the end of the year."*

Bill Angelidis, CEO of Asta commented: *"Over a 19-year period, Asta has built deep trusted relationships with its customers. Through continuous innovation, we have helped customers enhance their businesses with the roll-out of new technologies including cloud, managed services, and blockchain application development. As part of Tesserent, we're excited to continue that growth journey, and to become one of Australia's leading end-to-end secure IT solution providers."*

As previously advised, the final purchase price is based on 4 x Normalised EBITDA, and has been fixed at \$4,400,000 payable in cash of \$1,100,000 with the balance to be issued in 37.5 Million Tesserent shares at \$0.088 per share. The issue of shares is subject to shareholder approval.



## ABOUT ASTA

Founded in 1999, Asta has grown to be a leading end-to-end IT services provider across Australia and New Zealand. With a solid track record of business growth, underpinned by a strong people culture and excellent relationships with clients and business partners, Asta has flourished into a high-growth IT specialist.

## ABOUT TESSERENT

Tesseract is a specialist in managed cybersecurity and networking. Tesseract provides enterprise-grade managed cybersecurity and networking services to corporate customers in Australia and internationally in the UK and Korea. Tesseract provides a 24/7 Security-as-a-Service offer to small and large organisations', giving customers peace of mind that their networks and critical data are protected. Tesseract also provides innovative cybersecurity solutions to small-medium businesses via the CyberBiz suite of services. In July 2018 Tesseract announced the intention to acquire Asta. Together, the companies will offer a powerful suite of end-to-end managed IT security solutions. [www.tesseract.com](http://www.tesseract.com).

## CONTACT

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