



ASX ANNOUNCEMENT | TESSERENT LIMITED

MELBOURNE – WEDNESDAY 28TH JUNE 2017

TELSTRA BUSINESS CENTRE MOU SIGNED WITH TESSERENT

TESSERENT LAUNCHES 'CYBERBIZ' – A NEW SMB MANAGED SERVICE TO BE SOLD THROUGH TELSTRA BUSINESS CENTRES

- Tesseract has signed a Memorandum of Understanding (MoU) to launch Tesseract's new managed security services offering, called CyberBIZ, to the small-to-medium business (SMB) market.
- The launch of CyberBIZ will be piloted with selected Telstra Business Centres, initially in Sydney.
- This partnership is the first step towards delivering a managed SMB cyber security offering nationally via a major telco channel partner.
- The SMB market is a significant opportunity for Tesseract. Tesseract has first-player advantage in this market by offering a comprehensive managed security service specifically designed and priced for Australian SMBs.
- The market opportunity for CyberBIZ is significant. According to the Australian Bureau of Statistics (ABS), 97% of Australian businesses (more than 2.1M businesses) are classified as SMBs¹.
- While SMBs are a key target for cyber criminals, this segment remains poorly serviced with regard to state-of-the-art cyber security.
- A strong channel opportunity for SMB cyber security is present in Australia and overseas.

¹ Reference: Counts of Australian Businesses (cat. no. 8165.0)



Tesseract Limited (ASX:TNT, **Tesseract** or the **Company**) is pleased to announce the launch of Tesseract's SMB managed security service, CyberBIZ. CyberBIZ is an enterprise-grade managed cyber security service designed for small and medium businesses. It delivers the enterprise grade security that Tesseract has historically provided to its larger customers, packaged in a way that makes it accessible for the SMB market.

Tesseract CEO, Keith Glennan said:

"We are excited on two fronts to be launching CyberBIZ. Firstly, we are very pleased to be bringing this offering to the SMB market at a time when businesses need robust security solutions more than ever before. And, secondly, we are extremely excited about the scalability of this offering in the SMB market. As a business, we are committed to generating returns for our shareholders and we have been working hard to develop an offering that allows us to get maximum revenue growth by scaling the delivery of the technology that we have built. Our partnership with Dell on this project has been instrumental in us being able to robustly deliver small yet powerful security appliances around the country, which will connect back to our state-of-the-art security operations centre for 24x7 monitoring and management, without us having to worry about hardware logistics."

"The SMB market in Australia is sizeable and we're confident we'll be able to win a significant proportion of the addressable market. CyberBIZ stands apart from other cyber security offerings in this space due to the managed service component. Most other SMB offerings rely on a business owner or an IT generalist installing and managing a product themselves. Unfortunately, this model often results in a false sense of security with poorly configured devices and business owners being unaware of significant vulnerabilities within their network. CyberBIZ enables every business to have access to world-class technology and specialised security engineers keeping watch over their network."

"We've already received a tremendous amount of interest in CyberBIZ from the industry and the SMB target market. We're looking forward to building a significant new revenue stream for Tesseract from the SMB market."



BACKGROUND

SMBs account for 97% of Australian businesses and approximately 45% of the Australian workforce; however, these businesses generally don't have access to skilled technical resources who can assess their cyber risk profile and implement appropriate risk mitigation strategies.

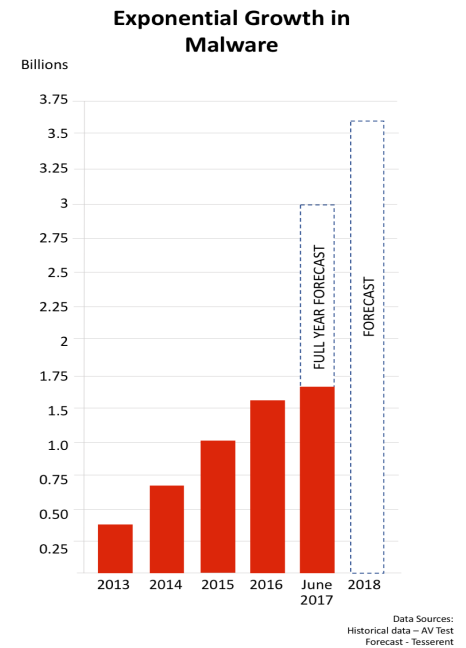
Cyber threats are growing rapidly, with the rate of detected malware growing exponentially. A recent industry report found that 19% of SMBs, (almost 1 in 5), have been impacted by a cyber attack, including 11% of SMBs who were impacted by a ransomware attack, costing on average \$4,677 to remediate². It is now more important than ever before for SMBs to engage professional cyber security services to protect their business data and digital assets.

Key cyber security considerations for all businesses, including SMBs, are the importance of robust network security architecture, software upgrades and patches, network authentication protocols and staff security training and compliance. CyberBIZ addresses each of these key areas of security, providing SMBs with access to expert security resources at an affordable price.

CYBERBIZ – SECURITY MADE EASY FOR SMBs

CyberBIZ has been developed by Tesseract to revolutionise the way small to medium businesses approach cyber security. CyberBIZ offers a range of plans from \$199 to \$999 per month to suit the needs of different businesses and various levels of cyber risk. Importantly, CyberBIZ plans incorporate a complete managed security service ensuring small business owners can remain focused on driving their business, while Tesseract provides expert protection for their digital assets and their reputation.

CyberBIZ offers 24x7 monitoring, anti-malware, VPN and remote access, SPAM filtering, web filtering and a specialised security culture and compliance suite of services ensuring staff are “cyber aware” and know how to make smart choices online.



² <https://www.abc2c.com.au/firms-pay-high-price-of-cyber-attacks>



BENEFITS TO TESSERENT

- CyberBIZ enables Tesseract to access the SMB market consisting of more than 2.1M Australian businesses.
- Tesseract is able to utilise its proprietary next-generation platform to offer Australian SMBs an enterprise-grade managed security offering.
- Tesseract has negotiated favourable channel partnership terms, enabling Tesseract to scale CyberBIZ rapidly and cost-effectively.
- Tesseract expects to grow a significant new revenue stream from the SMB market.

TELCO PARTNERSHIP

CyberBIZ has been designed to be promoted and sold to SMB customers through the telco channel. Telecommunication providers in Australia and overseas are seeking a scalable and robust cyber security solution for their SMB customers.

Following the successful launch of CyberBIZ through our initial channel partner, Tesseract will execute a channel strategy to rapidly increase the penetration of CyberBIZ throughout the Australian and international telco channel.

About Tesseract

Tesseract is a specialist in managed cyber security. Tesseract manages direct end-customers in Australia while also offering a managed security service to wholesale channel partners globally, enabling them to deliver effective cyber-security management to their end-customers.

For more information, please visit the company's web site at www.tesseract.com.

Contact

Oliver Carton
Company Secretary
Phone: +61 (0)3 9880 5559
E-mail: investor@tesseract.com

Karen Negus
Head of Sales and Marketing
Phone: +61 (0)3 9880 5512
E-mail: karen.negus@tesseract.com