

A photograph of a woman in a pink shirt pointing at a computer monitor in a meeting room, with a man in a white shirt looking on. The image is partially obscured by a large orange diagonal shape.

AGM INVESTOR UPDATE TESSERENT LIMITED (ASX:TNT)

22ND NOVEMBER 2017

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TESSERENT COMPANY PROFILE

COMPANY PROFILE



- ▶ Tesserent is a Managed Security Services Provider (MSSP), providing world-class managed security services to customers in Australia and overseas.
- ▶ Utilising our direct and wholesale channels, Tesserent services end-customers in 11 countries and territories globally.
- ▶ Traditionally, Tesserent has focused on corporate and government customers, however Tesserent has recently launched CyberBiz, an innovative managed cyber-security service focusing on the SMB market.

ASX:TNT	
Total Ordinary Shares	117,074,600
Cash Balance (at 30 September 2017)	A\$1.947m
Share Price (20 November 2017)	5.8 cents
Market Capitalisation	A\$7m



OUR BOARD



Russell Yardley – Chairman

Russell has over 35 years of entrepreneurial and corporate experience in the IT sector. Russell founded his first company in 1985 which was one of Australia's first multimedia businesses. Russell is Founder and Chairman of The Resolution, Chairman of Powerhouse Ventures Limited (ASX: PVL), non-executive chairman National eResearch Collaboration Tools and Resources project for the Federal Government, non-executive director for Wunderman Biento 2012-current and board member of the Victorian Government Purchasing Board.



Greg Baxter – Non-Executive Director

Greg is currently Chief Digital Officer at MetLife. Previously Greg was Global Head of Digital at Citibank and a Partner and U.K. Board member at Booz & Company. Additionally, Greg is a council member of Chatham House, a leading international affairs think tank.



Keith Glennan – Managing Director

Keith has been in the IT industry for over 30 years and operating in the managed security business since 2002. Keith formulated Tesseract's current business strategy and has been CEO since 2012.



Steve Bertamini – Non-Executive Director

Steve has extensive finance experience. He is currently CEO of Al Rajhi Bank, a bank with total assets of over 70 billion USD. Steve was formerly CEO of GE Australia and New Zealand and CEO of Consumer Banking at Standard Chartered Bank.

EXECUTIVE MANAGEMENT



David Buerckner
Head of Security Operations

David has over 30 years experience in the IT sector. David spent more than 15 years at IBM in key roles. More recently, David has held a variety of leadership roles at Interactive Pty Ltd and has been responsible for large projects such as ISO27001 certification, and the establishment of an internal MPLS network.



Karen Negus
Head of Sales and Marketing

Karen is an experienced business executive with over 16 years experience in Marketing and Sales within the IT and Telco sectors. Karen held several management positions at Telstra before owning and operating her own retail telecommunications business. More recently she was responsible for Check Point's SMB sales and marketing in A/NZ.



Justin Owen
Chief Financial Officer

Justin is a highly qualified and results driven finance executive with over 25 years experience in financial and business performance management. With significant experience as CFO and adviser to ASX listed companies Justin is able to draw on his experience and industry expertise as part of the Tesseract Leadership Team.



FY17 **IN REVIEW**

FY17 KEY FINANCIAL HIGHLIGHTS



CASH RECEIPTS
↑ 31% YoY
FROM \$4.644M TO \$6.088M



REVENUE
↑ 13.7% YoY
EXCLUDING PROCEEDS
FROM MYNET SALE



\$4.23M
IN SALES
TOTAL CONTRACT VALUE (TCV)



\$2.86M CASH
POSITION
30 JUNE 17



\$5M CONTRACTED
REVENUE TO BE
BILLED



↓ **PERSONNEL**
COSTS



SALE OF MYNET
FOR \$3.95M
CONSISTING OF \$3.4M CASH AND
\$0.55M IN FZO SHARES



DEBT FREE

FY17 KEY OPERATIONAL HIGHLIGHTS



Developed CyberBiz – creating a significant new market opportunity and revenue stream from the untapped SMB market.



Formed strategic vendor partnerships with Palo Alto Networks and AlienVault, enabling Tesserent to broaden our firewall offering and introduce SIEM to our product suite.



Opened new Security Operations Centre, driving customer acquisition and enabling the expansion of services.



Negotiated a strategic funding arrangement with Dell Finance to better manage the upfront costs associated with hardware deployment at customer sites.



Tesserent Security Operations Centre

CONTINUING TO ATTRACT LEADING BRANDS



FY17 Sales: \$4.23M TCV



CONTINUING TO RETAIN LEADING BRANDS





FY2017

SUMMARY OF FINANCIAL RESULTS

FINANCIAL SUMMARY



	2015	2016	2017	Change
	\$'000	\$'000	\$'000	%
Revenue	3,750	4,753	5,405	13.7%
Cost of sales	1,292	1,948	2,348	
Gross margin	2,458	2,805	3,057	
Cash receipts				
Customers	3,642	4,797	6,385	33.1%
Sonar/MyNet Sale Proceeds	-	-	3,429	
Total	3,642	4,797	9,814	104.6%
Cash	517	3,861	2,861	
Borrowings	1,323	-	-	



**STRATEGIC CHANGE
TO DELIVER GROWTH**



The Timing is NOW...The Market is Ready for CyberBiz.

