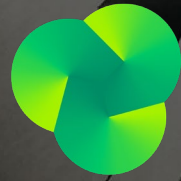




Half Year 2022 Investor Update

Tesseract Limited (ASX:TNT)





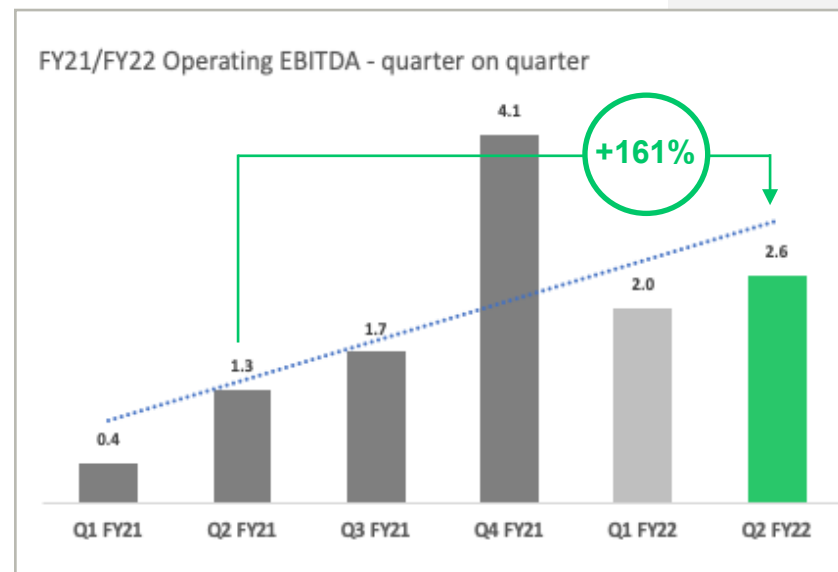
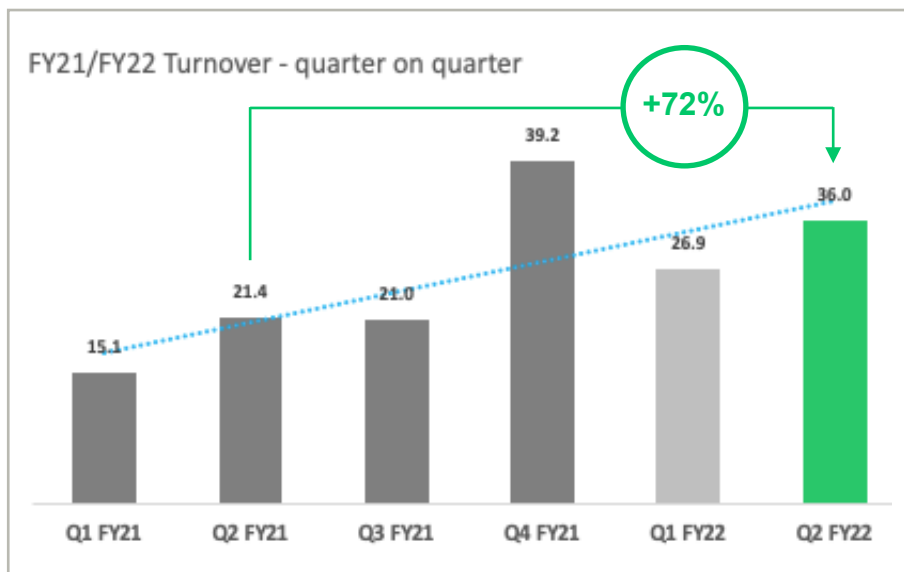
Our mission is to be the sovereign cybersecurity provider of choice for the protection of Australia and New Zealand's digital assets.

Half Year 2022 Results

<p>+72% Turnover Growth vs H1 FY20</p>	<p>Operational EBITDA \$4.6M for the half year in FY22 up 161% on PCP</p>	<p>Organic earnings growth of 36% for H1 FY22</p>
<p>EBITDA to operating cash conversion of 105%¹</p>	<p>Completed 3 acquisitions announced at time of capital raise</p>	<p>\$200M Turnover Run-rate ambition at 30 June 2022</p>

