

Thales proposes to acquire Tesseract in a recommended transaction, expanding its global cybersecurity leadership



- Tesseract is one of Australia and New Zealand's largest cybersecurity companies, with a calendar year 2022 turnover of A\$185 million (circa €110 million) and ~500 employees across nine offices. As a leading cyber consulting company for Government and Defence, it provides a full suite of cybersecurity solutions and services to medium and enterprise-level organisations.
- This acquisition would enable Thales to accelerate its cybersecurity development roadmap and expand its footprint in [Australia and New Zealand](#). With already €1.5bn (circa A\$2.5bn) in cybersecurity sales in 2022, Thales is a global leader in this field.
- The combination of Tesseract and Thales would provide advanced services to address Cybersecurity needs in Australia and New Zealand, including in the Government and Defence sectors. Powered by the proximity with customers, this combination would address the most sophisticated needs with enhanced service capabilities and high-performance solutions.
- Unanimously recommended by Tesseract's Board of Directors, this acquisition is subject to Tesseract's shareholders' approval and certain other customary conditions.

Melbourne, Australia – Paris, France – Tesseract Limited (ASX: TNT) and Thales (Euronext Paris: HO) are pleased to announce that they have entered into a binding Scheme Implementation Deed (SID) under which it is proposed that Thales will acquire 100% of the shares in Tesseract by way of a Scheme of Arrangement for A\$0.13 per ordinary share in cash valuing Tesseract's equity at A\$176m (circa €107 million)¹.

The combination of Thales and Tesseract will create an experienced provider of much needed cybersecurity services in Australia and New Zealand at a time when the market is expecting double-digit growth through to 2026.

¹Implied equity value based on the consideration of A\$0.13 per Tesseract share multiplied by current shares on issue of 1,354,182,116 shares.

The Tesserent business will continue to be known as Tesserent, and its visual identity will incorporate the “Cyber Solutions by Thales” tagline. It will become the lead Cybersecurity offering of Thales Australia and New Zealand. It will accelerate the growth of cyber solutions operations for Thales customers in Australia and New Zealand, supported by the scale, balance sheet and know-how of the global Thales business.

As a global leader in cybersecurity, Thales is involved at every level of the cyber value chain, offering solutions ranging from risk assessment to protection of critical infrastructure, supported by comprehensive threat detection and response capabilities. Its offer is built around **three families of cybersecurity products and services**, which generated sales of €1.5bn in 2022:

1. **Global security products around the CipherTrust Data Security Platform the SafeNet Trusted Access Identity & Access Management** as a service solution, and the broader cloud protection & licensing offerings
2. **Sovereign protection products** including encryptors and sensors to protect critical information systems
3. Cybels solutions portfolio, a complete suite of **cybersecurity services** including risk assessment, training and simulation, and cyberattack detection and response

Kurt Hansen, CEO of Tesserent, said: *“I am thrilled that, through the proposed transaction, Tesserent teams would be joining Thales, a global leader in cybersecurity. Together we will address the growing Cyber needs in our country, including those of the Australian Government and Defence sectors. I am convinced this transaction would represent a great opportunity to further grow Tesserent’s business and its people.”*

Jeff Connolly, CEO of Thales Australia, said: *“With the acquisition of Tesserent and its highly skilled team of cyber experts, and combined with our own system engineering experts, Thales Australia will establish an Australian/New Zealand leader in Cyber Defence able to best protect the country and its national infrastructure from cyber threats.”*

The Tesserent team will have access to global expertise and a strong balance sheet to provide local Australian and New Zealand businesses both a sophisticated and wide cybersecurity offering in a fragmented market.

After the acquisition of S21sec, Excellium and OneWelcome in Europe in 2022, we continue to accelerate our global cybersecurity strategy and consolidate our leadership in cybersecurity, both for critical infrastructure as well as multinational companies.”

Recommended by all members of the Tesserent Board², the implementation of the Scheme is subject to Tesserent shareholders’ and court approval. In addition, the transaction is subject to regulatory approvals and other customary closing conditions. It is expected to be completed during the second half of 2023.

² Each member of the Tesserent Board recommends that Tesserent shareholders vote in favour of the Scheme at the Scheme meeting in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Tesserent shareholders.

More details on the proposed transaction, including key terms of the Scheme Implementation Deed and indicative timetable, can be found here: <https://investors.tesseract.com/site/investor-information/investor-welcome>

About Thales

Thales (Euronext Paris: HO) is a global leader in advanced technologies within three domains: Defense & Security, Aeronautics & Space, and Digital Identity & Security. It develops products and solutions that help make the world safer, greener and more inclusive.

The Group invests close to €4 billion a year in Research & Development, particularly in key areas such as quantum technologies, Edge computing, 6G and cybersecurity. Thales has 77,000³ employees in 68 countries. In 2022, the Group generated sales of €17.6 billion.

Thales in Cybersecurity

With more than €1.5bn in sales generated in 2022 through an extensive cyber portfolio, Thales counts over 4,000 cybersecurity experts in over 20 countries, including 9 Security Operation Centers globally. It serves cybersecurity customers in more than 50 countries.

Thales in Australia

Thales has a long-standing corporate presence in Australia with 3,800 employees working across 35 sites for a range of government departments and corporate clients.

Thales Australia has a history of patient investment to build advanced in-country capability across manufacturing, critical systems and services. Close collaborative relationships with local customers, Australian SME suppliers and research institutions combined with technology transfer from our global business enables Thales to tailor high quality solutions for Australian and export markets, generating revenue of \$1.6 billion in exports over the past 10 years.

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PLEASE VISIT



³ Excluding Transport business, which is being divested