



TESSERENT

AGM Presentation

TESSERENT LIMITED ASX:TNT

November 29, 2019

JULIAN CHALLINGSWORTH

Chief Executive Officer

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OUR MISSION

To become Australia's number
one cybersecurity provider

TESSERENT OVERVIEW



- Building a full service cybersecurity offering targeted at the mid market



- Delivering on a transformative acquisition strategy – adding PS&C Security & Rivium



- PS&C Security acquisition to make Tesseract Australia's largest listed pure cybersecurity business – more than 90 cybersecurity professionals that have served more than 600 customers in the last three years



- Upon completion of PS&C acquisition, Tesseract plans to deliver annualised revenue of \$30m with underlying profitability & positive cash flow



- Significant organic growth from original Tesseract business being achieved



- Revamped & commercially focused board & management



- Well positioned in multiple geographies to benefit from the rapidly growing cybersecurity market





What's driving our strategy?

Organisations are undertaking a digital transformation

Globally organisations are going through a digital transformation to improve their competitive position. This is being delivered through:

- Digitization of business processes.
- Advanced use of companies' data through analytics, machine learning and AI.
- Accelerating digital connectivity to customers and suppliers.
- More advanced tools and platforms: IoT and 5G are just the start!

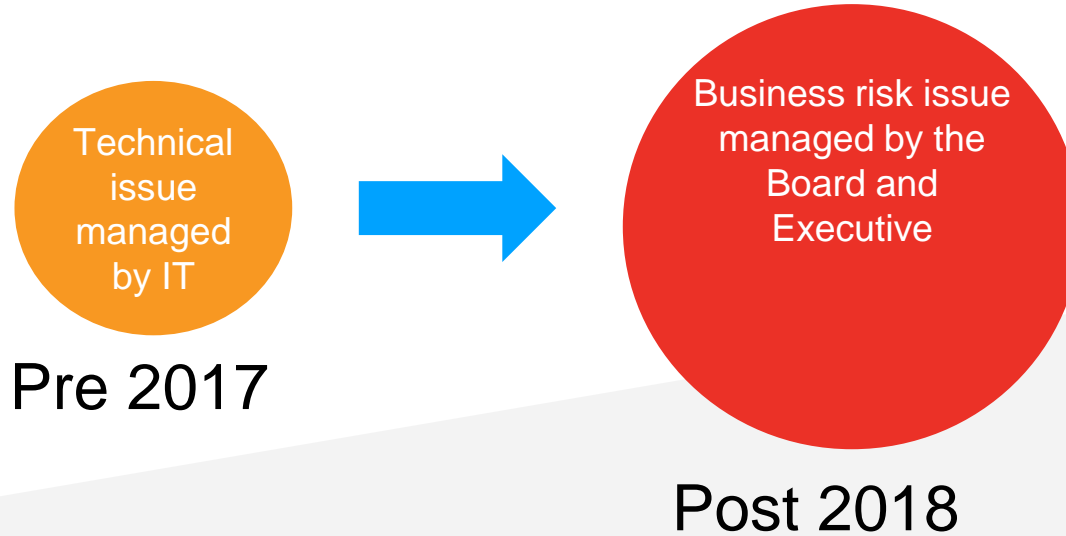
The ultimate goal is to improve the customer experience and drive costs down to improve the lifetime value of customers at increasing profit margins.

Against this backdrop of accelerating digitization, organisations have never been so exposed to cyber attack, corruption and destruction of the digital assets that hold the key to their future success.



Organisations need to transform and imbed security at the core of their transformation

Through a combination of board and executive awareness, combined with government legislation, organisations globally are shifting their thinking on security.



The **Notifiable Data Breaches** (NDB) scheme commenced on 22 February 2018 and makes reporting compulsory, with fines in excess of \$1m payable for noncompliance.

Impacts firms with greater than \$3M in revenue



For the Australian market the cyber landscape is fragmented and often sub scale

ASX 50

Thales

IBM

Accenture

BIG 4

Outside ASX 50



Fragmented Supplier Landscape

For organisations outside the ASX 50 the cyber landscape is fragmented, with companies typically having >9 cyber relationships, often working with small disjointed niche companies.

No certainty for boards that cyber is managed in line with their risk exposure.