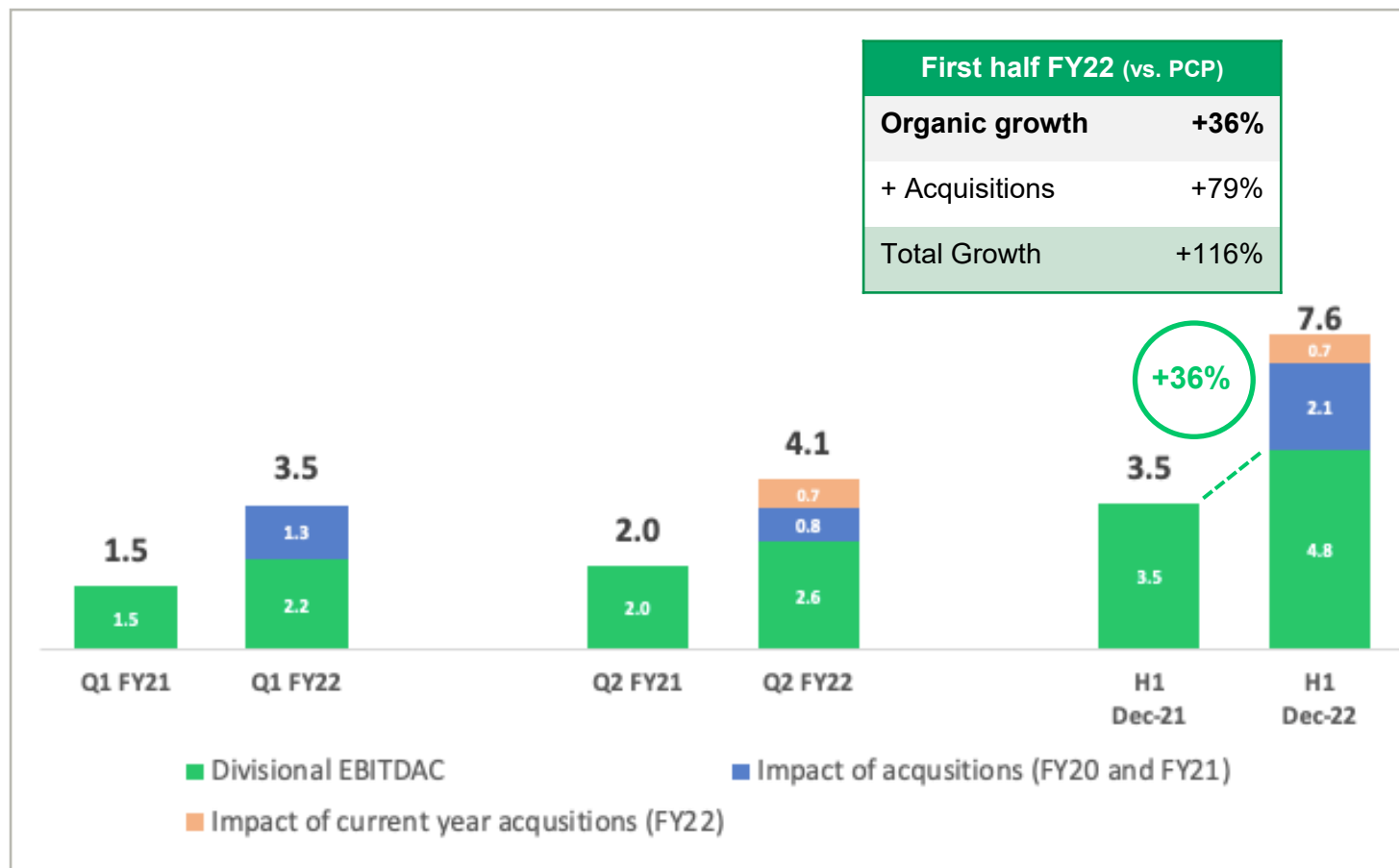
¹ for H1 FY22 excluding interest service on acquisition debt

Turnover and EBITDA H1 FY22



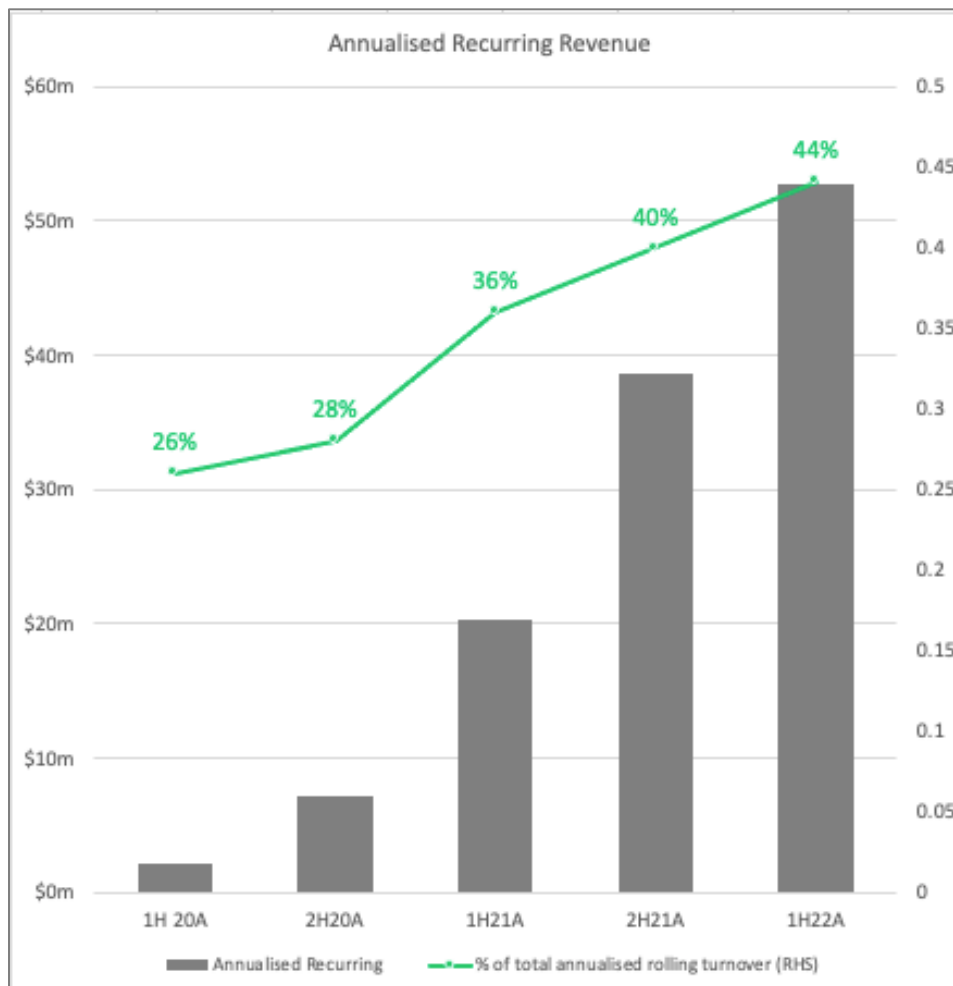
- Strong growth in the underlying business in the second quarter, with year-on-year growth of 72% against PCP.
- Overall growth is made up of both organic growth and turnover growth from acquisitions.
- See further detail on organic growth next slide.

