



TESSERENT

ASX ANNOUNCEMENT

Melbourne – 27 July 2018

TESSERENT APPOINTS AN INTERIM CEO TO LEAD ACQUISITIONS, INTEGRATION AND ACCELERATED GROWTH

The Board of Tesseract announced today that it has appointed Mr Julian Challingsworth as Interim Chief Executive Officer (“CEO”) of the company, effective 1 August 2018. “With the recent signing of the binding terms sheet to acquire Asta Solutions Pty Ltd (“Asta”), our headcount will increase from approximately 20 to over 100. It is critical that we focus on effective integration, leveraging organisational efficiencies and creating a strong platform for future growth. Julian will be critical in executing and leading this change and delivering on our growth acceleration strategy” stated the company Chairman, Rob Langford.

Founding CEO Keith Glennan said: “Our transition onto the ASX in early 2016 provided a great platform from which to grow the company. As a significant shareholder in Tesseract, I am excited about our appointment of Julian and the skills he brings to us to accelerate the next stage of the company's growth. I am looking forward to continuing to serve on the board and also taking on the role of Chief Technology Officer to drive the technical strategic direction of the business. This is an exciting time to be working in technology and an exciting time to be a shareholder in Tesseract.”

Julian joins Tesseract after serving as a Managing Director and Partner of The Litmus Group for over 10 years and a board member of PPB Advisory. In addition to advising over 20 organisations on growth acceleration strategies in Australia, Asia and Europe, Julian was a key driver in growing Litmus multiple business units in Australia and internationally before it was acquired by PPB Advisory.

Julian was a Director of Cordence World Wide a global consulting partnership with 2,800 consultants across 60+ locations. Julian worked with the international team to develop sales and growth strategies for the 8 member firms.



Incoming CEO Julian Challingsworth commented “I excited to be joining the company at such an exciting time in its development. The company has a great foundation and with the acquisition of Asta is in a great place to deliver for customers, staff and shareholders.”

With a strong professional services and corporate finance background, Julian has a Masters of Organizational Consulting from Ashridge Business School (UK), a Graduate Diploma in IT, Swinburne University (Australia) and a Bachelor of Business, Accounting, RMIT (Australia).

Julian is a Non-Executive Director of Online Power and Gas Pty Ltd, a member of the Chartered Accountant (CAANZ), Fellow Australian Certified Practising Accountant (F CPA) and a Graduate Australian Institute of Company Directors (GAICD).

The key terms and conditions of Mr Challingsworth’s appointment are set out in Attachment 1.

ABOUT TESSERENT

Tesseract is a specialist in managed cyber security and networking. Tesseract provides enterprise-grade managed cyber security and networking services to corporate customers in Australia and overseas. Tesseract also provides innovative cyber-security services to small-medium businesses via the CyberBiz suite of services.

CONTACT

Please forward all investor related enquiries to Company Secretary.

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ATTACHMENT 1

JULIAN CHALLINGSWORTH

Key terms and conditions of employment.

| | |
|--|---|
| Total base remuneration inclusive of superannuation | \$200,000 |
| Short term incentive based on meeting defined KPIs | \$75,000 |
| Sign-on share package* | 1M ordinary fully paid shares (Shares) |
| Performance-based share package*: | |
| • For acquisitions that add greater than \$10M in revenue | 2.0M Shares |
| • For acquisitions that add greater than \$1M and less than \$10m in revenue | 1.0M Shares |
| • Achieving market capitalisation of \$50M | 3.0M Shares |
| • Achieving market capitalisation of \$75M | 3.0M Shares |
| • Achieving market capitalisation of \$100M | 4.0M Shares |
| Capital raising incentive* Management of capital raising from investors | Call Options exercisable at \$0.15 per option. The number of options issued to equal 5% of the value of the capital raising divided by \$0.15. |
| Term | 12 months |
| Notice period without cause | 3 months |

* All issues of Shares are subject to Shareholder approval. No Shares will be issued unless this approval has been obtained