For personal use only

TESSERENT

AGM INVESTOR UPDATE

TESSERENT LIMITED (ASX:TNT)

22ND NOVEMBER 2017

For personal use only

DISCLAIMER

This presentation has been prepared by Tesserent Limited (the "Company"). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so).

Neither the Company, nor its related bodies corporate, officers, their advisers, agents and employees accept any responsibility or Liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Competition and Consumer Act 2010 or any corresponding provision of any Australian state or territory Legislation (or the Law of any similar Legislation in any other jurisdiction), or similar provision under any applicable law. Any such responsibility or liability is, to the maximum extent permitted by Law, expressly disclaimed and excluded.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

Future Matters
This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company.

Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or Implied, is made by the Company, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties may cause the Company's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

US Disclosure
This document does not constitute any part of any offer to sell, or the solicitation of any offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). The Company's shares have not been, and will not be, registered under the Securities Act or the securities Laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

For personal use only

TESSERENT
COMPANY PROFILE

For personal use only

COMPANY PROFILE

TESSERENT

- Tesserent is a Managed Security Services Provider (MSSP), providing world-class managed security services to customers in Australia and overseas.
- Utilising our direct and wholesale channels, Tesserent services end-customers in 11 countries and territories globally.
- Traditionally, Tesserent has focused on corporate and government customers, however Tesserent has recently launched CyberBiz, an innovative managed cyber-security service focusing on the SMB market.

ASX:TNT	
Total Ordinary Shares	117,074,600
Cash Balance (at 30 September 2017)	A$1.947m
Share Price (20 November 2017)	5.8 cents
Market Capitalisation	A$7m

For personal use only

Our Board

TESSERENT

Russell Yardley – Chairman
Russell has over 35 years of entrepreneurial and corporate experience in the IT sector. Russell founded his first company in 1985 which was one of Australia's first multimedia businesses. Russell is Founder and Chairman of The Resolution, Chairman of Powerhouse Ventures Limited (ASX: PVL), non-executive chairman National eResearch Collaboration Tools and Resources project for the Federal Government, non-executive director for Wunderman Bienalto 2012-current and board member of the Victorian Government Purchasing Board.

Greg Baxter – Non-Executive Director
Greg is currently Chief Digital Officer at MetLife. Previously Greg was Global Head of Digital at Citibank and a Partner and U.K. Board member at Booz & Company. Additionally, Greg is a council member of Chatham House, a leading international affairs think tank.

Keith Glennan – Managing Director
Keith has been in the IT industry for over 30 years and operating in the managed security business since 2002. Keith formulated Tesserent's current business strategy and has been CEO since 2012.

Steve Bertamini – Non-Executive Director
Steve has extensive finance experience. He is currently CEO of Al Rajhi Bank, a bank with total assets of over 70 billion USD. Steve was formerly CEO of GE Australia and New Zealand and CEO of Consumer Banking at Standard Chartered Bank.

For personal use only

EXECUTIVE MANAGEMENT

TESSERENT

David Buerckner
Head of Security Operations

David has over 30 years experience in the IT sector. David spent more than 15 years at IBM in key roles. More recently, David has held a variety of leadership roles at Interactive Pty Ltd and has been responsible for large projects such as ISO27001 certification, and the establishment of an internal MPLS network.

Karen Negus
Head of Sales and Marketing

Karen is an experienced business executive with over 16 years experience in Marketing and Sales within the IT and Telco sectors. Karen held several management positions at Telstra before owning and operating her own retail telecommunications business. More recently she was responsible for Check Point's SMB sales and marketing in A/NZ.

Justin Owen
Chief Financial Officer

Justin is a highly qualified and results driven finance executive with over 25 years experience in financial and business performance management. With significant experience as CFO and adviser to ASX listed companies Justin is able to draw on his experience and industry expertise as part of the Tesserent Leadership Team.