Organic Growth 36% 1H FY22 vs PCP



- We are extremely pleased with cross-sell opportunities that are expanding our opportunity in key clients that add to organic growth.
- Growth in **EBITDAC (earnings before corporate costs)** was 101% for the current quarter and 116% for H1 FY22 vs. prior year comparative period.
- *Impact of current year acquisitions includes contribution from Loop Secure only (i.e. no material impact from Claricent and Pearson which were completed in latter half of Dec-21)*

Tesseract ARR* Growth FY20-FY22



- Tesseract’s annualised recurring revenue as a proportion of total annual sales has been growing strongly.
- This metric tracked as a key performance measure within the business (alongside total contracted revenue).

*Annualised recurring revenue

The problem Tesseract exists to solve:

During the 2020-21 Financial Year, the Australian Cyber Security Centre (ACSC) reported:



Over **67,500** cyber crime reports, an increase of nearly **13%** from 2019-20.



Nearly **500** ransomware cyber crime reports, an increase of nearly **15%** from 2019-20.



Self-reported losses from cyber crime total more than **\$33 billion**.



An **increase in the average severity** and impact of reported incidents, with nearly half categorised as 'substantial'.



Approximately **one quarter** of reported cyber security incidents affected entities associated with Australia's critical infrastructure.



Business email compromise (BEC): The average loss per successful event has increased to more than \$50,600 (AUD) – >1.5x higher than 2019-20.

Source: ACSC Annual Cyber Threat Report – July 2020 to 30 June 2021

The problem Tesseract exists to solve:



Cyber Industry Skills Gap - AustCyber identified a **critical shortage of nearly 18,000** cybersecurity specialists in 2020.

Tesseract has assembled an army of cyber experts that have the required skills across the cyber domains.



Enterprise Cybersecurity Leaders are presented with a bewildering array of solutions across an estimated 70 cyber solution categories.

Tesseract partners as a trusted advisor for the selection and delivery of the right solutions for you.



Managing multiple boutique security vendors can present risk and inefficiencies.

Tesseract can partner across all facets of cybersecurity, from the “boardroom to the basement”.



