



TESSERENT

9 January 2018

Kobe Li
Senior Adviser, Listings Compliance
ASX Limited
By email: Zheng.Li@asx.com.au

Dear Kobe Li,

ASX Price and Volume Query Response

Tesseract Limited (“TNT” or “the Company”) provides the following responses to the share price and trading volume query from the Australian Securities Exchange dated Tuesday, 9 January 2018 in accordance with Listing Rule 18.7A

1. Is TNT aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

No

2. If the answer to question 1 is “yes”:

a) Is TNT relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Not applicable

b) Can an announcement be made immediately?

Not applicable

c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Not applicable

3. If the answer to question 1 is “no”, is there any other explanation that TNT may have for the recent trading in its securities?



TNT is unaware of any specific circumstance that may explain the recent trading in its securities however notes the following:

Approximately 55% of TNT securities are held in escrow by long term holders and TNT securities are therefore usually thinly traded with large gaps between buy and sell bids. This means that relatively small volumes of trades can increase or decrease the TNT share price significantly. For example, as at the date of this letter the share price traded in a range between 9c and 12c and closed at 10c.

TNT recently launched CyberBiz, a new product suite offering affordable enterprise level cyber security to small and medium sized businesses. The SMB market opportunity is significant, with more than 2M small and medium businesses operating in Australia alone. The CyberBiz launch incorporated above-the-line advertising including billboards, radio, social media and a dedicated new website www.cyberbiz.com.au. The CyberBiz launch campaign has increased the awareness of TNT within our key customer markets as well as the investor community. Following the launch of the CyberBiz Campaign, the CyberBiz website received 7.9K click-throughs from online promotional material, high ranking performance via Google paid search and more than 27,000 views of the CyberBiz video advertisement in the first two weeks alone.

Tesseract is also continuing to bolster our go-to-market model by adopting a channel sales model in Australia to sell CyberBiz to small and medium businesses within Australia. Tesseract has received a strong response to the Channel Partner Program and is working towards significant growth in this part of the business during 2018. The new sales and marketing activities have similarly increased TNT's profile with potential channel partners.

In addition, a recent post on Australia's largest securities trading social media website highlighted that TNT's share price is undervalued compared to its peers, many of whom have significantly less revenue and do not have Tesseract's depth of long-term annuity blue-chip customers providing a solid revenue base for the duration of the customer contract (typically three years).

4. Please confirm that TNT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Tesseract confirms it is in compliance with the Listing Rules, including Listing Rule 3.1



5. Please confirm that TNT'S responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TNT with delegated authority from the board to respond to ASX on disclosure matters.

Tesseract confirms that the responses to the above have been authorised and approved in accordance with its published continuous disclosure policy.

Yours sincerely

Oliver Carton
Company Secretary



9 January 2018

Oliver Carton
Company Secretary
Tesseract Limited

By email: ocarton@optusnet.com.au

Dear Mr Carton

Tesseract Limited (“TNT”): price query

We note the change in the price of TNT’s securities from a close of 6 cents on 4 January 2018 to an intraday high of 12 cents today.

We also note the significant increase in the volume of TNT’s securities traded in the past few days.

In light of this, ASX asks TNT to respond separately to each of the following questions and requests for information:

1. Is TNT aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether TNT is aware of any information that its earnings for the 6 month period ending on 31 December 2017:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
- b) if TNT has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if TNT is not covered by analysts, its earnings for the prior corresponding period)?

2. If the answer to question 1 is “yes”:

- a) Is TNT relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in TNT’s securities would suggest to ASX that such information may have ceased to be confidential and therefore TNT may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

3. If the answer to question 1 is “no”, is there any other explanation that TNT may have for the recent trading in its securities?
4. Please confirm that TNT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that TNT’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TNT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 am AEDT) on Wednesday, 10 January 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in TNT’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, TNT’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Zheng.Li@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to TNT’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that TNT’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in TNT’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and

- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Kobe Li
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