For personal use only

FY17
IN REVIEW

For personal use only

FY17 Key Financial Highlights

TESSERENT

CASH RECEIPTS
↑ 31% YoY
FROM $4.644M TO $6.088M

REVENUE
↑ 13.7% YoY
EXCLUDING PROCEEDS FROM MYNET SALE

$4.23M IN SALES
TOTAL CONTRACT VALUE (TCV)

$2.86M CASH POSITION
30 JUNE 17

$5M CONTRACTED REVENUE TO BE BILLED

↓ PERSONNEL COSTS

SALE OF MYNET FOR $3.95M
CONSISTING OF $3.4M CASH AND $0.55M IN FZO SHARES

DEBT FREE

For personal use only

FY17 Key Operational Highlights

TESSERENT

Developed CyberBiz – creating a significant new market opportunity and revenue stream from the untapped SMB market.

Formed strategic vendor partnerships with Palo Alto Networks and AlienVault, enabling Tesserent to broaden our firewall offering and introduce SIEM to our product suite.

Opened new Security Operations Centre, driving customer acquisition and enabling the expansion of services.

Negotiated a strategic funding arrangement with Dell Finance to better manage the upfront costs associated with hardware deployment at customer sites.

Tesserent Security Operations Centre

For personal use only

CONTINUING TO ATTRACT LEADING BRANDS

TESSERENT

FY17 Sales: $4.23M TCV

TOYOTA INSURANCE
Cover as reliable as your Toyota

pwc

Geomatic Technologies

AustCyber
Australian Cyber Security Growth Network

independence AUSTRALIA

GREATER SHEPPARTON

20 Years
GOOD NEWS LUTHERAN COLLEGE

CONTINUING TO RETAIN LEADING BRANDS

TESSERENT

For personal use only

For personal use only

FY2017

SUMMARY OF FINANCIAL RESULTS

For personal use only

FINANCIAL SUMMARY

TESSERENT

	2015	2016	2017	Change
	$'000	$'000	$'000	%
Revenue	**3,750**	**4,753**	**5,405**	13.7%
Cost of sales	1,292	1,948	2,348	
Gross margin	**2,458**	**2,805**	**3,057**	
Cash receipts				
Customers	3,642	4,797	6,385	33.1%
Sonar/MyNet Sale Proceeds	-	-	3,429	
Total	**3,642**	**4,797**	**9,814**	104.6%
Cash	**517**	**3,861**	**2,861**	
Borrowings	**1,323**	**-**	**-**	

For personal use only

STRATEGIC CHANGE TO DELIVER GROWTH

The Timing is NOW…The Market is Ready for CyberBiz.

“Most people are starting to realise that there are only two different types of companies in the world; those that have been breached and know it, and those that have been breached and don’t know it.”

Ted Schlein, Venture Capitalist, Kleiner Perkins Caufield & Byers
An excerpt from NSW Small Business Commissioner, 2017 Cyber Report

For personal use only

For personal use only

STRATEGIC GROWTH

TESSERENT

Business Optimisation Review

- Tesserent has a strong history and a loyal customer base in the corporate/government managed security services market.
- The worldwide managed security services market grew by 10% in 2016[3].
- Tesserent's revenue grew 13.7% during FY17.
- The corporate security market is highly competitive.
- This part of the business can deliver reliable revenue and growth on par with the market, however significant business growth, to meet investor expectations, requires a new way of thinking.

[3]Source: Gartner, Market Share: Managed Security Services Worldwide, 2016. ID:G00323838

ADAPTING FOR GROWTH – SMB EXPANSION

TESSERENT

Tesserent identified the SMB cyber security market as a major growth opportunity.

- Tesserent has the opportunity to build a significant new business servicing the SMB market.
- CyberBiz utilises Tesserent's existing, scalable, proprietary security platform.
- A new go-to-market strategy enables a mass market approach:
  - Develop a Channel Partner Model to ensure CyberBiz has representation at the SMB coalface.
  - Attract SMB customers with comprehensive product features and disruptive pricing.
  - Build a brand that will be synonymous with SMB cyber security.

CyberBiz targets more than 2 Million SMB customers in Australia alone.