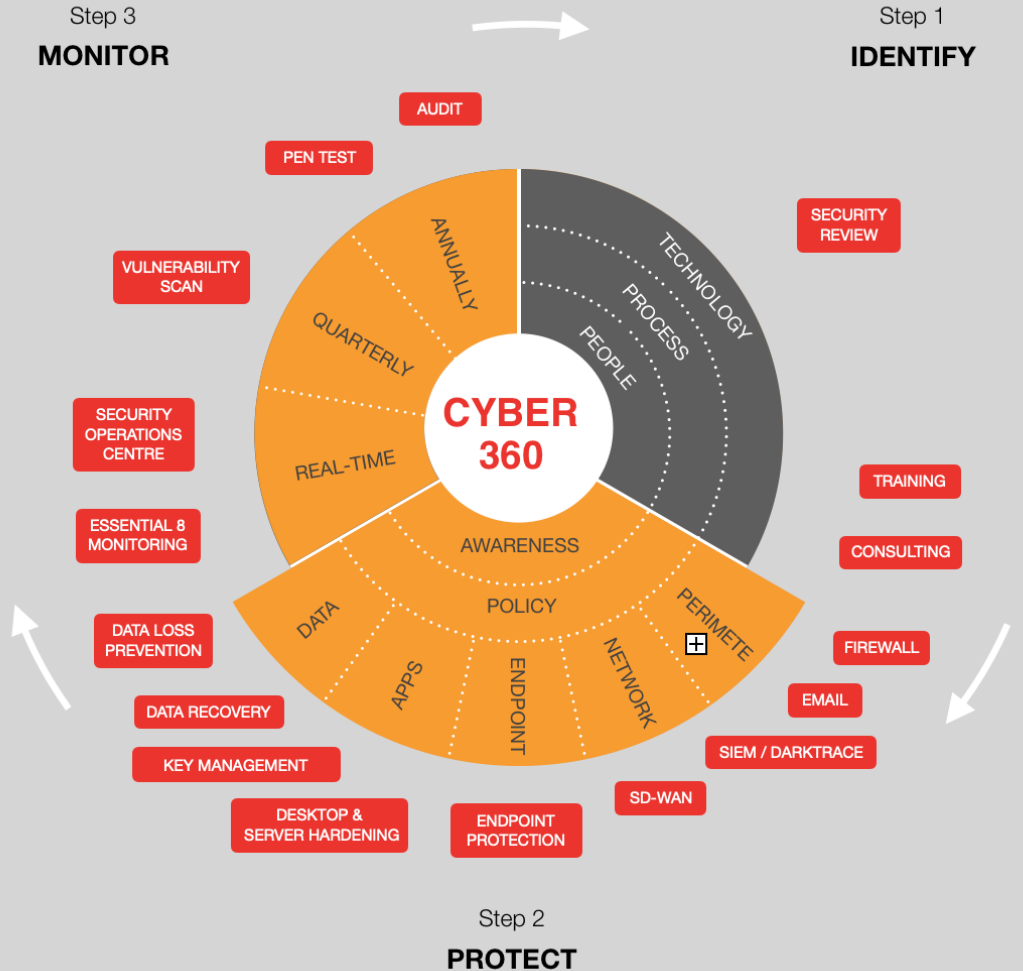


CYBER 360 PROTECTION 24/7

Our new go-to-market
approach...

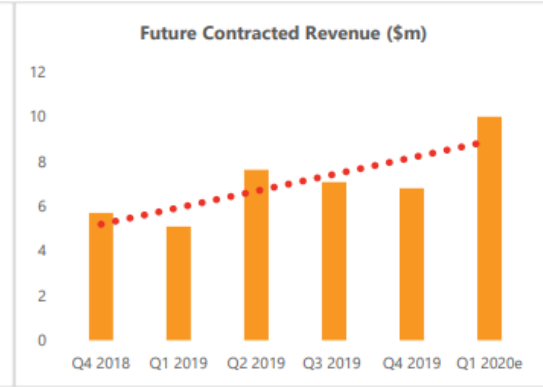
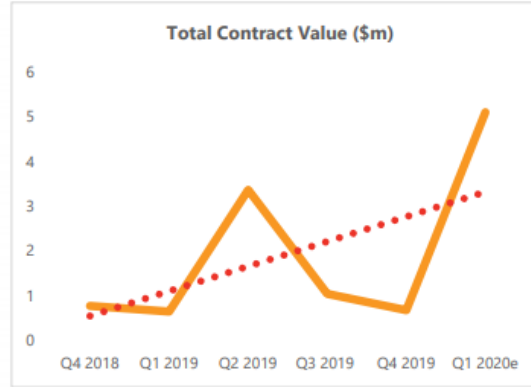
- Full service offer
- 17 integrated security solutions
for customers
- Targeted at the mid-market

Our goal is to provide a
“Security as a Service”
offer



ORGANIC GROWTH AFTER KEY CONTRACT WINS

	July 2019	September 2019
Total contract value forecast to close	\$2.7m	\$5.1m
Future contracted revenue	\$8.4m	\$10.0m



With a new range of products & services in the original Tesseract business, the company is capturing more of the spend businesses make in cybersecurity