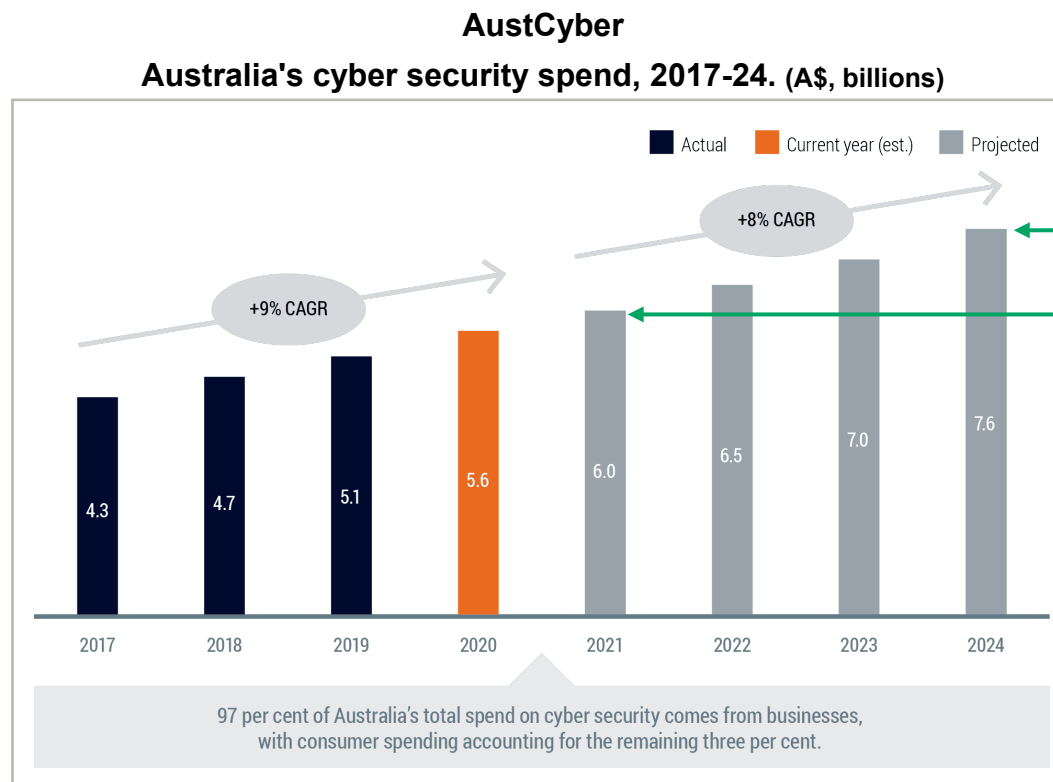
Managed Services allows a cost-effective solution to **expanding your cybersecurity team** and capabilities – **providing the mid-market with access to tier 1 enterprise grade protection.**

The Cybersecurity Market Opportunity

AustCyber

”Demand is growing, with Australians spending approximately **\$5.6 billion on cybersecurity in 2020** - from both local and international providers - a figure that is expected to increase to **\$7.6 billion by 2024**. The local sector's revenue has **grown by \$800 million since 2017**, to reach an estimated **\$3.6 billion this year.**”

Source:
<https://www.austcyber.com/resources/sector-competitiveness-plan/chapter1>
 citing sources: Gartner, IBISWorld, AustCyber's Digital Census 2020, AlphaBeta analysis



*TAM – Total Addressable Market of Approx. \$5B

Market is growing by \$400m of TAM* or approx. 2x TNTs each year.



Our valued clients

<p>Largest Provider of cybersecurity services in the Canberra/Federal Government market</p>	<p>1200+ Customers Including 3 key verticals: Government, Critical Infrastructure and BFSI</p>	<p>Trusted by 51 of the S&P / ASX Top 100</p>
<p>We work with over 102 Australian and New Zealand Federal & State Departments and Agencies*</p>	<p>We focus on medium and- enterprise sized organisations with clients across all sectors</p>	<p>Rapidly growing no. of clients partnering with us to provide multiple services and solutions</p>

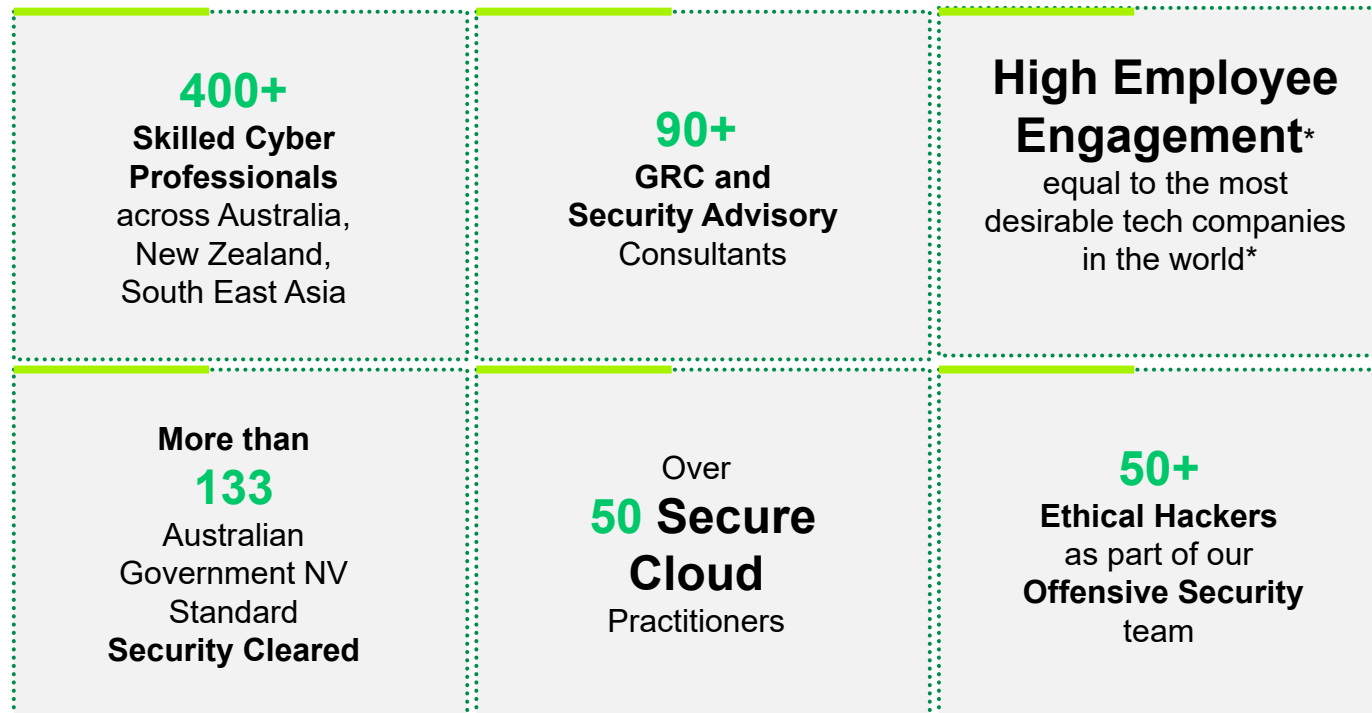
*As previously announced July 2020, Tesseract has targeted capabilities to address the \$1.35B “Cyber Enhanced Situational Awareness and Response (CESAR)” budget – as validated by our **100% coverage of the matrix of capabilities, Defence Cyber Industry Capability Report, Austrade, February 2020.**

