

## ASX ANNOUNCEMENT

Melbourne – 7 December 2021

### TESSERENT CEMENTS LEADING POSITION IN FEDERAL GOVERNMENT CYBERSECURITY WITH TWO ACQUISITIONS EXPANDING GOVERNMENT CAPABILITIES

- Combined acquisitions delivering FY22 unaudited \$24.3M revenue and \$5.6M sustainable EBITDA
- Both acquisitions funded from the capital raise undertaken by TNT in September 2021
- The Pearson Group extends Tesseract's capabilities to enable the delivery of Essential 8 programs across Government departments and agencies
- Claricent extends TNT's Governance Risk and Compliance (GRC) team and expands the number of Departments and Agencies currently supported by Tesseract's Federal Government team
- Both organisations will integrate into North Security which leads TNT's Federal Government team
- Acquisition is expected to complete by 31 December 2021 and is immediately earnings, cash flow and EPS accretive whilst delivering significant locked-in recurring revenue – with six months results consolidated into Tesseract's FY22 financials

Tesseract Limited (ASX: TNT) is pleased to announce the strategic acquisition of Pearson Corporation Pty Ltd and Claricent Pty Ltd with the signing of two separate Share Purchase Agreements with the respective vendors. These acquired businesses will immediately integrate into Tesseract's North Security business which leads TNT's Federal Government team.

Both organisations have leading positions in the Federal Government marketplace and enable Tesseract to further strengthen its position and deliver large multi-year projects that support the Federal Government to achieve their cybersecurity goals.

Pearson Corporation is a leading provider of programs designed around the delivery of the Essential 8 program, a set of mitigation strategies designed by the Australian Signals Directorate (ASD) that are designed to give organisations a solid baseline of protection to make it harder for an adversary to compromise systems. The Federal Government is deploying the Essential 8 across all departments and agencies, many with the support of the Pearson Corporation.

Pearson Corporation has an excellent operating record, with an unaudited revenue target for FY22 of \$21.5M, delivering \$4.8M EBITDA. Claricent is a growing cyber GRC practice with an unaudited revenue target for FY22 of \$2.8M and \$0.75M EBITDA.



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The consideration for the acquisition of the Pearson Corporation and Claricent will be a mix of cash and TNT shares, being paid in two instalments, with 50% of the enterprise value being paid on completion estimated in December 2021 and the remaining 50% paid on finalisation of audited accounts estimated to be in September 2022.

**Geoff Lord**, TNT's Chairman, commented; "The addition of these two government focused organisations to the TNT group is a welcome one. These acquisitions cement our position as the leading ASX-listed provider of cybersecurity solutions and services into Federal Government and the leading provider of Essential 8 consulting services, as well as contributing to our annual revenue and adding significant recurring EBITDA to the Group".

	Pearson Corporation	Claricent
Revenue Estimate FY22	\$21.5M	\$2.8M
EBITDA Estimate FY22	\$4.8M	\$0.75M
Valuation Multiple	6.0	5.5
<b>Enterprise Value</b>	<b>\$28.8M</b>	<b>\$4.13M</b>
Completion Payment (December 2021)	\$14.56M	\$2.06M
Cash Portion	\$8.64M	\$1.24M
Share Portion	\$5.92M	\$0.82M
Share Issue VWAP	17.5c	17.5c
Shares Issued	33.9M	4.7M
Final Payment* (September 2022)	\$14.24M	\$2.07M
Split of Second Payment (Cash / Shares)	60% / 40%	60% / 40%

*\* Final payment is subject to audited results and may be higher or lower as it will be based on final audited EBITDA multiplied by the valuation multiple minus the Completion Payment made in December 2021.*

The Company looks forward to keeping the market updated on these acquisitions.

### 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 cybersecurity and networking solutions targeted at midmarket, enterprise and government customers across Australia and New Zealand. The Company's Cyber 360 strategy delivers integrated solutions covering identification, protection and 24/7 monitoring against cybersecurity threats. With more than 400 security engineers, Tesseract has



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the capability to support organisations to defend their digital assets against increasing risks and cyber-attacks.

Tesseract has been transformed via the integration of several high-quality cybersecurity businesses making it Australia's largest listed dedicated cybersecurity firm.

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

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Authorised by the Disclosure Team under Tesseract's Continuous Disclosure policy.