ACQUISITION GROWTH

A fragmented market has provided Tesseract with growth opportunities

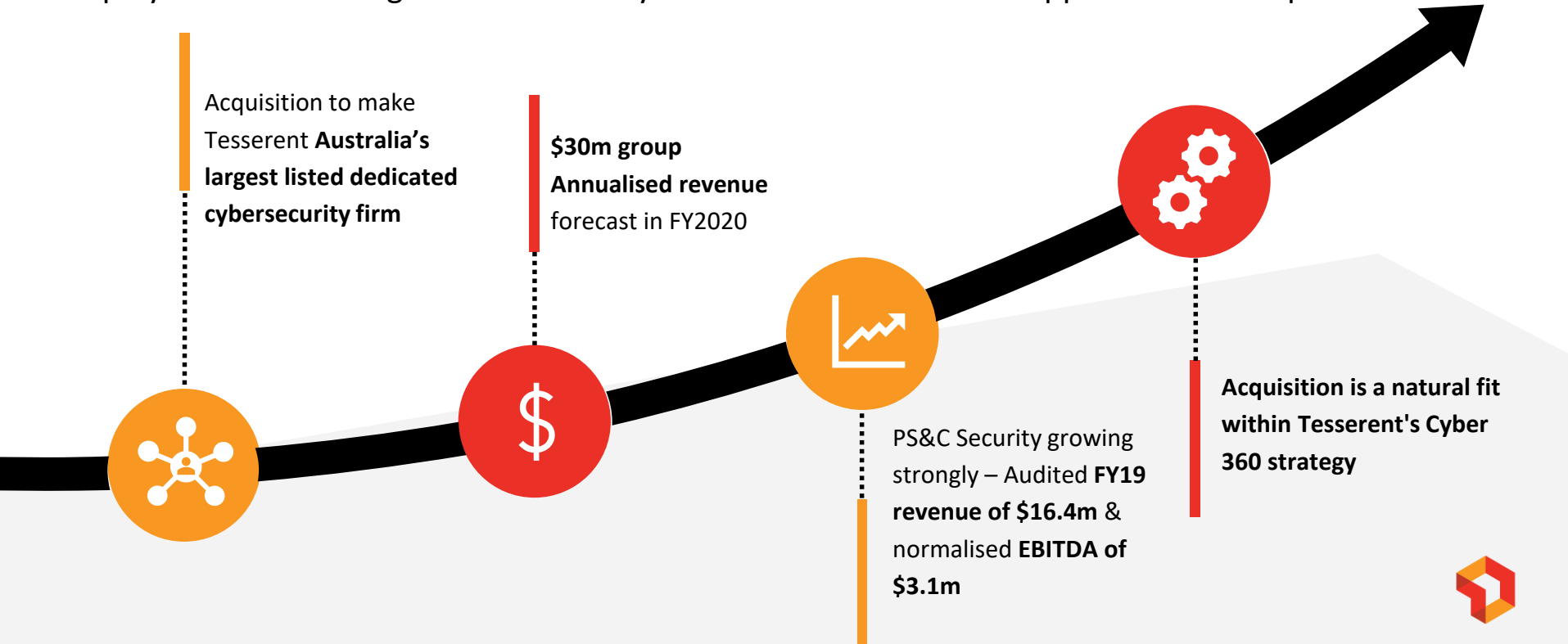
TESSERENT STRUCTURE – bringing together Australia's leading cybersecurity firms

Tesserent Limited (ASX:TNT)



ACQUISITION OF PS&C SECURITY (pending)

Provides Tesseract with full cybersecurity capabilities including security advisory, penetration testing, deployment and management of security infrastructure and secure application development.



PS&C TRANSACTION DETAILS

The acquisition consideration of \$16m is fully funded from:

- \$9m cash,
- \$5m Tesseract equity (at \$0.05 per ordinary share) and
- \$2m cash or equity at Tesseract's option, deferred for 6 months.



Funding:

- \$7m converting note from new and existing shareholders and
- \$3m acquisition facility from PURE Asset Management.