Deepening Footprint in 3 Key Verticals:

With 1,200+ customers, Tesseract is strategically focused on selectively growing its market share.



Our People



* Benchmarked against 'New Tech 2020' - a group of over 650+ global tech companies who also work with Culture Amp as their survey partner.

Industry recognition and certifications



Why Tesseract is unique



We're the **largest provider** of cybersecurity services to Federal Government.



Innovation culture backed by **8.5M of investment in Australian R&D**



Australian founded, owned and managed.



ASX-listed: we provide clients **financial and regulatory transparency**



Companies joining Tesseract have **synergistic capabilities** forming the Cyber 360 offering (with limited capability overlap / internal competition)



Full-service cybersecurity: we're big enough to trust, but we're local and we're nimble.

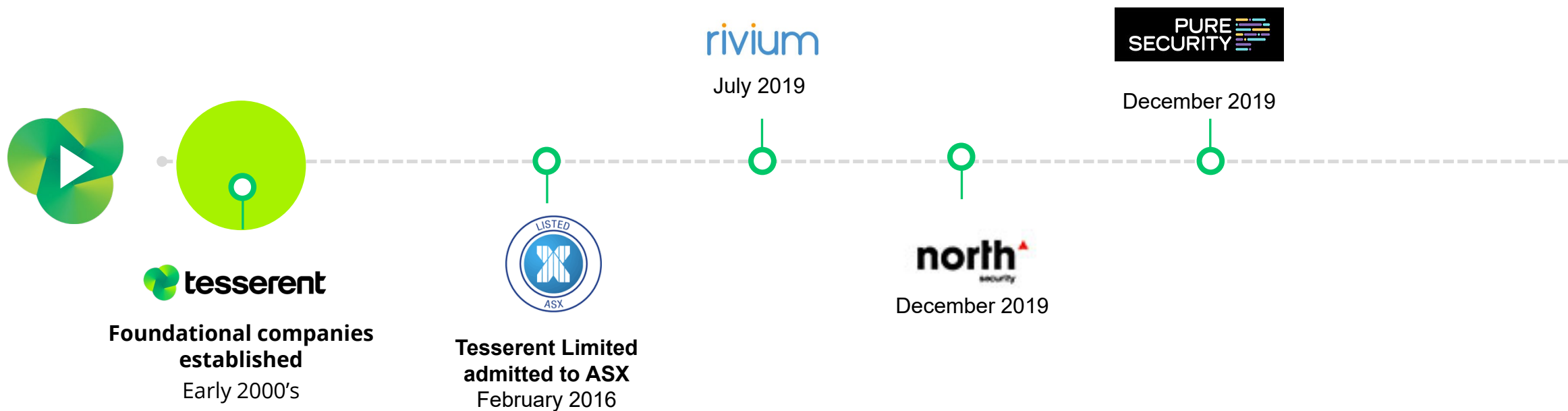


Australian Government NV Standard **Security clearance for 200+ staff.**

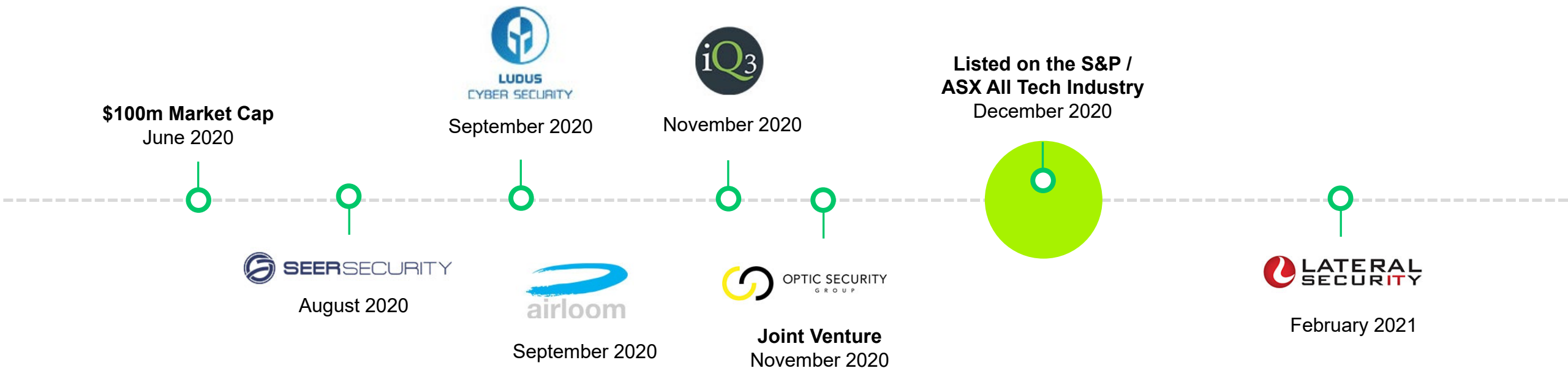
The Tesseract Cyber 360 Model



Cyber capabilities joining the Tesseract group



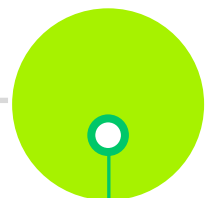
Cyber capabilities joining the Tesseract group (cont.)



Cyber capabilities joining the Tesseract group (cont.)



