

TNT'S STRATEGY TO TARGET FEDERAL GOVERNMENT RESULTS IN SIGNIFICANT EARNINGS GROWTH

- Tesserent's Federal Government division achieves significant earnings growth
- North drives 135% YoY earnings growth with \$1.8M in FY20 compared to \$766K in FY19
- Growth trend expected to continue into FY21

Tesserent Limited (ASX:TNT) is pleased to announce that North Security, our Federal Government team, has exceeded Company expectations, increasing earnings from \$766K in FY19 to \$1.8M in FY20 which represents in excess of 135% YoY growth.

The Company expects this growth trend to continue across the entire Federal Government division in FY21. This growth is being driven by a combination of increased Federal Government cybersecurity spending as announced by PM Scott Morrison on 6 August 2020 together with Tesserent's increasingly strong reputation in the Canberra market.

Tesserent's Co-CEO, Julian Challingsworth, commented; "We are extremely pleased to announce that our Canberra team, headed up by George Katavic, has been a significant contributor to Tesserent's overall market performance. 2020 has seen the Company's enterprise value and share price increase exponentially, resulting in George and his team deservedly achieving their FY20 earnout, significantly exceeding their revenue and earnings targets".

As previously announced on 23 March 2020, Tesserent acquired North Security for \$5.3M consisting of a \$1.25M cash payment, 20M fully paid ordinary shares at 10c on completion, plus four deferred six-monthly payments of \$512K over a two-year period. The North Security earnout payment is 2 x the difference between FY19 and FY20 audited earnings, resulting in a \$2.2M earnout figure. The earnout is to be paid one-third cash and two-thirds shares (based on a 60-day VWAP ending 30 June 2020).

Whilst this now concludes North's earnout period, George and his team as significant shareholders remain focused on continuing to drive Tesserent's Canberra operation and increasing shareholder value.

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ASX ANNOUNCEMENT

Melbourne – 9 December 2020



ABOUT TESSERENT

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 250 security engineers, 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 and iQ3, making it Australia's largest listed dedicated Cyber Security firm.

Learn more at www.tesseract.com.

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