28 August 2026

ASX ANNOUNCEMENT

Senetas Corporation Limited

Full Year Results for the year to 30 June 2026

MELBOURNE, AUSTRALIA – Senetas Corporation Limited (ASX: SEN) (Senetas / The Company), a global leader in sovereign-grade, mission-critical network encryption solutions, today announced its financial results for the year ended 30 June 2026.

Highlights:

- Senetas revenue of $20.2 million – up 4.7% on the prior period. On a constant currency basis[1] revenue was 9.3% higher
- Good revenue growth in key focus markets of EMEA (+22%) and ANZ (+17%), and the Company's first ever revenue from the South American region
- Senetas business segment underlying operating EBITDA[2] of $1.24 million – slightly below the prior period on a constant currency basis (FY2025: $1.28 million)
- Senetas generated strong operating cash flow of $4.4 million during the year (FY2025: outflow of $3.6 million), a substantial turnaround of $8.0 million
- The final cash payment in relation to the sale of the Votiro business was made by the purchaser (Menlo Security Inc. (Menlo)) to VGM Aust Holdings Pty Ltd (VGM) in February 2026. The US$ value of VGM's investment in Menlo grew 6% to US$21.4 million in the six months to June 2026
- Continued focus on capital management in FY2026 with a $2 million capital reduction and share consolidation completed in December 2025
- Consolidated cash on hand at 30 June 2026 was $18.6 million. The cash balance at 30 June 2026 was prior to the completion of a further $3.5 million capital reduction in early August 2026
- The sales pipeline for Senetas in FY2027 is strong and operating revenue is at this stage expected to grow broadly in line with FY2026 via organic growth and a rebound in maintenance revenue off the back of strong FY2026 product sales. Potential further revenue upside from new market opportunities
- Senetas retains a strong, profitable and cash generative outlook for the underlying Senetas business plus:
  - $18.6 million of consolidated cash on hand at 30 June 2026 ($1.12 per share); and
  - An indirect interest in Menlo via VGM, valued at approximately $21.0 million ($1.26 per share)

[1] Constant currency analysis reflects prior year numbers restated using current period foreign exchange rates

[2] Refer Appendix for reconciliation of Senetas segment underlying operating EBITDA to reported segment PBT

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FY2026 CEO Commentary

Commenting on the year to 30 June 2026, Senetas CEO, Andrew Wilson, said: “FY2026 was a year of solid growth for Senetas, with revenue increasing 4.7% to $20.2 million, or 9.3% higher on a constant currency basis. Almost 90% of Senetas revenue is earned in US$ so the strengthening of the Australian dollar during the year impacted on our reported result.

“We continued to expand the addressable market for our security solutions during the year, achieving strong revenue growth in EMEA and Asia Pacific, and recording our first ever revenue from the South American region. Significant momentum has also built within Asia, where opportunities in two markets are nearing initial sales.

“Our strong sales pipeline required our global distribution partner, Thales, to build inventory during the year, which had a temporary impact on gross margins, however, the inventory build reflects the very strong pipeline of sales opportunities in FY2027. Gross margins nonetheless remained strong at 82%, in line with long term historical trends.

“During the year we also made significant progress on product development including development of our next generation 10Gbps and 100Gbps encryptors, and further enhancements to our sovereign and post-quantum encryption capabilities. Senetas has also progressed development of our new Governed Data Layer platform for enterprise AI governance, including implementing a comprehensive intellectual property strategy with a US multi-tiered patent application platform. This represents an exciting new growth opportunity for the Company, albeit one that remains in the early stages of development.

“Our financial position remains strong, with operating cash flow of $4.4 million for the year, an $8.0 million turnaround from the prior year, and $18.6 million of cash on hand at 30 June 2026. We also completed a further $3.5 million capital reduction to shareholders in early August 2026, in addition to the $2.0 million capital reduction completed in December 2025.”