“Most people are starting to realise that there are only two different types of companies in the world; those that have been breached and know it, and those that have been breached and don’t know it.”

Ted Schlein, Venture Capitalist, Kleiner Perkins Caufield & Byers
An excerpt from NSW Small Business Commissioner, 2017 Cyber Report

Business Optimisation Review

- ▶ Tesserent has a strong history and a loyal customer base in the corporate/government managed security services market.
- ▶ The worldwide managed security services market grew by 10% in 2016³.
- ▶ Tesserent's revenue grew 13.7% during FY17.
- ▶ The corporate security market is highly competitive.
- ▶ This part of the business can deliver reliable revenue and growth on par with the market, however significant business growth, to meet investor expectations, requires a new way of thinking.

³Source: Gartner, Market Share: Managed Security Services Worldwide, 2016. ID:G00323838

ADAPTING FOR GROWTH – SMB EXPANSION



Tesseract identified the SMB cyber security market as a major growth opportunity.

- ▶ Tesseract has the opportunity to build a significant new business servicing the SMB market.
- ▶ CyberBiz utilises Tesseract's existing, scalable, proprietary security platform.
- ▶ A new go-to-market strategy enables a mass market approach:
 - ▶ Develop a Channel Partner Model to ensure CyberBiz has representation at the SMB coalface.
 - ▶ Attract SMB customers with comprehensive product features and disruptive pricing.
 - ▶ Build a brand that will be synonymous with SMB cyber security.

CyberBiz targets more than 2 Million SMB customers in Australia alone.

THE CYBERBIZ STRATEGY



- ▷ Be different...provide a high-value, comprehensive, security solution for SMB customers.
- ▷ Optimise our assets - target the SMB mass market, utilising our scalable proprietary platform.
- ▷ Build a channel partner go-to-market model, creating a nation-wide sales and technical workforce.

Building the CyberBiz Channel Partner Go-To-Market Model



Initial CyberBiz Channel Partners:



THE CYBERBIZ CAMPAIGN



Titled “Exposed”, the first CyberBiz brand campaign is a cheeky representation of how SMBs can go about their business, unaware of their exposure to cyber risks.

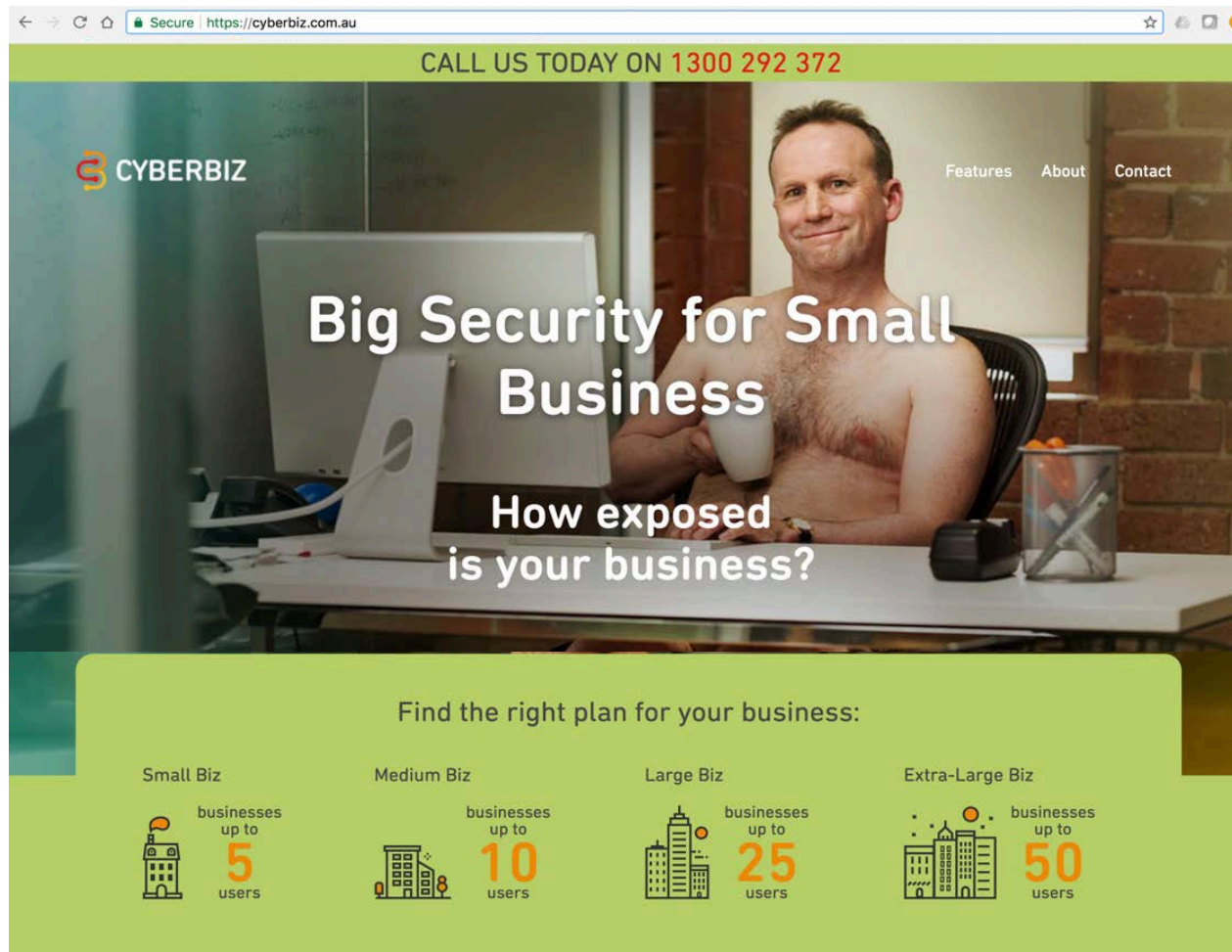
A photograph of a man lying on his side on a yellow background. He is shirtless, wearing red plaid shorts, black socks, and black shoes. He is holding a black CyberBiz server rack against his groin. The CyberBiz logo is visible on the server rack. The text "Don't leave your business exposed to cyber threats" is overlaid in large white letters across the middle of the image. In the top right corner of the image area, the URL "cyberbiz.com.au" is written in red. In the bottom right corner of the image area, the CyberBiz logo and tagline "We've got you covered" are displayed.