April 2021



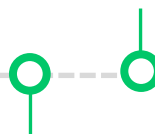
April 2021



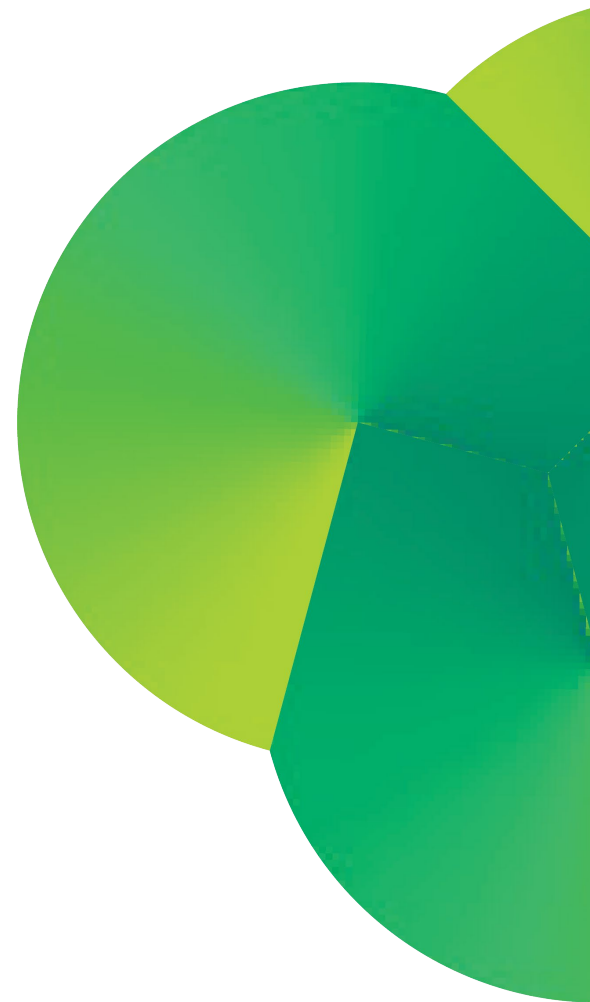
July 2021



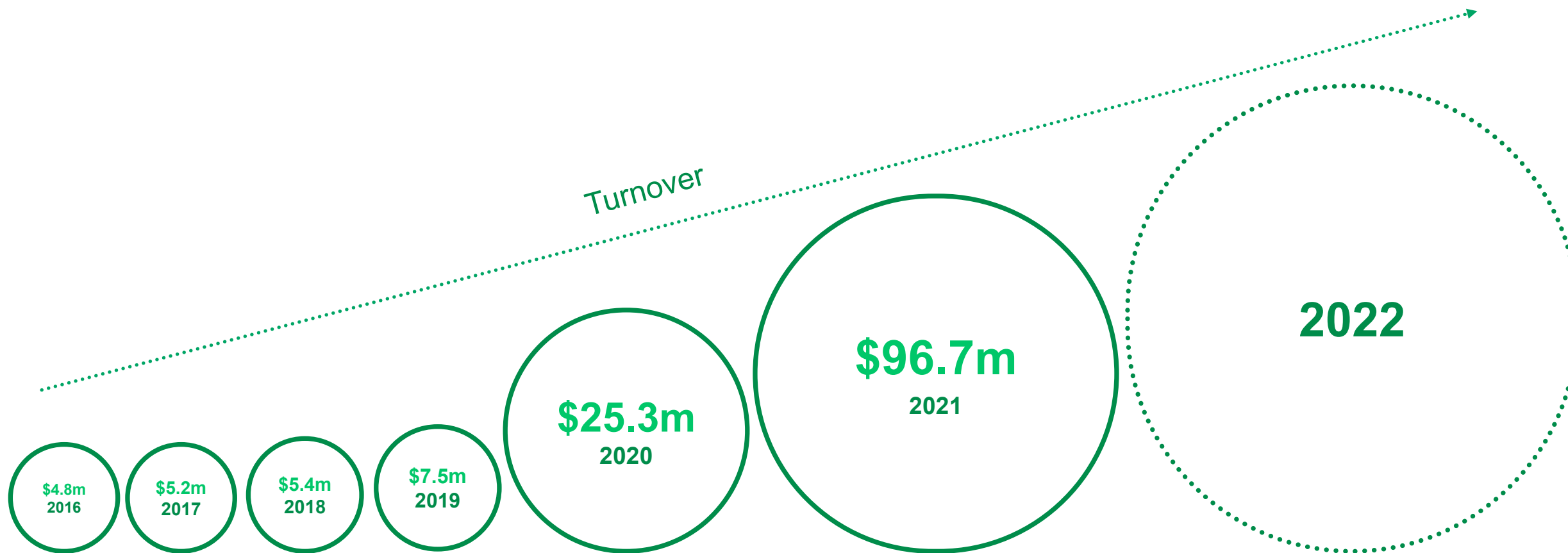
December 2021



December 2021



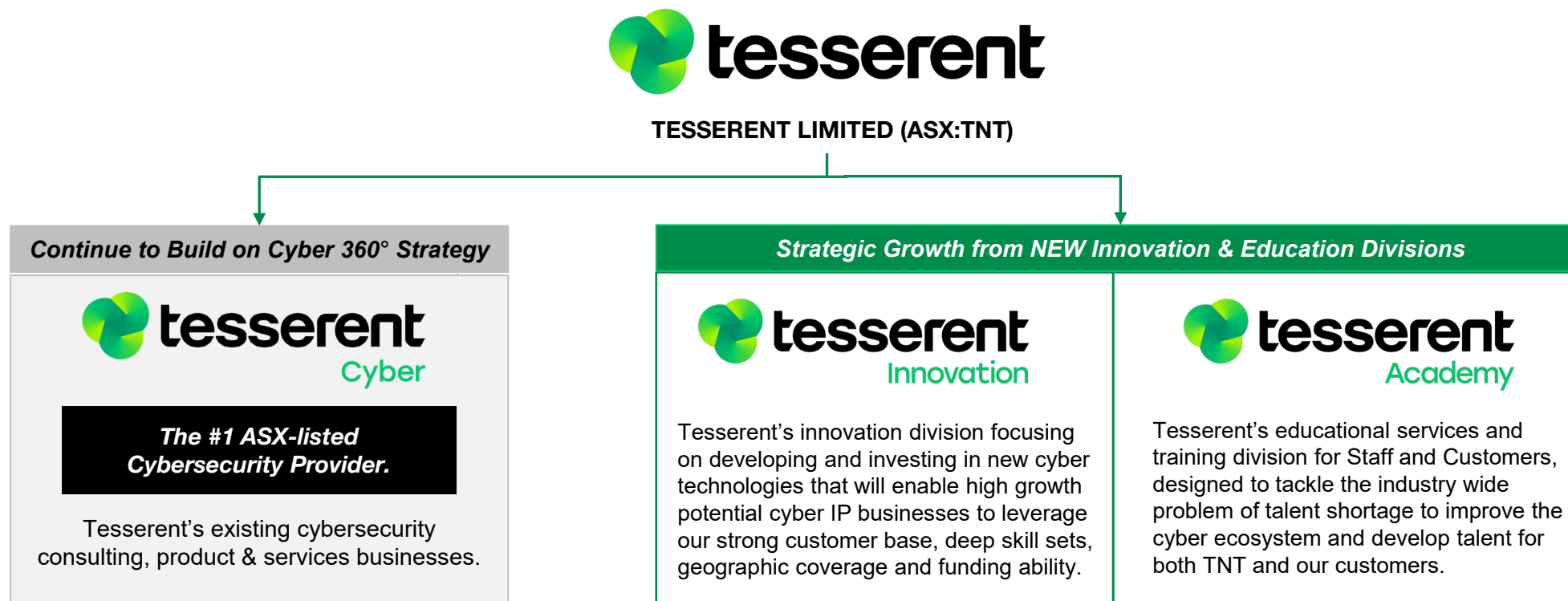
Tesseract Turnover Growth Trajectory



*Not to scale

Expansion Through Innovation & Education

We are expanding our business by making strategic investments in proprietary IP-based products and companies and launching the Tesseract Academy to address the industry skill shortages.



Leadership

Experienced and Industry-relevant Board of Directors.



