

## TESSERENT INNOVATION MAKES THIRD INVESTMENT. INVESTS IN GROUNDBREAKING BIOMETRIC SECURITY FIRM DALTREY

- Tesserent Innovation has acquired a stake in Daltrey Pty Ltd a leading sovereign biometric company
- Initial investment of \$600K with a future investment of \$1.1M subject to key KPIs being achieved, giving an initial 7% holding in the company
- Additional options secured to invest up to \$10M in growth funds to support global expansion ambitions
- Daltrey is a potential global leader in the multi-billion-dollar cybersecurity industry.
- Tesserent Innovation's continued investment into globally applicable proprietary cyber-IP with the potential to support a future in-specie distribution to Tesserent shareholders

Tesserent Limited (ASX:TNT) is pleased to announce Tesserent Innovation's investment into biometric security firm Daltrey with the signing of a Share Subscription Agreement, executed between both parties on 7 July 2021.

The Sydney-based Daltrey's biometric technology enables an organisation's users to prove who they are quickly and securely in both digital and physical scenarios without the need for passwords or swipe cards improving trust and accountability across the enterprise<sup>1</sup>.

Daltrey will initially work with Tesserent's Canberra based team to deliver sales into the Federal Government market who are actively evaluating increased adoption of biometric solutions.

According to a report by leading economists, the global Biometric Technology market size is projected to reach USD \$11.49B by 2026, from USD \$6.14B in 2020, at a CAGR of 11.0% during 2021-2026<sup>2</sup>.

Julian Challingsworth, TNT's co-CEO, commented; "We're very excited about the growth in the biometric security market. We note some US private equity organisations have been investing in the market with a recent investment of \$543M into Transmit Security, supporting our belief that biometrics will play a key role in security organisations' data and systems in the near term."

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<sup>1</sup> The IAM Leader's Guide to Biometric Authentication - <https://www.gartner.com/smarterwithgartner/the-iam-leaders-guide-to-biometric-authentication/>

<sup>2</sup> "Covid-19 Impact on Biometric Technology Market, Global Research Reports 2020-2021", Valuates Reports, May 2020

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Tesseract is initially investing \$600K for an initial stake, with a follow-on investment of a further \$1.1M upon successfully meeting key growth targets. This will give Tesseract an initial 7% shareholding with further options to invest an additional \$10M subject to performance of the company and future capital requirements.

The initial cash consideration is fully funded from existing reserves.

Tesseract Innovation was founded by the Company to invest in high growth cyber-IP opportunities where:

- The investee has revenue from existing customers;
- The investee has a solution that clearly align with Tesseract Cyber 360 strategy;
- Tesseract can take a small initial shareholding with the option to scale up the level of investment when the investee delivers on their growth targets;
- Tesseract can secure premium distribution rights to take the investees solutions and products to market; and
- A future liquidity event for the investee will deliver strong returns for Tesseract shareholders, potentially through an in-specie distribution.

The Company looks forward to keeping the market updated on the progress of this and further investments from Tesseract Innovation in coming announcements.

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### ABOUT TESSERENT

Our mission is to be the Sovereign Cybersecurity Provider of choice for the Protection of Australia and New Zealand's Digital Assets.

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 350 people committed to helping our client with better cyber resilience, 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, iQ3, Lateral Security and Secure Logic, making it Australia's largest listed dedicated Cyber Security firm.

Learn more at [www.tesseract.com](http://www.tesseract.com).

### CONTACT

Investor Enquiries:

Julian Challingsworth

Managing Director

+61 (0)3 9880 5559

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

Media Enquiries:

Alex Belcher

Marketing Manager

+61 (0)3 9880 5525

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

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