

INVESTOR UPDATE

TESSERENT LIMITED
ASX:TNT

17 JANUARY 2019



TESSERENT



AGENDA

1

TESSERENT TODAY

2

STRATEGIC INTENT

3

OUTCOME

A nighttime photograph of a city skyline reflected in water. The scene is dimly lit, with the lights from the buildings and streetlights creating a soft glow. The water in the foreground is calm, mirroring the lights and structures above. The sky is dark, and the overall atmosphere is serene and modern.

TESSERENT TODAY

TESSERENT TODAY:

MANAGED SECURITY SERVICE PROVIDER



Wholesale: UK & South Korea



UNIQUE IP

DELIVERS LOW COST
TO SERVE ENVIRONMENT

CUSTOMERS

160+

WITH GLOBAL REACH

3 YEAR AGREEMENTS

SUSTAINING HIGHLY PROFITABLE
SECURITY OPERATIONS CENTRE

INITIAL PUBLIC OFFERING

ASX LISTED

2016



HIGHLIGHTS FY18

Ongoing business **revenue** has risen by **21.6%** year-on-year*.

Moving to **EBITDA positive** run rate by FY19 year end.

Debt free with a cash balance of \$1.72M.

\$500K raised in a placement to clients of Phillip Capital Limited.

\$844K received as a Research and Development tax incentives.

**Excluding Customer contracts sold to FZO in FY2017.*

REVENUE

\$5.33M

↑ UP 21% YOY*

REDUCED OPERATING &
PERSONNEL COSTS

OPEX

↓ DOWN 11.9%

CASH BALANCE

\$1.72M

& DEBT FREE

RECEIVED

\$844K

R&D TAX CONCESSION

CAPITAL RAISED

\$500K

UNDERLYING PROFITABILITY
(EBITDA IMPROVEMENT)

\$1.35M

HIGHLIGHTS

Strong growth in **SIEM** due to an increased regulatory environment.

Strong growth in **SD-WAN** and secure networking technologies.

Strategic partnerships formed with leading global security company **Sophos** and **Darktrace**.

Innovative product development:

- ▶ “Zero Touch” Deployment
- ▶ SD-WAN Technology

ORGANIC SALES GROWTH

\$3M

HEADS OF AGREEMENT WITH
K&S CORPORATION

CATEGORY GROWTH

SIEM

INNOVATIVE
PRODUCT DEVELOPMENT

ZERO TOUCH

ENABLING STREAMLINED
CUSTOMER DEPLOYMENT

NEW CYBERSECURITY
PARTNERSHIP

SOPHOS

GARTNER MQ LEADER

CATEGORY GROWTH

SD-WAN

INNOVATIVE
PRODUCT DEVELOPMENT

SD-WAN

PROPRIETARY TECHNOLOGY
PLATFORM

NEW CYBERSECURITY
PARTNERSHIP



DARKTRACE

CYBER AI DEFENCE

WHAT IS THE PROBLEM WE ARE SOLVING?

60%

businesses experienced a cyber breach in 2017¹

\$12.5B

global losses from email led attacks 2013 to 2018²

Unprecedented levels of
IP Theft

BYOD

Ransomware:

47%

of businesses paid ransom¹

60%

of all attacks are “insiders”³

5G and Internet of Things (IoT)

WHAT ARE ORGANISATIONS LOOKING FOR TO MEET THESE CHALLENGES?