GEOFF LORD
Executive Chairman



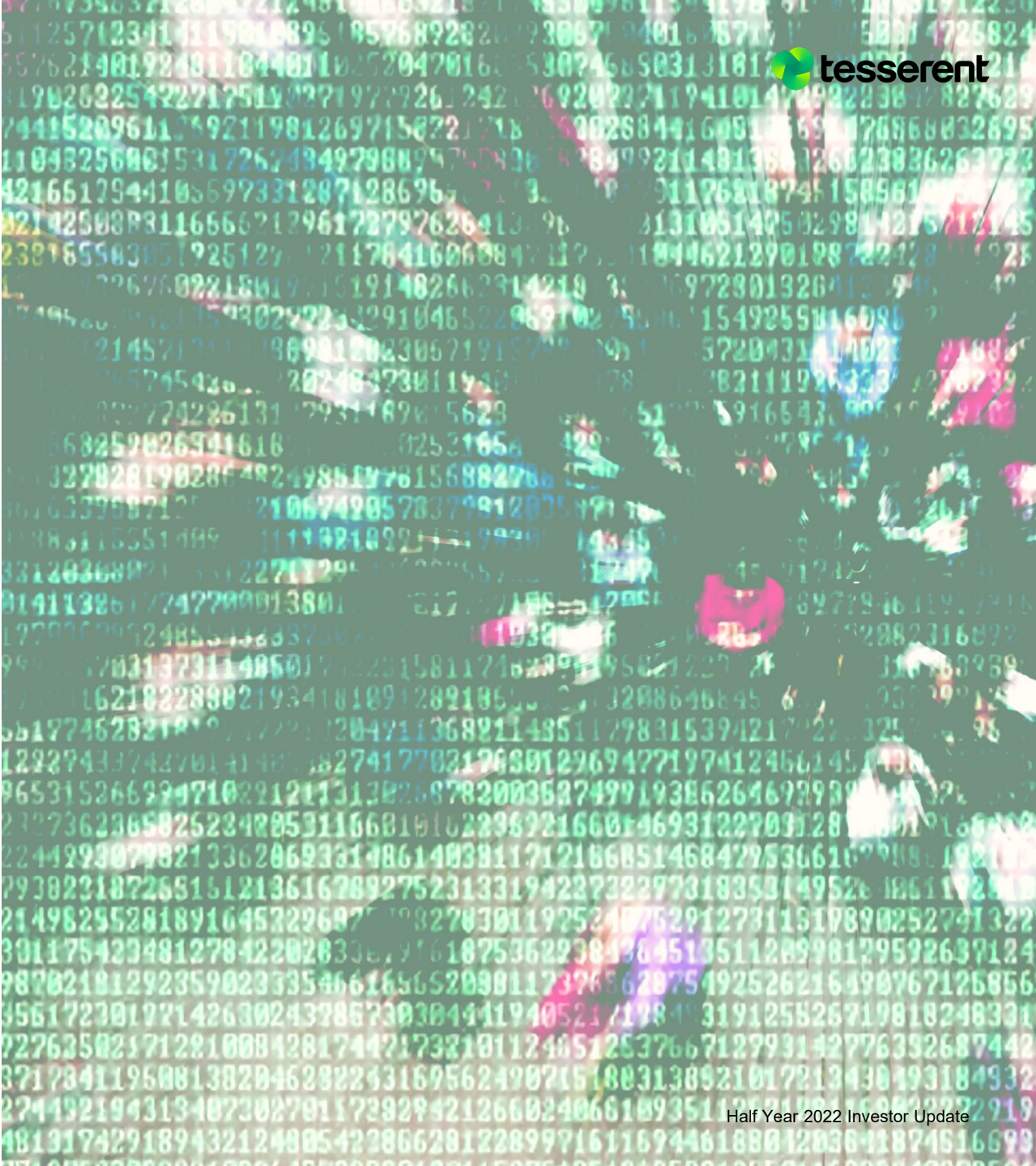
KURT HANSEN
Executive Director and CEO



MEGAN HAAS
Non-Executive Director



GREGORY BAXTER
Non-Executive Director



Areas of focus

The Board and Management Team continue to focus on creating shareholder value by building on Tesseract's position as Australia's #1 ASX-listed cybersecurity provider, and;

- Continuing to **drive the Company's acquisition strategy** to expand on our Cyber 360 capabilities and market share
- **Fostering innovation** across the group and expanding proprietary intellectual property to drive high-margin product and service offerings
- Focusing on capturing further market share in three key markets: **Government (including Defence), Critical Infrastructure and Financial Services**
- Driving growth through **deeper and wider customer engagements** and increasing our average number of services per customer
- **Integrating acquisitions** into "Capability Business Units" to **maximise synergy efficiencies** and drive organic revenue growth through cross-selling; and
- Building out **high-value recurring annuity revenue streams** via Managing Security Operations (SOC) and Managed Detection and Response (MDR).



Securing our
digital future,
together.

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