

## TESSERENT ENTERS NEW ZEALAND MARKET WITH FIRST STRATEGIC ACQUISITION OF LOCAL CYBERSECURITY FIRM

- Acquires strategic NZ-based cybersecurity firm, Lateral Security
- Delivering NZ\$4.2M turnover and NZ\$850K of sustainable EBITDA
- Strong brand and reputation in the New Zealand Central Government
- Acquisition is immediately earnings, cash flow and EPS accretive
- Provides a steppingstone for existing Tesserent businesses to enter the NZ market
- Significant synergy benefits and cross-sell opportunities with existing TNT Optic Security

Tesserent Limited (ASX:TNT) is pleased to announce its first New Zealand-based strategic acquisition, Lateral Security, with the signing of a Share Purchase Agreement executed between both parties on 16 December 2020.

### **Lateral Security Acquisition**

Lateral Security is a cybersecurity consulting firm headquartered in Wellington, with additional offices in Auckland and Christchurch specialising in providing advisory, security testing, incident response and managed services. This acquisition complements the Company's existing New Zealand joint business with Optic Security and creates significant cross-sell opportunities between the two firms.

Lateral has an excellent reputation within New Zealand's Central Government where in excess of 60% of its revenue is generated. TNT sees this as a natural evolution in continuing to support government departments and agencies within 'Five Eyes' nations. This strategy has been validated through continued strong growth from the Company's existing Australian Federal Government operations, and the objective is to replicate this proven strategy in New Zealand.

Geoff Lord, TNT's Chairman, commented; "the addition of Lateral Security to our growing group of cybersecurity specialists is a significant first step in expanding our international capabilities to become ANZ's #1 ASX listed end-to-end cybersecurity provider, Lateral will provide a steppingstone for our existing businesses to enter the NZ market".

Lateral Security has a strong operating record, with FY20 turnover of NZ\$4.17M, delivering NZ\$850K EBITDA (subject to audit) and is immediately earnings, cash flow and EPS accretive to the TNT Group. Strong revenue and earnings growth are expected to continue into FY21.

## ASX ANNOUNCEMENT

Melbourne – 17 December 2020



The consideration for the acquisition of Lateral Security (NZ\$4.165M) is a mix of cash and TNT shares, being NZ\$2.165M in cash and 6.25M shares issued at \$0.32 per share with a voluntary escrow for 12 months. The cash component is fully funded from existing cash reserves being NZ\$1.08M on completion and a deferred payment of NZ\$1.08M six months after completion.

### **Optic Security - NZ Joint Business update**

In addition, joint engagement with our NZ partner, Optic Security, has commenced on several key enterprise opportunities around Converged Security, including a major international fast-food chain, a University, a Local Council and a State Government Department.

Kurt Hansen, TNT's Co-CEO, commented; "Following our strong Australian growth, I am confident that our timely expansion into New Zealand via the Lateral Security acquisition and the Optic Security joint business will help us replicate this success in the New Zealand market."

The Company looks forward to keeping the market updated on the progress of further acquisitions in the near future, together with our next full quarterly report at the conclusion of Q2 FY21.

### ABOUT TESSERENT

Tesserent 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 250 security engineers, Tesserent has the capability to support organisations defend their digital assets against increasing risks and cyber-attacks.

Tesserent 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.tesserent.com](http://www.tesserent.com).

### CONTACT

Investor Enquiries:

Julian Challingsworth

Managing Director

+61 (0)3 9880 5559

[investor@tesserent.com](mailto:investor@tesserent.com)

Media Enquiries:

Alex Belcher

Marketing Manager

+61 (0)3 9880 5525

[alexandra.belcher@tesserent.com](mailto:alexandra.belcher@tesserent.com)

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