cyberbiz.com.au

Don't leave your business exposed to cyber threats

CYBERBIZ
We've got you covered

SMB FOCUSED WEBSITE – WWW.CYBERBIZ.COM.AU



CyberBiz.com.au makes it easy for small and medium businesses to find a cyber security plan that suits their needs.

THE CYBERBIZ VIDEO ADVERTISEMENT



Video advertisement can be viewed at www.cyberbiz.com.au

CYBERBIZ CAMPAIGN METRICS



The CyberBiz campaign is driving brand awareness through digital media, out-of-home advertising (billboards) and radio.

Radio & Billboards

Activity commenced
1st November 2017.

Google Adwords

Impressions:
18,239

Click through:
290

Video Advertisement

Impressions:
192,310

Views:
27,739

Website: CyberBiz.com.au

Page Views:
7,939

Unique Visitors:
6,273

Campaign data 1st – 14th November 2017

CYBERBIZ CAMPAIGN METRICS



The CyberBiz campaign has significantly increased Tesseract's presence on Google Search.

CyberBiz is the No. 2 ranking search response for search term "Cyber Security" and No. 3 ranking search response for "small business cyber security"

Google search results for "cyber security". The search bar shows "cyber security" and the results page indicates "About 84,500,000 results (0.51 seconds)". The top result is an advertisement for IBM Security: "2017 Cost of Data Breach Study - Sponsored by IBM Security - ibm.com". The second result is "Cyber Security Australia - CyberBIZ Is Your Solution - cyberbiz.com.au", which is circled in orange. Other results include "Cyber Security 2017 Report - Breach & Cyber Attack Trends" and "BAE Systems Business Defence - Cyber Security & Defence".

Google search results for "small business cyber security". The search bar shows "small business cyber security" and the results page indicates "About 6,650,000 results (0.51 seconds)". The top result is an advertisement for Telstra: "Secure Your Business - with Telstra - telstra.com.au". The second result is "2017 Cost of Data Breach Study - Sponsored by IBM Security - ibm.com". The third result is "Small Business Cyber Security - Plans To Suit Every Business", which is circled in orange. Other results include "Cybersecurity Solutions - Business Consultants - protiviti.com" and "Cyber Security Small Business Program | business.gov.au".

CYBERBIZ CAMPAIGN METRICS



The CyberBiz campaign is building brand awareness and raising the profile of SMB Cyber Security.

Current promotional channels:

- ▷ Social Media
- ▷ Google AdWords
- ▷ Melbourne based Billboards
- ▷ Radio – Melbourne’s 3AW

Key insights:

- ▷ Cyberbiz.com.au microsite launched.
- ▷ 7.9K click-throughs to website from online promotional material.
- ▷ High ranking performance via Google paid search.
- ▷ More than 27,000 people have viewed the CyberBiz video advertisement.



NEXT STEPS – EXECUTION & PROMOTION



CyberBiz has launched!

We are now focused on building an effective channel network to grow sales and an Investor Relations strategy to take the investment community on our journey.

Sales Execution:

- ▷ Build channel partner community.
- ▷ Execute partner support program (training, incentives and promotions).
- ▷ Maintain brand campaign to support channel sales initiatives and create lead generation.

Investor Promotion:

- ▷ Investor relations program to promote the scalability and potential of CyberBiz.
- ▷ Broker Roadshow.
- ▷ Increased investor communication.



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Follow us on Twitter: [@tesseract](https://twitter.com/tesseract)



Website: www.tesseract.com



Website: www.cyberbiz.com.au



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