Converting Note Terms:

- Conversion during year one to 140,000,000 ordinary Tesseract shares at \$0.05 per share
- Conversion during year two to 93,333,333 ordinary Tesseract shares at \$0.075 per share
- Automatic conversion at the end of year to 70,000,000 ordinary Tesseract shares at \$0.10 per share
- 1 option to be issued for every 3.33 shares subscribed for (exercisable at \$0.10)
- Interest rate of 8% (cash) or 10% if paid in shares (at the Company's discretion)
- Aiming to obtain shareholder approval for securities to be issued on same date as AGM

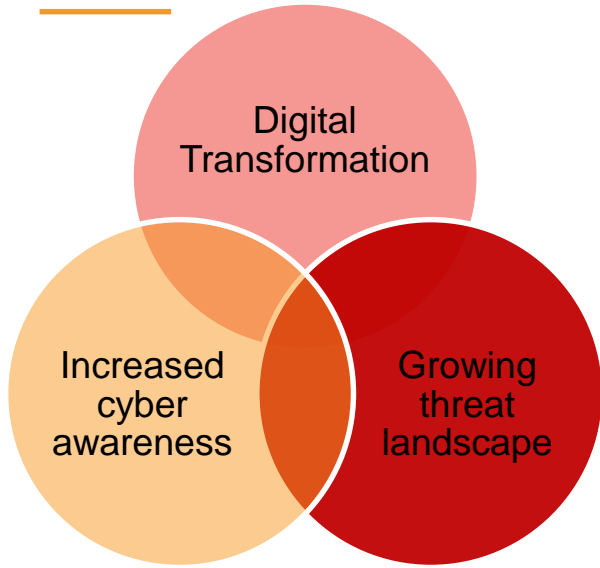


ACQUISITION ROADMAP

POTENTIAL ACQUISITIONS	SECURITY ADVISORY	SECURITY TRAINING	APPLICATION SECURITY	ASSURANCE SERVICES	SPECIALIST SERVICES	ENTERPRISE SERVICES
TNT		✓			✓	✓✓✓
Rivium	✓	✓		✓	✓	✓✓
PS&C Security	✓	✓✓	✓	✓✓	✓	✓✓
C	✓					✓✓
D	✓	✓✓		✓✓		✓✓
E	✓✓			✓✓	✓✓	
...			✓✓		✓	✓✓
TNT Combined	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓



Sustainable Competitive advantage



Driving our advantage:

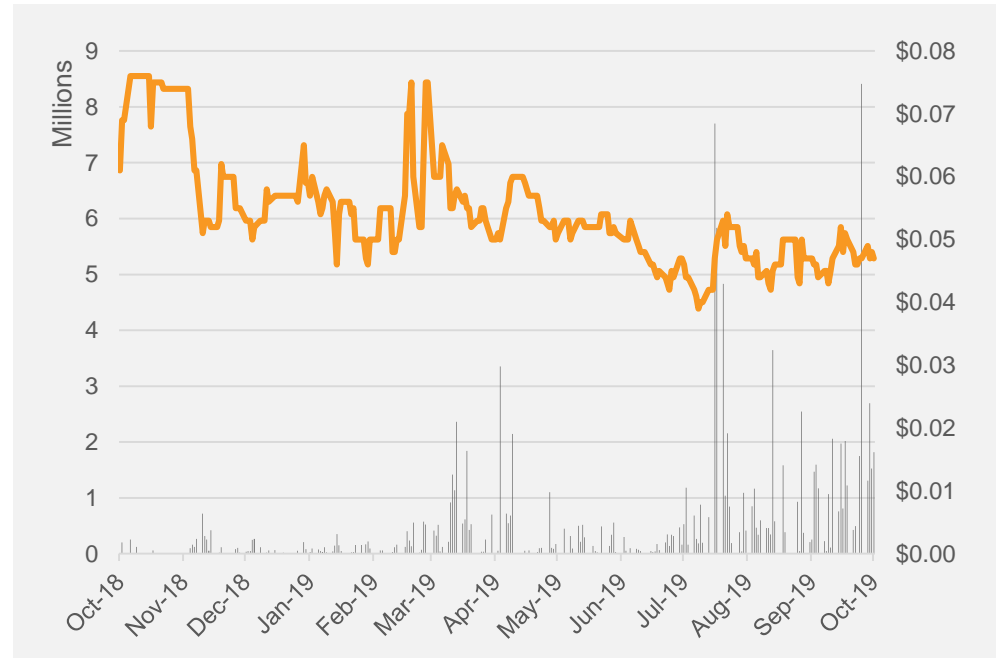
- One stop shop for the mid market
- Security As A Service
- End to end capability
- Geographic coverage across Australia
- 650+ customers
- 90 professional staff

The existing market is highly fragmented with no standout local suppliers. The opportunity exists to pull together Australia's leading cyber business for the mid market to consolidate, innovate and deliver an Australian supplier to protect Australian companies' critical digital assets.



CORPORATE STRUCTURE

ASX TICKER	TNT
MARKET CAPITALISATION (UNDILUTED)	\$13.8m*
FY19 Consolidated Revenue (TNT / PSC Security / Rivium)	\$26.3m
SHARE PRICE	\$0.052*
SHARES ON ISSUE	251.3m*
CASH (Sept 2019)	\$2.99m



*Monday 21 October 2019





TESSERENT

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