



# Annual General Meeting

**Tesseract Limited (ASX:TNT)**



19 November 2021

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# Agenda

1. Chairman's address
2. CEO Update
3. Formal Resolutions and shareholder voting

# Chairman's address



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# The growth continues

- Significant growth in the last two years and shift to a sustainable and profitable business

A\$m	FY20	FY21	growth
Turnover	20.5	96.7	+372%
Divisional EBITDAC	(0.3)	12.2	n/a
<b>Operational EBITDA*</b>	<b>(3.3)</b>	<b>7.6</b>	n/a
	-16.1%	7.8%	

*\*Operational EBITDA excludes one off acquisition costs, non-operating share based costs and upside from AASB16 adjustments*

# The growth continues

**Current year** growth to October (unaudited) versus prior comparative period:

A\$m	YTD (Oct) growth vs. PCP
Turnover	+67%
Divisional EBITDAC	+150%

- Included in this EBITDAC growth is organic growth at 41% plus growth driven by acquisitions

# Key operating and financial measures

	Current measure (Oct-21)
Recurring revenue (ARR)	42% (up from 30% in 2020)
Operating cashflow positive	since beginning of FY21
Growth rate in underlying business units	150% growth overall (41% organic + 109% inorganic)
Current cash position <i>(including cash held for pending acquisitions)</i>	\$19.8m <i>(as at 15 Nov-21)</i>
Net Debt (as at 15 November 2021)	\$15.2m
Key customers	43 companies within the ASX100

**Tesserent financial performance is tracking in line with budget for the 4 months YTD FY22**

# Where are we?

- When we took control (in September 2019), we set ourselves certain aspirational goals in rebuilding this group

	Short Term
Turnover	\$200m
Operating EBITDA margin	15%
Annual Recurring Revenue (ARR)	50%

- We are well progressed in negotiations on targeted acquisitions and have the cash on hand to complete these
- Post these acquisitions, we will be well on our way to reaching these short term goals

*Noting that these are aspirational targets or milestones that we are aiming to achieve, they do not represent forecasts, rather goals*



# Acquisitions

- We raised \$25m at the end of September to fund a number of targeted acquisitions
- The acquisition of Loop Secure completed on 1 October 2021
- We are well advanced in negotiations on two further acquisitions but have not completed yet
- These acquisitions fit our strategic criteria, being:
  - Fit within the group's Cyber360 Model
  - Strengthen our depth of offerings
  - Manageable within the current operational framework and include the vendors joining the business
  - Improve our EBITDA to Turnover margin
  - Increase our Annuity Income

# Management changes

To manage this growth we have made some organisational changes, namely:

1. Geoff Lord to step into the role of Executive Chairman
2. Kurt Hansen will take over role as sole CEO, continuing to focus on unlocking group synergies and maximising organic growth
3. Julian Challingsworth will take on the role of Chairman of Tesseract Innovation in addition to providing ongoing consulting support the business on M&A work and Investor relations
4. The CFO, James Jones, will take on broader responsibilities across M&A and Investor relations bringing direct experience in these areas from his time at Deloitte and EY

# CEO Update

The Transition from Brands to Capability - Cyber 360

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Our mission is to be the sovereign cybersecurity provider of choice for the protection of Australia and New Zealand's digital assets.

# House of Brands vs Capability Focused

*Brand consolidation over time enables a Capability Focused Go-to-Market strategy. Brand consolidation is a journey which must incorporate our teams, our customers and best position ourself for future growth*

## House of Brands



## House of Capability

Enterprise/SLED/Mid Market



CYBER 360

Federal



Cyber Threat Research



NZ FY22



Aust FY22



# Aligning Enterprise Capability to Accountability within Business Units

Accountability	Capability	Service Line	BFSI			Critical Infrastructure & Smart Infrastructure		Other Key Industries					
Chris Hagios	Defend	Assurance	Banking	Financial Services	Insurance	Critical Infrastructure	Utilities	Manufacturing	SLED	Retail	General Business	Federal/CTR: North / Seer P&L Owner – George & Scott	NZ: Tesseract NZ and Lateral P&L Owner – Hamish Soper
		GRC / Advisory											
		Architecture											
		Data & Analytics											
		Technology											
Deepak Singh	Detect	SOC											
		MDR											
		IR											
Craig Humphreys	Cloud	MS(S)P											
		NOC											
		Cloud											
Legal													
Information Technology													
Marketing													
Finance													
People & Culture													



# End to End Offering: Boardroom-to-Basement

Providing a one-stop-shop for a full, end-to-end cybersecurity solution.



