

TESSERENT COMPLETES ACQUISITION OF CANBERRA-BASED CYBERSECURITY FIRM NORTH BDT FOR \$3.3M CASH AND 20M SHARES AT 10C PER SHARE

- Forecast to deliver FY20 revenue of more than \$1M per month to Tesserent Limited
- Significant fixed long-term contracts with multiple Federal Government departments and agencies.
- Strong portfolio of Federal Government clients with significant cross-sell opportunities.
- Cost savings to be realised through the relocation of the Rivium team into a single Canberra office.
- Another key element of Tesserent's Cyber360 strategy completed.

Tesserent Limited (ASX:TNT) is pleased to announce the completion of the acquisition of Canberra-based cybersecurity firm north BDT (north), a specialist consultancy business focussed on providing cyber strategy and governance to Australian Federal Government departments and agencies. Shareholder approval for this acquisition was given at the General Meeting of Shareholders held on 16 March 2020 (General Meeting).

north has a strong operating record, having delivered \$11M revenue and profitability in excess of \$1M for the current Financial Year to February 2020.

The completion of this acquisition firms up Tesserent's previously advised expected annual forward revenue run-rate of \$40M, cash flow positivity and profitability on a monthly basis by 30 June 2020. Tesserent continues to monitor the impacts of COVID19 on its business, which at this time, in line with most businesses in Australia and around the world, are unknown.

Tesserent's Chairman, Geoff Lord, commented: "north's strong reputation and multiple long-term (5 year) locked-in multi-million-dollar contracts with Federal Government agencies, is particularly attractive. This together with Tesserent's existing \$10M+ in contracted multi-year managed security services revenue, and an increasing requirement for cybersecurity, particularly for remote workforces, should be an effective insulator against the expected economic downturn from the COVID-19 pandemic."

north's team of management consultants and cybersecurity experts are highly trained in providing ICT services to Australian Government agencies. They bring significant knowledge in building ICT and cybersecurity businesses. The TNT group now boasts a team of 140+ staff servicing approximately 700+ customers.

The acquisition gives Tesserent access to north's government and private client-base in Canberra and provides the Company an opportunity to leverage north's existing relationships to enable cross-sales opportunities into TNT's other business units.

The acquisition was completed with a \$750k cash payment plus 20M fully paid ordinary shares at 10c per share. At 10c per share, this represents a significant premium on the current share price. Under the terms of the acquisition, a further \$2.05M in deferred cash payments will be made over the next two years. The Company expects to fund the deferred payments from free cash generated from the north business and/or the company's existing cash reserves, which are currently in excess of \$4M post-completion of the north acquisition. Full details are set out in the General Meeting documentation.

Mr Lord commented; "The Company remains in a strong cash position post acquisition of north and it is our intention to preserve this position going forward. That being said, I can see current market conditions

ASX ANNOUNCEMENT

Melbourne – 26 March 2020



presenting tremendous consolidation opportunities in the short to medium term and TNT is well placed to take advantage of this". Mr Lord added; "Any acquisitions contemplated during this time will need to be cash accretive and above all, they must make sense in terms of relative value to ensure the best outcome for our shareholders".

ABOUT TESSERENT

Tesserent provides full service, enterprise-grade Cyber Security and networking solutions targeted at mid-market customers in Australia, and internationally in the UK and Korea. The company's Cyber 360 strategy delivers integrated solutions covering identification, protection and monitoring against Cyber Security threats.

Tesserent has been transformed via the acquisition of several high-quality Cyber Security businesses including Pure Security (Hack Labs, Pure Hacking, Certitude & Securus Global), Rivium and north, making it Australia's largest listed dedicated Cyber Security firm.

Learn more at www.tesserent.com.

CONTACT

Investor Enquiries:	Media Enquiries:
Julian Challingsworth	Alex Belcher
Managing Director	Marketing Manager
+61 (0)3 9880 5559	+61 (0)3 9880 5525
investor@tesserent.com	Alexandra.belcher@tesserent.com

Authorised by the Disclosure Team under Tesserent's Continuous Disclosure policy