Boardroom to Supplier ecosystem protected

Increased
Board
Awareness

C-Suite
Challenges

Operational
Risk

Cyber security
impacting
People
Process
Technology

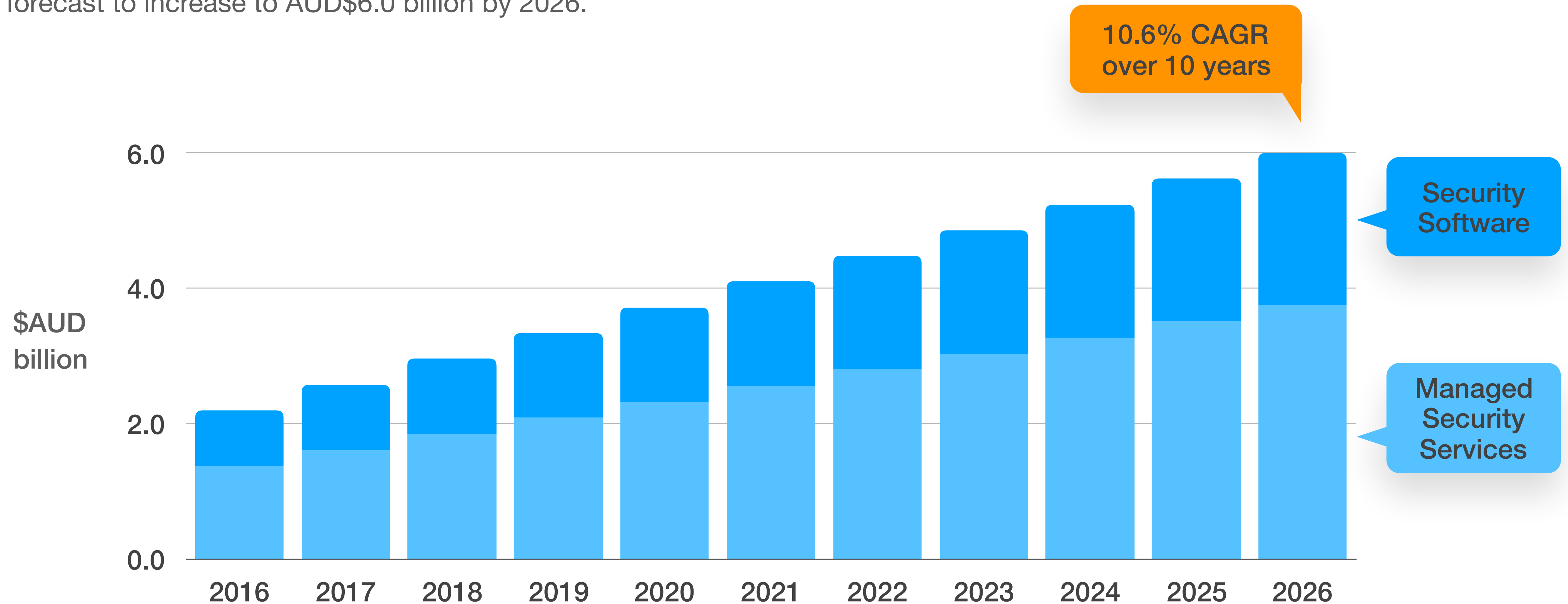


End-to-end provider of cybersecurity services

MARKET OPPORTUNITY

AUSTRALIAN CYBERSECURITY MARKET FORECAST

Revenues in the Australian cyber security sector are forecast to increase to AUD\$6.0 billion by 2026.