FY2026 Summary Financials

Year ended 30 June 2026 ($000’s)	FY2026	FY2025
Consolidated Continuing Operations		
Revenue from continuing operations	20,165	19,254
Materials and support services expense	(3,589)	(2,498)
Gross profit from continuing operations	16,576	16,756
Gross margin	*82%*	*87%*
Profit (loss) before tax for continuing operations	(610)	338
Profit (loss) after tax for continuing operations	(825)	204
Profit (loss) after tax for continuing operations attributable to members	429	1,526
Senetas Operating Segment		
Senetas segment revenue	20,165	19,254
Senetas segment EBITDA	4,886	(14,058)
Senetas segment underlying operating EBITDA[1]	1,237	1,955

[1] Excludes non-cash movements in the valuation of Senetas’s investment in VGM to show the underlying EBITDA from core operations – refer Appendix for reconciliation of Senetas segment underlying operating EBITDA to PBT

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- FY2026 consolidated revenue of $20.2 million was 4.7% higher than the prior period (FY2025: $19.3 million); on a constant currency basis revenue was up 9.3%
- FY2026 operating cash flow was $4.4m. This reflects a $8m improvement from FY2025
- Gross margin was strong at 82% but lower than the prior period (FY2025: 87%), reflecting a higher proportion of lower margin inventory transfer sales to Senetas's global distribution partner during the year
- The inventory build by Senetas's global distribution partner supports a strong sales pipeline for FY2027
- The consolidated loss before tax was largely attributable to the higher materials and support services expense, a $0.9 million foreign exchange loss on the Votiro sale proceeds received in February 2026, and the impact of the stronger Australian dollar on revenue growth
- For the Senetas operating segment, underlying operating EBITDA was $1.2 million (FY2025: $2.0 million), with the decline attributable to the lower gross margin and FX impacts on revenue growth. On a constant currency basis, Senetas business segment underlying operating EBITDA of $1.24 million was slightly below the prior period (FY2025: $1.28 million)

Senetas operational review

Senetas segment revenue was $20.2 million for the year, up 4.7% on the prior period (FY2025: $19.3 million). As almost 90% of Senetas revenue is earned in US dollars, the strengthening of the Australian dollar against the US dollar across FY2026 had a negative impact on reported revenue growth and earnings. On a constant currency basis revenue was up 9.3% over FY2025.

FY2026 operating cash flow was $4.4 million. This reflects a $8 million turnaround from FY2025.

Product sales increased 22% over the prior period, while maintenance revenue was lower than anticipated due to the timing of large contract renewals and subsequent revenue recognition. With good sales growth achieved in FY2026, maintenance revenue is expected to grow well in FY2027. Maintenance revenue is recognised monthly over the term of the agreement though paid upfront. In FY2026 many sales were delayed until late in the year resulting in strong cash receipts but deferred recognition of revenue.

There was good revenue growth in the Middle East (+22%) and ANZ (+17%) during the year, together with Senetas's first sales into South America, with further stages of that project anticipated for FY2027 and beyond. Significant momentum has also built within Asia, where opportunities in two markets are nearing initial sales.

The strong sales pipeline required Thales to build inventory during the period, leading to a materials and support services expense that was $1.1 million higher than FY2025. This had a negative impact on gross margins in FY2026 but reflects the strong sales outlook for FY2027. Gross margins nonetheless remained strong at 82%.

The key focus for Senetas in FY2026 was to continue expanding the addressable market for the Company's security solutions. These initiatives have a number of aspects including:

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- Expanding and upgrading of security certifications in order to increase the use cases for Senetas products and to access markets where Senetas has not previously had access (e.g. Asia, Middle East and South America)
- New alliance with Nokia to deliver joint capabilities specifically designed for mission-critical network environments
- Product developments such as quantum readiness, enhanced customisation capabilities, virtualisation etc
- Implementing new customer requests to provide bespoke products utilising country specific sovereign encryption algorithms
- A recent project exploring the potential for Senetas developed technology for use in enterprise AI governance

Senetas product development

With the Company's positive operational outlook, strong balance sheet and cash flow position, Senetas continues to invest heavily in R&D to support the business growth outlook. Key areas of focus for R&D in FY2026 included:

- Ongoing development of the next generation Senetas 10Gbps and 100Gbps hardware encryptors
- Continued development of sovereign encryption capabilities – these capabilities are unique and address a gap in the market
- Ongoing security certification updates and upgrades, and enhancements to Senetas post quantum encryption capabilities

Enterprise AI Governance

Senetas is also developing a unique Governed Data Layer platform for enterprise AI governance. It is a security system for letting AI systems work with sensitive company data without exposing that data to leaks or misuse.

The software enforces security policy directly in the data path, with governance policies attaching to the data and extending into AI models, ensuring AI assistant/agent outputs remain strictly within user clearance limits. It is based on the technology behind SureDrop.

