

TESSERENT ANNOUNCES PLACEMENT

- Approximately \$25m raised through Placement to Institutional, Professional and Sophisticated Investors
- Strong support from high quality new and existing investors with bids for shares significantly over-subscribed
- Net proceeds to fund strategic acquisitions and deferred acquisition cash payments including upfront cash payment relating to the recently announced acquisition of Loop Secure

Tesseract Limited (ASX:TNT) (**Tesseract, TNT, or the Company**) is pleased to announce that, further to the ASX announcement made on 24 September 2021, it has received binding commitments to raise \$25 million by way of an institutional placement to Institutional, Professional and Sophisticated Investors (**Placement**).

The offer price for the Placement \$0.21 per share (**Offer Price**) representing a 9.3% discount to 10-day VWAP of \$0.232.

The Placement will result in the issue of up to approximately 119.0m new ordinary shares (**New Shares**), representing approximately 11.1% of TNT's existing securities on issue. The New Shares issued under the Placement will rank equally with existing TNT shares as at their date of issue.

Julian Challingsworth, TNT's Co-CEO, commented; *"we are pleased at the success of this equity raising to support the enhancement of our core capabilities and operational footprint in strategic high growth locations with a focus on the federal government market. We are grateful to welcome new strong institutional shareholders to the TNT register and we thank existing institutional shareholders for their support. We thank all of our new and existing shareholders for the high level of conviction in our strategy, management team and all of the people driving our business forward."*

Tesseract will use the net proceeds from the Placement to fund strategic acquisitions and deferred acquisition payments comprising:

- Approximately \$6m relating to the upfront cash component of consideration for Loop Secure (~6x EV/EBITDA);
- Approximately \$5m relating to the deferred cash consideration component and earn-out component for Airloom (implied earnout multiple at 2x incremental EBITDA);
- Approximately \$11m relating to first half of the 40% cash consideration of strategic acquisitions under the acquisition strategy previously disclosed to the market (~4.5~6x EV/EBITDA); and
- Approximately \$3m relating to planned investments executed through Tesseract Innovation, and transaction and capital raise costs.

Importantly, none of the cash raised is required for operational cash flow as the business has been generating positive operational cash flows since January 2021.

Timetable

Settlement of the Placement is expected to occur on Friday, 1 October 2021 and New Shares issued, and commence trading on the following business day, Monday, 4 October 2021.

Tesseract shares are expected to resume normal trading on the ASX from market open, Tuesday 28 September 2021.

Curran & Co and Shaw and Partners acted as Joint Lead Managers to the placement.

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 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 cybersecurity threats. With in excess of 360 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 cybersecurity businesses including Pure Security, North Security, Seer Security, Airloom, iQ3, Lateral Security and Secure Logic, making it Australia's largest listed dedicated cybersecurity firm.

Learn more at www.tesseract.com.

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