

TESSERENT MAKES KEY APPOINTMENTS AND DELIVERS ORGANIC GROWTH FROM ACQUISITION SYNERGIES

- New CFO appointed to help drive integration
- Head of Synergies appointed to drive cross-organisational synergy activities
- First cross-organisational sales and synergy wins
- \$6M in new government contract wins across the Group in the September Quarter
- New enterprise contract wins in excess of \$4M during the month of September
- 100% of existing Federal Government clients retained

Tesserent Limited (ASX:TNT), having now acquired several high-value cybersecurity businesses in recent months is pleased to update the market on a number of key appointments and its activities to accelerate organic revenue growth through cross-selling synergies and the integration of brands, people, systems and processes.

New Appointments

The Company is pleased to announce the appointment of two key executives in senior roles to help drive integration and synergies across the Group.

Peter Fearns, has been appointed as the new Group CFO (starting November 2020). Peter has extensive back-office integration experience from previous executive roles at UXC and ANZ Banking Group. During his time at UXC, Peter oversaw the integration of 35+ separate businesses under the UXC corporate umbrella and is a welcome addition to the TNT Executive Team.

In addition, the Company has also recently appointed a Head of Synergies, **Nathan Knox**, to ensure a coordinated approach to understanding Group capabilities and appropriate processes are in place to educate and drive cross-selling opportunities. With a background in similar roles at ASX100 Companies and Government agencies including NBN Co, Coles and Woolworths, Nathan is well suited to spearhead the Company's synergies strategy.

Sales and Synergy Wins - Update

Processes around cross-organisational cooperation, ensuring Group collaboration on responses to RFIs and sharing panels are now in place. Processes are also now in place to ensure core offerings such as iQ3s Cloud Security and Airloom's leading Cloud Security Architecture, as well as Pure Security's SOC services are made available to support North Security's Federal Government bids.

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There have been a number of significant wins resulting from co-selling strategies between business units over the last quarter, underpinning the achieved target of \$100m gross revenue annualised run rate.

Some of the more notable Group wins include:

1. New Federal, State and Local Government contract wins across the Group in excess of \$6M in the September quarter
2. The Group retained 100% of existing Federal Government clients with most contracts extended through to the end of the calendar year and beyond
3. Significant enterprise contract wins in aggregate in excess of \$4M in the month of September with large Financial Services, Insurance, Advertising and Media organisations
4. Continued growth of the firm's annual recurring revenue streams from new and existing locked-in annuity contracts now in excess of \$30M per annum

Brands Strategy

The core objective of the Company's acquisition strategy is to fill key capabilities in the firm's Cyber 360 end-to-end cybersecurity offering. With a broad cybersecurity offering with clearly defined market segments now in place, the Company is focused on unlocking synergies to maximise organic revenue growth.

Tesserent Limited, the parent company and corporate-facing brand has two primary customer-facing go-to-market brands:

- **Federal Government**
 - **North Security** will (from 1 October 2020) absorb Seer Security (Canberra) and Ludus Cybersecurity, and will remain focused on serving the Federal Government, Law enforcement and Defence; and
- **Private Enterprise and State & Local Government.**
 - **Pure Security** with the recently absorbed Rivium business and the more recently acquired;
 - **Airloom** business, will remain focused on supporting private enterprise and State & Local Government.

Future Cyber 360 capabilities that are required, such as iQ3's Secure Cloud Services and other potential proprietary solutions, will be strategically positioned to complement the above strategy.

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Systems And Processes Integration

As previously announced, at a Group level, the Company has completed a significant milestone toward back-office integration with the financial integration of all business units onto one system, Oracle NetSuite. This single integrated financial management system now enables integration of new acquisitions onto a common core financial platform that optimises and lowers transaction processing costs across an expanding Group.

The new financial year also saw Tesseract's original Managed Security Services Provider (MSSP) business and Rivium absorbed into the Pure Security business. The MSSP business now operates under a single Pure Security brand.

The Company looks forward to providing the market with additional information and guidance on our synergy strategy in future updates and the upcoming 4C Commentary.

ABOUT TESSERENT

Tesseract provides full service, enterprise-grade Cyber Security and networking solutions targeted at mid-market, enterprise and government customers across Australia. The Company's Cyber 360 strategy delivers integrated solutions covering identification, protection and 24/7 monitoring against Cyber Security threats. With in excess of 220 security engineers, Tesseract has the capability to support organisations defend their digital assets against increasing risks and cyber-attacks.

Tesseract has been transformed via the acquisition of several high-quality Cyber Security businesses including Pure Security, Rivium, North Security, Seer Security, Airloom, Ludus Security and IQ3, making it Australia's largest listed dedicated Cyber Security firm.

Learn more at www.tesseract.com.

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