Senetas has recently implemented a comprehensive intellectual property strategy around its Governed Data Layer platform, including a robust, US multi-tiered patent application platform directed to enterprise AI governance, secure information disclosure, and the underlying platform architecture. The portfolio is designed to protect both foundational innovations and key commercial implementations, while supporting continued innovation through future patent prosecutions and patent filings.

This project represents a very exciting opportunity with the potential for significant scalability over time. It will be a significant focus of the Senetas R&D program in FY2027, however, it remains in the relatively early stages of development and is not expected to become revenue producing in the short to medium-term.

Senetas expects R&D expenditure in FY2027 to increase by approximately $1.0-1.5 million to support higher certification renewal and upgrade requirements, and increased investment in the development of our new Governed Data Layer platform.

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Capital Management

A strong balance sheet and positive cash flow outlook has continued to support the Senetas board's ongoing review of the Company's capital structure and near-term capital management initiatives.

Following shareholder approval at the 2025 Annual General Meeting, Senetas completed an equal capital reduction of approximately $2 million to shareholders and a 100:1 share consolidation, being the consolidation of every 100 fully paid ordinary shares into 1 fully paid ordinary share, in December 2025. Following the share consolidation Senetas has approximately 16.6 million fully paid ordinary shares on issue.

Consistent with its stated intention to review opportunities for additional capital management activity as cash levels build above business requirements, the Senetas board completed a further $3.5 million capital reduction to shareholders in early August 2026.

Both the December 2025 and August 2026 capital reductions are the subject of a ruling from the Australian Taxation Office in relation to their treatment for tax purposes in the hands of shareholders. At the end of August 2026 those tax rulings remain outstanding.

The Senetas board will continue to monitor the Company's cash flow outlook and review opportunities for additional near and medium-term capital management activity.

Indirect investment in Menlo Security Inc

In February 2025, Senetas announced the sale of the Votiro operating business to Menlo. The transaction was structured as a sale by Votiro Cybersec Global (Australian incorporated Votiro parent company now known as VGM) of its wholly owned operating subsidiary companies.

The consideration for Votiro was split between cash and scrip consideration. The final cash payment in relation to the sale of the Votiro business was made by Menlo to VGM in February 2026. The majority of the funds were used to part repay loans outstanding to Senetas and VGM's other major shareholder.

Senetas, via its investment in VGM, has a minority shareholding representing approximately 1.6% of the issued capital of Menlo. The value of VGM's investment in Menlo is revalued each financial period and is currently independently assessed as $31.0 million (disclosed in the Senetas balance sheet as financial asset at FVTPL). Senetas has both equity in, and a loan to, VGM valued at $21.0 million.

The US$ value of VGM's investment in Menlo grew 6% to US$21.4 million in the six months to June 2026.

Balance sheet and cash flow

Consolidated net assets for Senetas at 30 June 2026 were $44.3 million, or $2.67 per share, with cash on hand of $18.6 million and no debt in the Senetas operating business.

The higher cash balance at 30 June 2026 reflects the receipt of the final cash instalment on the sale of the Votiro business and strong operating cash flows during the year. Lower trade receivables reflect the receipt of the Votiro payment. Total liabilities were broadly in line with the prior year.

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Operating cash flows for the year were $4.4 million, compared with an outflow of $3.6 million in FY2025, an $8.0 million turnaround. The strong cash flow reflects good sales growth and maintenance receipts, and the elimination of Votiro-related cash outflows that were included in part of the prior period.

Investing cash inflows of $6.3 million reflect the final cash receipt from Menlo. in relation to the sale of Votiro. Financing cash outflows of $3.6 million largely reflect the $2 million capital return completed in December 2025, plus the part repayment by VGM of its loan outstanding to another VGM major shareholder.

The financial asset at FVTPL of $31.0 million represents 100% of the current value of VGM's investment in Menlo. following the sale of the Votiro business in February 2025. The value of Senetas's investment (equity and loan) in VGM was $21.0 million at 30 June 2026. The underlying US$ value of the investment grew over the six months to June 2026, however, the A$ value remained relatively constant due to the recent strength of the Australian dollar.

Outlook

Commenting on the Company's outlook, Mr Wilson said: "The sales pipeline for Senetas in FY2027 is strong, and at this stage we expect operating revenue to grow broadly in line with FY2026, supported by organic growth and a rebound in maintenance revenue following strong FY2026 product sales.