For personal use only

For personal use only

THE CYBERBIZ STRATEGY

TESSERENT

- Be different…provide a high-value, comprehensive, security solution for SMB customers.
- Optimise our assets - target the SMB mass market, utilising our scalable proprietary platform.
- Build a channel partner go-to-market model, creating a nation-wide sales and technical workforce.

Building the CyberBiz Channel Partner Go-To-Market Model

RECRUIT NEW CHANNEL PARTNERS → ENGAGE SALES TEAMS → UPSKILL TECHNICAL TEAMS → PROMOTE AND INCENTIVISE PARTNERS

Initial CyberBiz Channel Partners:

Asta Trusted with IT | WHITEHAWK | AcroTec

For personal use only

THE CYBERBIZ CAMPAIGN

TESSERENT

Titled "Exposed", the first CyberBiz brand campaign is a cheeky representation of how SMBs can go about their business, unaware of their exposure to cyber risks.

For personal use only

SMB Focused Website – www.cyberbiz.com.au

TESSERENT

CyberBiz.com.au makes it easy for small and medium businesses to find a cyber security plan that suits their needs.

For personal use only

THE CYBERBIZ VIDEO ADVERTISEMENT

TESSERENT

Video advertisement can be viewed at www.cyberbiz.com.au

For personal use only

CyberBiz Campaign Metrics

TESSERENT

The CyberBiz campaign is driving brand awareness through digital media, out-of-home advertising (billboards) and radio.

Radio & Billboards	Google Adwords	Video Advertisement	Website: CyberBiz.com.au
Activity commenced 1st November 2017.	**Impressions**: 18,239	**Impressions**: 192,310	**Page Views**: 7,939
	Click through: 290	**Views**: 27,739	**Unique Visitors**: 6,273