Cyber Strategy  
and Consulting



Security Advisory (GRC)



Technical Assurance  
and Testing



Network and Cloud  
Security



Identity and Access  
Management



Managed Services and  
Monitoring



Security Integration and  
Development



Digital Forensics and  
Incident Response



Cyber Education

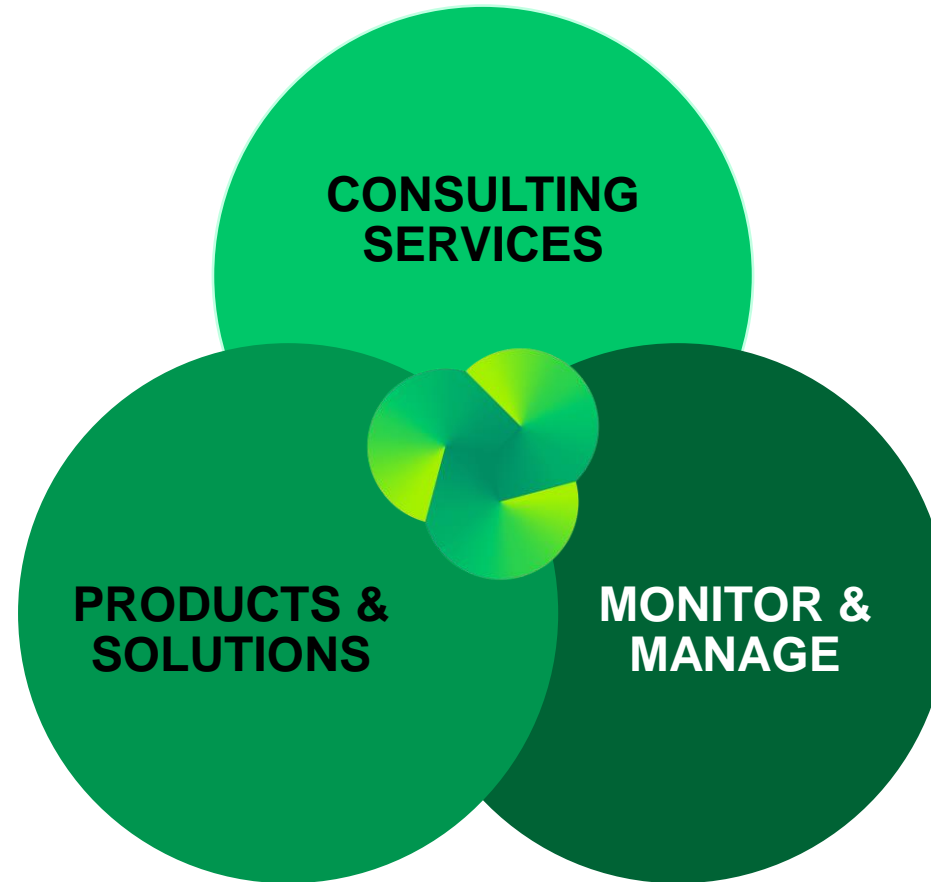


Converged/Physical  
Security

# Enhance Strategically Relevant Capabilities

Tesseract is focused on deepening the capabilities driven by legislation and demanded by core customers

PRODUCTS & SOLUTIONS
Perimeter & Network
Endpoint
Sec Dev Apps
Data Protection
IOT



CONSULTING SERVICES
Security Strategy/Advisory
GRC & Architecture
Awareness Services
Assurance Services

MONITOR & MANAGE
SOC-as-a-Service
Secure NOC-as-a-Service
Secure Cloud Infrastructure (LaaS)
Converged / FUSION Security



# The Tesseract Cyber 360 Model



## PRODUCT AND SERVICE STRATEGY

- An end-to-end security service experience
- Focused security investments in people, products, processes and technology
- Market leading vendor partnerships
- Market leading security certifications and standards (CREST: ISO27001)
- Australian investments, with a locally operated Security Operations Centre (SOC)
- Client driven product and services roadmap



# Tesseract Senior Leadership Team



**GEOFF LORD**  
Executive Chairman

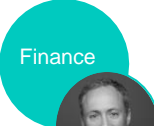


**MEGAN HAAS**  
Non-Executive Director

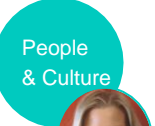


**GREGORY BAXTER**  
Non-Executive Director

**Kurt Hansen**  
CEO



**James Jones**  
Group Chief  
Financial Officer



**Emmeline McIlree**  
Group Chief  
People Officer



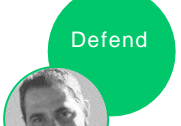
**Alexandra Belcher**  
Head of  
Marketing



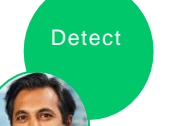
**Scott Ceely**  
Managing  
Director



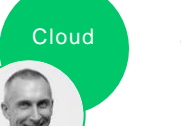
**George Katavic**  
Managing  
Director



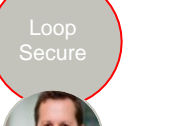
**Chris Hagios**  
Managing  
Partner



**Deepak Singh**  
Managing  
Partner



**Craig Humphreys**  
Managing  
Partner



**Patrick Butler**  
CEO  
Loop Secure



**Hamish Soper**  
Senior  
Partner



# Formal resolutions and shareholder voting



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# Securing our digital future, together.

**INVESTOR ENQUIRIES:**

**Kurt Hansen**

**Co-Chief Executive Officer**

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