"We expect gross margins to remain in line with historic levels.

"There is the potential for upside to our revenue growth expectations that may come from a number of pending projects should they proceed during FY2027. These include initial sales and service agreements into the new markets we have been developing in Asia, potentially large North American government and defence opportunities, further sales into the growing Middle East markets, and the next phases of the South American opportunity that was secured in FY2026.

"The indirect investment in Menlo shares continues to represent a significant growth asset for Senetas shareholders. Menlo continues to grow strongly, having surpassed US$140 million of annual recurring revenue in the year to January 2026. While no liquidity event for Menlo has been announced at this stage, we continue to expect a transaction is likely in the next 12 to 24 months, and the board will continue to evaluate further capital management initiatives in the context of such an event."

END

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APPENDIX – FY2026 EBITDA & Net Profit reconciliations

1. FY2026 Senetas Segment Underlying Operating EBITDA Reconciliation

	Amount ($)	Financial Statement Reference	Notes	Cash Impact
Senetas Segment Profit Before Tax	**6,206,126**	**Note 6**	**Operating result generated by the core cybersecurity business**	
(-) Interest Income	(1,982,985)		$1.6m of the interest income relates to the non-cash interest capitalised on the VGM loan.	$0.4m interest received on cash balances
(+) Interest Expense	99,381		Accounting allocation of lease payments	Cash payment
(+) Depreciation Expense	563,182		Depreciation expense on Senetas fixed assets	No Cash Impact
2. Reported Segment EBITDA	**4,885,704**		**Parent entity result including the non-cash valuation gain**	
(-) Eliminate VGM Valuation Gain	(3,649,002)	Note 6	Valuation gain eliminated on consolidation	No Cash Impact
3. Senetas Segment Underlying Operating EBITDA	**1,236,702**		**Underlying EBITDA after removing the non-cash movement in the VGM investment value**	

2. FY2026 Senetas Profit Attributable to Shareholders Reconciliation

	Amount ($)	Financial Statement Reference	Notes	Cash Impact
Senetas Segment Profit Before Tax	**6,206,126**	**Note 6**	**Operating result generated by the core cybersecurity business**	
(-) Eliminate VGM Valuation Gain	(3,649,002)	Note 6	Valuation gain eliminated on consolidation	No Cash Impact
(-) Share of VGM Net Loss	(1,913,124)	Note 22	Accounting allocation based on Senetas's % ownership interest throughout FY2026 (VGM loss less NCI portion)	Cash Flows of VGM included in Consolidated Cash Flow Statement
2. Reported Net Profit Before Tax attributable to shareholders of Senetas	**644,000**	**Appendix 4E**	**Parent entity result**	
(-) Tax Expense attributable to Senetas	(214,525)	Note 4	Net tax expense for FY2026	Tax paid reflected in Cash Flow
3. Reported Net Profit After Tax attributable to shareholders of Senetas	**429,475**	**Appendix 4E and Income Statement**	**The combined Senetas Profit after consolidation elimination entries and Senetas's share of VGM losses**	

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ABOUT SENETAS CORPORATION LIMITED

Senetas is an Australian defence technology company with more than 25 years of experience delivering certified network encryption to governments, defence forces, financial services, and critical infrastructure operators in more than 60 countries. Our solutions protect sensitive data in motion and at rest across core networks, tactical environments, and distributed infrastructure — built to the defence-grade standard these organisations require.

Quantum computing poses a growing threat to today's encrypted data, particularly through "harvest now, decrypt later" attacks that capture traffic now to decrypt once quantum capabilities mature. Our quantum-resistant, crypto-agile encryption — built on the latest NIST post-quantum algorithms — helps organisations build long-term data protection strategies against future-scale cryptographic risk.

Senetas technologies are certified under internationally recognised security frameworks, including Common Criteria, FIPS 140-3, US DoDIN APL, and NATO, meeting the stringent security requirements of governments and defence agencies worldwide. Our solutions deliver independently validated, standards-compliant encryption — giving organisations the assurance they need for their most sensitive communications.

Outside of Australia, Senetas products are distributed by Thales, a global leader in defence, aerospace, and cybersecurity technology, ensuring programme support, integration capability, and lifecycle assurance at scale.

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