

TESSERENT THRIVING THROUGH DIVERSIFIED SERVICE DELIVERY METHODS AND NEW BUSINESS WINS

Tesseract Limited (ASX: TNT) (Tesseract or the Company) wishes to advise that the Company has experienced minimal negative impact on its financial performance in the March (Q3) quarter as a result of new business wins and a rapid change in the way it is delivering services to clients.

Tesseract has secured new business wins of more than \$5 million over the past four weeks. This, in addition to significant existing locked-in, long-term contracts with multiple Federal Government departments and agencies and multi-year managed security services income means the Company expects the negative impact of the Corona Virus to be minimal on its financial performance in the June quarter.

Tesseract's joint CEO, Julian Challingsworth, commented, "The Company's strong cash position, new business wins and existing contracted revenue sees the business well placed to weather the current economic conditions over the short to medium term".

Tesseract's clients consist of a number of Government, Utilities and Enterprise customers who continue to require our expertise and help due to the critical nature of the services provided. Whilst Tesseract has had to change the way it delivers its services, it has not been materially financially impacted as a result.

Geoff Lord, Tesseract's Chairman added, "Like most businesses, we've had to adapt quickly to the COVID-19 pandemic restrictions and lockdown measures that are being instituted across Australia. Obviously this means we've had to change the way we do business, but I can assure our shareholders that the Tesseract business remains strong, with our existing systems and infrastructure enabling our people to seamlessly transition to working from home, whilst continuing to deliver premium services to our clients".

Some of the new business wins over the past four weeks include \$3M in deals with the Federal Government, all being multi-year contracts.

Tesseract is cautiously optimistic this trend will continue as spending on cybersecurity is forecast to increase dramatically during and following the COVID-19 pandemic, with recent reports claiming malicious phishing email attacks related to the virus have increased 667 per cent since the end of February ¹.

¹<https://www.theaustralian.com.au/nation/coronavirus-cyber-crime-on-rise-as-businesses-warned-of-digital-risks/news-story/a2efabd795d1361b565a58f554e651de>

ASX ANNOUNCEMENT

Melbourne – 17 April 2020



The company has also benefited from the Federal Government's stimulus packages benefits and looks forward to providing a full business update along with its 4C report later this month.

ABOUT TESSERENT

Tesseract 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 24/7 monitoring against Cyber Security threats.

Tesseract has been transformed via the acquisition of several high-quality Cyber Security businesses including Pure Security, Rivium and North, making it Australia's largest listed dedicated Cyber Security firm.

Learn more at www.tesseract.com.

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