Campaign data 1st – 14th November 2017

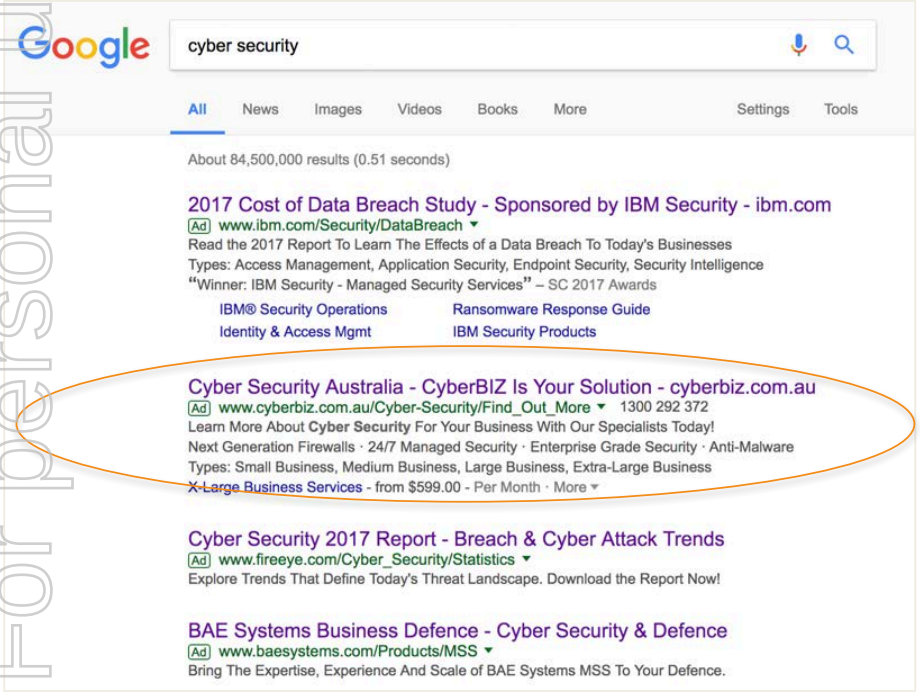
For personal use only

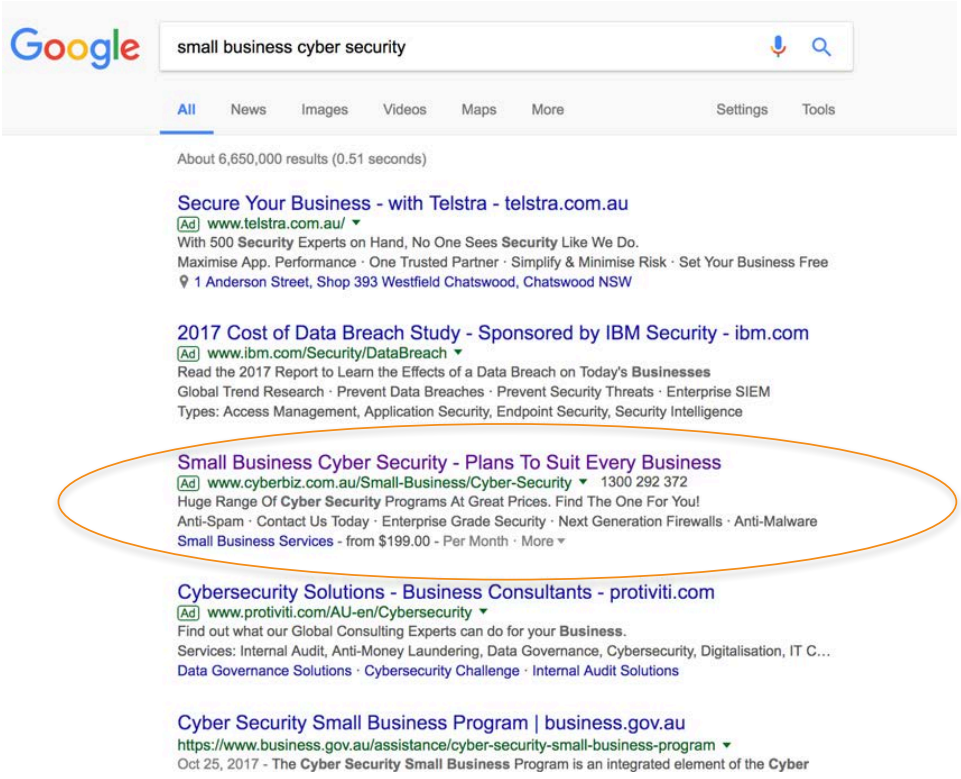
CyberBiz Campaign Metrics

TESSERENT

The CyberBiz campaign has significantly increased Tesserent's presence on Google Search.

CyberBiz is the No. 2 ranking search response for search term "Cyber Security" and No. 3 ranking search response for "small business cyber security"





For personal use only

CyberBiz Campaign Metrics

TESSERENT

The CyberBiz campaign is building brand awareness and raising the profile of SMB Cyber Security.

Current promotional channels:

- Social Media
- Google AdWords
- Melbourne based Billboards
- Radio – Melbourne's 3AW

Key insights:

- Cyberbiz.com.au microsite launched.
- 7.9K click-throughs to website from online promotional material.
- High ranking performance via Google paid search.
- More than 27,000 people have viewed the CyberBiz video advertisement.

For personal use only

Next Steps – Execution & Promotion

TESSERENT

CyberBiz has launched!
We are now focused on building an effective channel network to grow sales and an Investor Relations strategy to take the investment community on our journey.

Sales Execution:

- Build channel partner community.
- Execute partner support program (training, incentives and promotions).
- Maintain brand campaign to support channel sales initiatives and create lead generation.

Investor Promotion:

- Investor relations program to promote the scalability and potential of CyberBiz.
- Broker Roadshow.
- Increased investor communication.

CYBERBIZ
We've got you covered

For personal use only

KEEP UP TO DATE WITH TESSERENT

Follow us on LinkedIn: https://www.linkedin.com/company/tesserent

Follow us on Twitter: https://twitter.com/tesserent
@tesserent

Website: www.tesserent.com

Website: www.cyberbiz.com.au

For personal use only

CONTACTS

Investors:
Oliver Carton
Company Secretary
E investor@tesserent.com
T +61 3 9880 5559

Media:
Karen Negus
Head of Sales & Marketing
E Karen.Negus@tesserent.com
T +61 3 9880 5512