



TESSERENT

ASX ANNOUNCEMENT

Melbourne — 18 April 2019

TESSERENT ACQUIRES SECURITY ADVISORY & SPLUNK CONSULTANCY BUSINESS RIVIMUM

- Acquires experienced enterprise security specialist & Splunk reseller, Rivium
- First acquisition in Tesseract's strategy to deliver an end-to-end cyber security business
- Rivium forecast FY2019: \$4.4m revenue, \$650,000 EBITDA
- Rivium forecast FY2020 EBITDA – \$1,000,000+
- Consideration of \$3.25m (\$1.495m cash + 17.55m shares at \$0.10 per share)

Tesseract Limited (ASX: TNT, Tesseract) is pleased to announce it has acquired experienced Melbourne-based enterprise security specialist Rivium Pty Ltd (**Rivium**).

Rivium is one of Australia's most experienced specialists in consulting, implementation and managed services for the enterprise security solution Splunk and brings high profile customers spanning the government and private sectors.

Rivium possesses an established team that adds a Security Information Event Management (SIEM) and insider threat capability to Tesseract's suite of cybersecurity solutions. The company has offices across Victoria, New South Wales, Queensland and the ACT.

The acquisition will be earnings accretive from day one, with Rivium forecasting FY19 revenue of \$4.4m and an EBITDA of \$650,000. The consideration for the acquisition of Rivium is \$3.25m in a combination of cash (\$1.495m) and scrip (17.55m shares at \$0.10 per share, subject to Shareholder approval).

<i>Rivium</i>	<i>2017</i>	<i>2018</i>	<i>2019(F*)</i>	<i>CAGR (17-19)</i>
<i>Revenue (\$k)</i>	\$2,836	\$3,512	\$4,350	24%
<i>EBITDA (\$k)</i>	\$138	\$300	\$650	117%

*Forecast numbers are currently unaudited and will be confirmed as part of Tesseract's audit regime.

The acquisition is the first under Tesseract's aggressive new growth strategy focused on the acquisition of cybersecurity products and services that allow it to become Australia's leading end-to-end cyber security business.

Prior to executing the Share Purchase Agreement, Tesseract has satisfactorily completed a comprehensive financial, tax and legal due diligence process to ensure that there is strong strategic, cultural and operational alignment between the two organisations.

Julian Challingsworth, CEO of Tesseract said: "The acquisition of Rivium is the first step as we endeavor to grow our experience and capability, via acquisitions, toward being a full-service cybersecurity business. In a sector that remains fragmented it provides Tesseract with an outstanding opportunity, and we expect to continue this momentum with additional acquisitions in the short term."

Robert Silver, CEO of Rivium said: "We have generated strong growth in the Rivium business in recent years but saw an opportunity to accelerate our growth by consolidating alongside a company that complements what we do. With Tesseract we have identified synergies that will allow us to boost our marketing initiatives, improve our offering to new and existing customers and thus boost our growth. The team is excited about the next chapter in the Rivium story."

ABOUT TESSERENT

Tesseract provides enterprise-grade managed cybersecurity and networking services to corporate customers in Australia and internationally in the UK and Korea. With a 24/7 Security and Network Operations Centre, Tesseract delivers world-class Security-as-a-Service to medium and large organisations' around the globe. With a next generation end-to-end security and networking offer, Tesseract customers obtain state-of-the-art security and connectivity and complete peace of mind that their critical data and networks are secure and protected. Learn more at www.tesseract.com.

CONTACT

Please forward all investor related enquiries to Company Secretary.

Investor Enquiries:

Julian Challingsworth

Managing Director

Phone: +61 (0)3 9880 5559

E-mail: investor@tesseract.com

Media Enquiries:

Harriet Kempton

Marketing Manager

Phone: +61 (0)3 9880 5507

E-mail: harriet.kempton@tesseract.com