

## TESSERENT ACHIEVES FY20 FINANCIAL OBJECTIVES AND LOCKS IN ADDITIONAL \$10M FUNDING FOR FUTURE ACQUISITIONS

- **\$40M revenue run rate achieved**
- **Cash flow positivity achieved in June**
- **EBITDA positive achieved in June**
- **Additional \$10M debt facility secured**

Tesserent Limited (ASX: TNT) is pleased to announce that it has achieved two significant milestones.

Firstly, the previously announced FY20 financial objectives have been met:

- \$40M rev run rate achieved (being revenue during the June 2020 quarter annualised).
- EBITDA positive in June (unaudited, subject to audit)
- Cash flow positive from operations in June (unaudited, subject to audit)

The Company will provide a comprehensive Business Update and Commentary later this month accompanying the ASX Appendix 4C.

The Company has also signed an agreement with its existing debt provider, PURE Asset Management (PURE), for a new \$15M Facility. The new Facility replaces the Company's existing \$5m loan and has been struck on improved terms of 8.9% per annum, well below the current interest rate of up to 11.5%. The funds will be drawn down as required to support earnings-accretive acquisitions (three of which are well progressed), as previously set out in TNT's Cyber-360 Strategy. The primary terms of the debt facility are provided in the table below and include new warrants with an exercise price of 12 cents.

Geoff Lord, TNT Chairman, commented; "we're extremely pleased to be working with PURE Asset Management who continue to support the firm's vision and strategy. This new facility provides the funding cornerstone to continue to drive the Company's acquisition strategy with minimal dilutionary impact on our existing shareholders".

Nick Berry, PURE Director, commented: "We are pleased to further our support of Tesserent as it continues to add scale and capability to the business. Cyber Security is a leading agenda item for all Australian company boards, and as a trusted Australian provider to a range of government agencies and leading corporates, Tesserent is well positioned for success. Recent news flow from the Morrison Government only strengthens the likelihood of the industry continuing to deliver structural growth materially in excess of GDP".

Mr. Challingsworth added; "securing this syndicated debt facility lead by PURE, which was significantly oversubscribed, was a result of Tesserent delivering on its FY20 financial objectives and an ability to identify high quality assets contributing to the Company's strategy. This transaction provides capacity and certainty around the funding of future acquisitions".

The Company looks forward to updating shareholders on the progress of new acquisitions that are currently under consideration.

Loan Details	
Facility Structure	An interest-bearing loan facility with Partially Detached Warrant Coverage.
Facility Limit	A\$15,000,000 (A\$10,000,000 excluding refinancing existing PURE facilities)
Facility Maturity Date	48 months from drawdown
Interest Rate	8.9% PA, accruing daily and paid quarterly in arrears.
Warrants	43,750,000
Warrant Exercise Price	\$0.12
<b>Warrant Term</b>	48 months from issue
Security	First ranking general security over all present and after-acquired property of the Borrower and each Guarantor
Use of Proceeds	Refinancing of existing PURE debt facilities; acquisitions; working capital; any other purpose approved by the Lender in writing.

#### ABOUT TESSERENT

Tesserent provides full service, enterprise-grade Cyber Security and networking solutions targeted at mid-market customers in Australia, and internationally in the UK and Korea. The company's Cyber 360 strategy delivers integrated solutions covering identification, protection and 24/7 monitoring against Cyber Security threats.

Tesserent has been transformed via the acquisition of several high-quality Cyber Security businesses including Pure Security, Rivium and North, making it Australia's largest listed dedicated Cyber Security firm.

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

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