

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Tesserent Limited

ABN

13 605 672 928

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 13,000,000 ordinary shares
10,000,000 Options |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 13,000,000 ordinary shares - Fully paid ordinary shares
Options are call options exercisable at \$0,05 expiring 3.12.2020 |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Ordinary shares – Yes Options – options are unlisted</p>
<p>5 Issue price or consideration</p>	<p>10,000,000 ordinary shares - \$0.05 per share</p> <p>3,000,000 Ordinary shares – Nil, issued under employee agreement; Options – nil, exercise price is \$0.05 per option</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>10,000,000 Ordinary shares – working capital 3,000,000 Ordinary shares - Issued to employee under employee agreement; Options – issued under placement agreement</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p> <p>No securities were issued under Listing Rule 7.1A</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	3,000,000				
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	20,000,000. Approval given on 21 December 2018				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>Listing Rule 7.1- 17,350,157</p> <p>Listing Rule 7.1A - 14,233,438</p>				
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	8 February 2019 and 12 February 2019				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: middle;">146,334,383</td> <td style="text-align: center; vertical-align: middle;">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	146,334,383	Fully paid ordinary shares
Number	+Class					
146,334,383	Fully paid ordinary shares					

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	1,000,000	Call options exercisable at \$0.20 from 31.08.16 to 31.08.19
	1,000,000	Call options exercisable at \$0.24 from 31.08.17 to 31.08.19
	1,000,000	Call options exercisable at \$0.288 from 31.08.18 to 31.08.19
	500,000	Call options expiring 8 May 2019 exercisable at 40c
	500,000	Call options expiring 8 May 2020 exercisable at 50c
	Chairman's options	
	1,000,000	\$0.10 call options vesting 8 February 2018 expiring 30 November 2021
	1,000,000	\$0.125 call options vesting 8 February 2019 expiring 30 November 2021
	1,000,000	\$0.15 call options vesting 8 February 2020 expiring 30 November 2021
	10,000,000	Call options expiring 3 December 2020 exercisable at 5c.
	Managing Director options See table below	

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Series No	Class	number	Date of issue/	vesting condition
Options exercisable at nil consideration	Right to acquire 2,000,000 Shares	Within 1 month of the date of this meeting	Completion of acquisitions adding in excess of \$10m in annual revenue	1 July 2020
Options exercisable at nil consideration	Right to acquire 1,000,000 Shares	Within 1 month of the date of this meeting	Subject to Series 2 Options not vesting Completion of acquisitions adding between \$1m and \$10m in annual revenue	1 July 2020
Options exercisable at nil consideration	Right to acquire 3,000,000 Shares	Within 1 month of the date of this meeting	The Company achieving a market capitalisation in excess of \$50m for 5 consecutive trading days	1 July 2020
Options exercisable at nil consideration	Right to acquire 3,000,000 Shares	Within 1 month of the date of this meeting	The Company achieving a market capitalisation in excess of \$75m for 5 consecutive trading days	1 July 2020
Options exercisable at nil consideration	Right to acquire 4,000,000 Shares	Within 1 month of the date of this meeting	The Company achieving a market capitalisation in excess of \$100m for 5 consecutive trading days	1 July 2020
Options exercisable at \$0.015 per option	The number that is 5% of amount of capital raised from investors during the period divided by \$0.15	Within 1 month of the date of this meeting	Recipient to manage raising funds through issues of capital	1 July 2020

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged
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Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	

+ See chapter 19 for defined terms.

- | | | |
|----|---|--|
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |

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- | | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

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Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Company secretary)

Date: 12 February 2019

Print name: OLIVER CARTON

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	117,074,600
<i>Add</i> the following:	16.05.18 700000
• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2	18.05.18 412086
• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval	18.05.18 352000
• Number of partly paid +ordinary securities that became fully paid in that 12 month period	04.06.18 4,072,860
<i>Note:</i>	06.06.18 3070000
• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i>	21.06.18 360,000
• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i>	14.08.18 4342837
• <i>It may be useful to set out issues of securities on different dates as separate line items</i>	12.10.18 950000
	13.12.18 1000000
	08.02.2019 10,000,000
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	142,334,383

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”					
“B”	0.15 <i>[Note: this value cannot be changed]</i>				
Multiply “A” by 0.15	21,350,157				
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used					
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<table> <tr> <td>12.12.2018</td> <td>1,000,000</td> </tr> <tr> <td>12.02.2019</td> <td>3,000,000</td> </tr> </table>	12.12.2018	1,000,000	12.02.2019	3,000,000
12.12.2018	1,000,000				
12.02.2019	3,000,000				
“C”	4,000,000				
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1					
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	21,350,157				
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	4,000,000				
Total [“A” x 0.15] – “C”	17,350,157 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>				

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	142,334,383
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	14,233,438
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	0
“E”	0

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	14,233,438
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	14,233,438 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

ASX ANNOUNCEMENT | TESSERENT LIMITED

MELBOURNE – 12 February 2019

Cleansing Notice

This notice is given by Tesseract Limited (Company) under Section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act).

The Company hereby confirms that:

(a) the Company has issued fully paid ordinary shares and options (Securities) in the number, at the issue price, on the terms and for the purposes as set out in the ASX Appendix 3B lodged on 12 February 2019.

(b) the Securities were issued without disclosure to investors under Part 6D.2 of the Corporations Act;

(c) the Company is providing this notice under paragraph 5(e) of section 708A of the Corporations Act;

(d) as at the date of this notice the Company, as a disclosing entity under the Corporations Act, has complied with:

- (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (ii) section 674 of the Corporations Act as it applies to the Company; and

(e) as at the date of this announcement, there is no excluded information of the type referred to in Sections 708A(7) and 708A(8) of the Corporations Act.

About Tesseract

Tesseract is a specialist in managed cyber security. Tesseract has built its own platform for the delivery of managed cyber-security, which it deploys for the management of its own customers and also licenses to partners around the world to enable them to deliver effective cyber-security management to their customers.

For more information, please visit the company's web site at www.tesseract.com.

Contact

Oliver Carton, Company Secretary

Phone: +61 (0)3 9880 5559

E-mail: investor@tesseract.com

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