



ASX Announcement

PS&C LIMITED
(ACN 164 718 361)

03 October 2019

SALE OF SECURITY SEGMENT

As foreshadowed in the Company's FY19 Annual Report to Shareholders, PS&C Limited (ASX:PSZ) (PSC) today announces that it has received a binding offer from Tesseract Limited (ASX:TNT) in relation to the sale of the Company's security segment for an upfront consideration of sixteen million dollars (\$16M). The offer also includes contingent consideration based on certain FY20 financial performance.

The completion of the transaction is subject to TNT Shareholder approval which will be sought at a General Meeting of Shareholders to be convened as soon as is practicable from the release of this announcement.

The upfront consideration has three components:

- Part A - nine million dollars (\$9.0M) in cash
- Part B - five million dollars (\$5.0m) in fully paid ordinary shares in TNT issued at five cents
- Part C - two million dollars (\$2.0m) in cash or in fully paid ordinary shares in TNT issued at the same price as the Part B consideration

PSC's acting CEO, Robert Hogeland commented:

"We are pleased that we have been able to negotiate an outcome that provides our people, our clients and importantly our Shareholders a significant opportunity to continue to derive value from what has been an important part of PS+C from the outset.

"As a pure security focussed business, Tesseract will now have a significantly stronger service offering across a substantially larger client base with the inclusion of our security assets.

"The fact that we have been able to negotiate a meaningful equity component should allow our shareholders to continue to benefit financially from continued growth in the combined businesses is a very pleasing outcome.


"The outcome supports our view of a stronger future value from being part of a dedicated cybersecurity business that, as a result of this transaction, will become Australia's largest ASX listed company in this space."


PS&C will make further announcements regarding the completion of this transaction as they become available.

END



 03 9682 2699

 info@PSZgroup.com.au

 Level 10, 410 Collins Street
Melbourne, Victoria
Australia, 3000

 www.PSZgroup.com.au