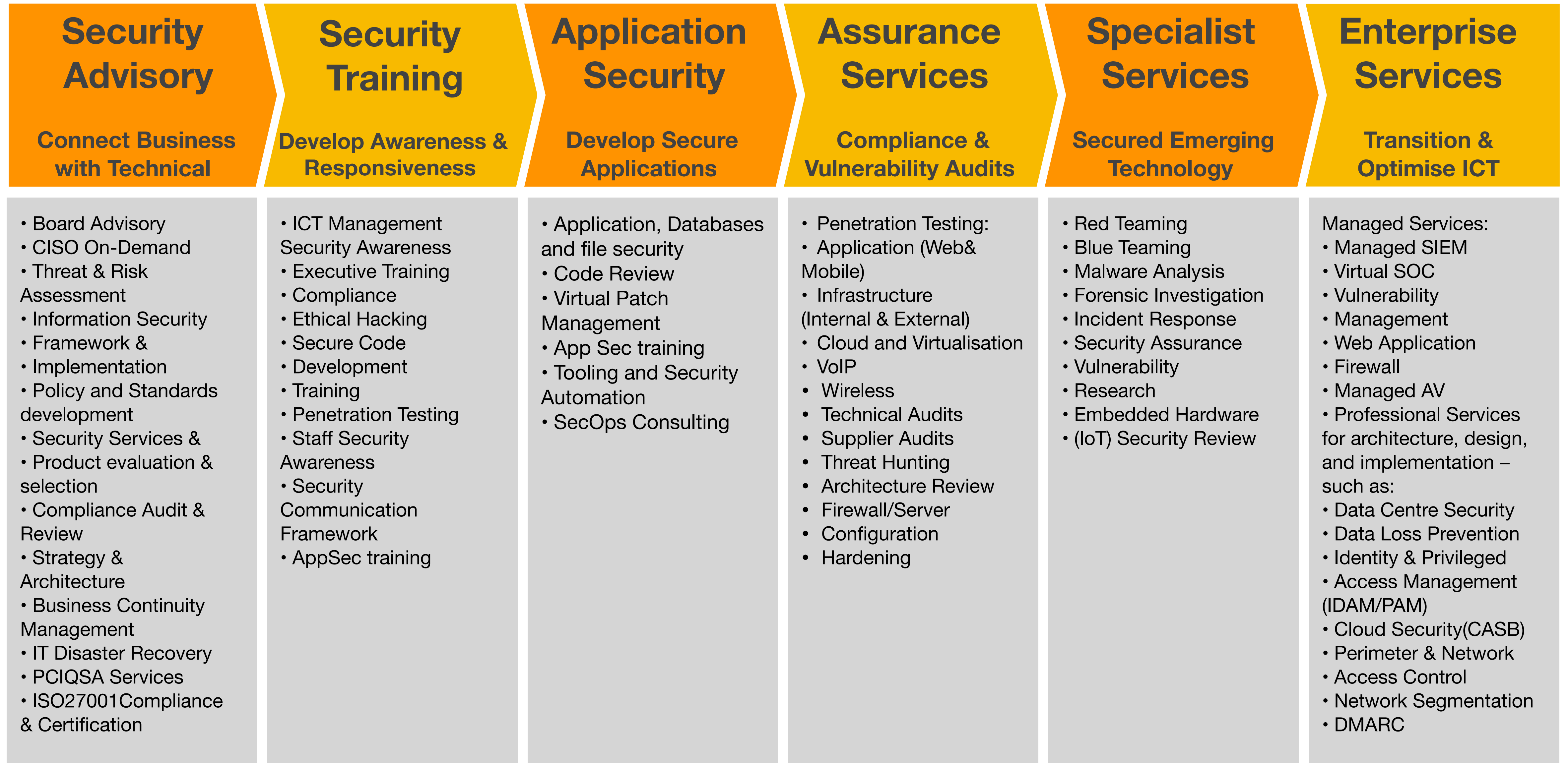
CURRENT MARKET FRAGMENTED WITH DISPARATE SOLUTIONS





STRATEGIC INTENT

WHAT END TO END SECURITY FOR AN ORGANISATION LOOKS LIKE





THE MARKET IS READY FOR AN END TO END SERVICE PROVIDER, THAT DELIVERS:

- ✓ Single source of accountability
- ✓ Reduced vendor management costs
- ✓ Australian based satisfying compliance requirements
- ✓ One stop shop for high quality cyber talent
- ✓ Innovative and holistic pricing models



**TO DELIVER END TO END
SOLUTIONS FOR OUR
CUSTOMERS, TESSERENT IS
ACCELERATING ITS
ACQUISITION AND ORGANIC
GROWTH STRATEGY**

PORTFOLIO OF POTENTIAL ACQUISITIONS MAPPED AGAINST OUR END TO END STRATEGY

Potential Acquisitions	Security Advisory	Security Training	Application Security	Assurance Services	Specialist Services	Enterprise Services
TNT		✓			✓	✓✓✓
A	✓✓	✓✓	✓	✓✓	✓✓	✓
B	✓	✓✓		✓✓	✓	✓✓
C	✓					✓✓
D	✓	✓✓		✓✓		✓✓
E	✓✓			✓✓	✓✓	
...			✓✓		✓	✓✓
TNT Combined	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓

BOARD AND ACQUISITION TEAM



Board Member

ROBERT LANGFORD
Non-Executive Chairman

Founding partner of Tesserent with over 40 years of IT and entrepreneurial experience. Pragmatic and practical.



Board Member

GREGORY BAXTER
Non-Executive Director

Board member since 2015. Greg is currently Chief Digital Officer at MetLife, responsible for strategy and execution globally. Prior to this was; Global Head of Digital at Citi, and a Partner at Booz & Company.



Board Member

STEFANO BERTAMINI
Non-Executive Director

Board member since 2015. Steve is currently Chief Executive Officer of Al Rajhi Bank, a bank with total assets in excess of US\$70 billion. Prior to this was; Group Executive Director and CEO Consumer Banking at Standard Charter



Board Member & Acquisition Team

JULIAN CHALLINGSWORTH
Chief Executive Officer

Served as a Managing Director and Partner of The Litmus Group for over 10 years and a board member of PPB Advisory.



Advisor

GEOFF LORD
Investor and Advisor

Currently the Chairman and CEO of Belgravia Group. Geoff is focused on identifying high growth opportunities and supporting key Australian businesses accelerate success.



Acquisition Team

STEPHAN SCHEFFER
Chief Financial Officer

20+ years global experience in senior financial and operations management, including significant experience as a CFO to ASX listed technology companies.



Acquisition Team

ETHAN GLESSICH
Chief Operating and Integration Officer

Founder and Managing Director of Kognitive, Ethan advises business leaders and delivers transformation programs on how to accelerate the achievement of strategic goals.

OUR MISSION:

**TO BECOME AUSTRALIA'S
NUMBER ONE CYBER
SECURITY COMPANY**



TESSERENT



DISCLAIMER

This presentation has been prepared by Tesserent Limited (the "Company"). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters. No representation or warranty (whether express or implied) is made by the Company or any of its officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation. This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so). Neither the Company, nor its related bodies corporate, officers, their advisers, agents and employees accept any responsibility or Liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Competition and Consumer Act 2010 or any corresponding provision of any Australian state or territory Legislation (or the Law of any similar Legislation in any other jurisdiction), or similar provision under any applicable law. Any such responsibility or liability is, to the maximum extent permitted by Law, expressly disclaimed and excluded. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

Future Matters

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or Implied, is made by the Company, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties may cause the Company's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. In particular it should be noted that the acquisition of Asta is conditional on a number of matters including shareholder approval, therefore all statements made in relation to Asta are subject to those conditions being met and the acquisition proceeding.

US Disclosure

This document does not constitute any part of any offer to sell, or the solicitation of any offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). The Company's shares have not been, and will not be, registered under the Securities Act or the securities Laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.



TESSERENT

CONTACT


INVESTOR ENQUIRIES

Julian Challingsworth
Chief Executive Officer
Phone: +61 3 9880 5555
Email: investor@tesseract.com

MEDIA ENQUIRIES

Gregor Jeffery
Marketing Manager
Phone: +61 3 9880 5507
Email: gregor.jeffery@tesseract.com

tesseract.com/investor-center

 [linkedin.com/company/tesseract](https://www.linkedin.com/company/tesseract)

 [@tesseract](https://twitter.com/tesseract)