



Senetas Corporation Limited

Half Year Results for the six months to 31 December 2025

Highlights

- Consolidated Senetas revenue of \$9.5 million – similar to the prior period but lower than expected due to sales into the Middle East that were held up by delayed export permits – expected completion in March 2026 bringing additional \$1.3 million of revenue and \$1.0 million of profit before tax
- Good revenue growth in key focus markets of EMEA (+33%) and Asia Pacific (+42%)
- Senetas business segment operating profit before tax of \$1.8 million – similar to the prior period
- Final cash payment on the sale of Votiro was made by Menlo Security Inc. in February 2026. Cash is expected to be received in March 2026 following clearance from the Israeli tax authorities
- \$2 million capital reduction and share consolidation completed in December 2025
- Consolidated cash on hand at 31 December 2025 was \$6.7 million. Lower than the prior period largely due to the recent capital reduction and higher sales late in the reporting period leading to higher receivables at period end
- Cash balance at 27 February 2026 was \$8.7 million after the receipt of cash from recent sales, and is expected to be approximately \$15 million in March 2026 following receipt of the Menlo cash
- Senetas has a strong, profitable and cash generative outlook for the underlying Senetas business plus:
 - \$8.7 million of consolidated cash on hand at 27 February 2026, growing to approximately \$15 million in cash in March 2026 following receipt of the Menlo cash; and
 - an indirect investment in Menlo Security Inc. valued at approximately \$19.5 million

Senetas summary financials

Half year ended 31 December 2025 (\$000's)	HY2026	HY2025
Consolidated Continuing Operations		
Revenue from continuing operations	9,476	9,531
Materials and support services expense	(2,316)	(1,264)
Gross Profit from continuing operations	7,159	8,267
<i>Gross Margin</i>	<i>76%</i>	<i>87%</i>
Profit (loss) before tax for continuing operations	(1,092)	312
Profit (loss) after tax for continuing operations	(1,075)	63
Profit (loss) after tax for continuing operations attributable to members	(557)	756
Senetas Operating Segment		
Senetas segment revenue	9,476	9,531
Segment profit before tax	1,819	1,868
Operating profit after tax	1,836	1,619

- Revenue consistent with prior period – \$1.3M of sales into the Middle East expected to be completed in 1H FY2026 were incomplete due to export permit delays – these sales are expected to be completed in the March 2026 quarter
- HY2026 product sales increased while maintenance revenue was lower due to the timing of large contract renewals and subsequent revenue recognition. Maintenance revenue represented approximately 46% of total revenue
- Gross margins temporary decline reflective of a higher mix of lower margin inventory transfer sales to our global distribution partner during the half – expect this to normalise in FY2026 as that inventory is on-sold to end customers
- A lower consolidated profit before tax was largely attributable to higher materials and support services expense – a higher proportion of lower margin inventory transfers and sales mix
- The Senetas operating segment generated \$1.8 million in operating profit before tax, consistent with the prior period despite the delay of the Middle East sales; these sales are expected to contribute approximately \$1 million in operating profit once complete

Senetas operations

- Key focus of R&D activities in HY2026 included:
 - Ongoing development of a new version of the Senetas 100Gbps hardware encryptor that will enhance the range of use cases available for that product
 - Finalising development of the next generation 10Gbps encryptor
 - Continued development of sovereign encryption capabilities – these capabilities are unique and address a gap in the market
 - Ongoing enhancements to Senetas post quantum encryption capabilities
- As outlined at the FY2025 results, the focus for Senetas in FY2026 is to continue expanding the addressable market for the Company’s security solutions. These initiatives have a number of aspects including:
 - Expanding and upgrading of security certifications in order to grow the use cases for Senetas products and to access markets where Senetas has not previously had access (e.g. Asia)
 - New alliance with Nokia to deliver joint capabilities specifically designed for mission-critical network environments – combines Senetas’s globally certified, quantum-resistant encryption technology with Nokia’s trusted mission-critical network solutions
 - Product development such as quantum readiness, enhanced customisation capabilities, virtualisation etc
 - Implementing new customer requests to provide bespoke products utilising country specific sovereign encryption algorithms
- To date in FY2026 Senetas has seen significant new opportunities arising in Asia, the Middle East and South America with particular focus on our sovereign encryption capabilities, that we expect will deliver good growth for the business through the next 12-18 months

Outlook

- Sales into the Middle East that were expected to be completed in HY2026 were delayed temporarily by export permit issues. These sales are expected to be completed in the March quarter of 2026 bringing \$1.3 million of revenue and \$1.0 million of profit before tax
- Gross margins for the business are expected to return to historic levels through the remainder of FY2026 following a higher than normal proportion of sales relating to inventory transfers to our global distribution partner in HY2026
- Senetas expects operating business revenue and profit to grow in FY2026, supported by stronger sales momentum and increased focus on our key growth markets. Asia and the Middle East are increasingly providing Senetas with its most attractive new sales opportunities – Senetas sovereign encryption capabilities are playing a significant role
- The timing of several large transactions in the sales pipeline remains variable; completion before 30 June 2026 would support a strong FY2026 result, while deferrals into FY2027 would likely see FY2026 broadly in line with last year despite the improved underlying sales momentum
- The indirect investment in Menlo Security Inc. shares continues to represent a significant growth asset that is expected to create increasing value for Senetas shareholders
- A strong cash balance, profitable and cash generative outlook for the underlying Senetas operating business, and the potential for further cash realisations over time from the Menlo investment are expected to provide the Senetas board with the capacity to consider ongoing capital management opportunities in the near and medium-term

Key financials

Senetas operating segment results

Half year ended 31 December 2025 (\$000's)	HY2026	HY2025
Revenue from ordinary activities	9,475	9,531
Gross profit	7,159	8,267
<i>Gross Margin %</i>	76%	87%
Other income	164	106
Depreciation & amortisation	(274)	(291)
Profit before tax from operating activities	1,819	1,868
Income tax	17	(249)
Profit/(loss) after tax	1,836	1,619

- Senetas segment revenue in line with the prior period
- The temporarily lower gross margin was largely attributable to higher materials and support services expense – reflects a higher proportion of lower margin inventory transfers to our global distribution partner in the period, and sales mix
- Gross margins are expected to normalise in FY2026 as inventory is on-sold to end customers.
- Profit before tax from operating activities was similar to the prior period despite delayed sales that will deliver an additional \$1 million of profit before tax once completed in the March quarter

Cash flow

Half year ended 31 December 2025 (\$000's)	HY2026	HY2025*
Receipts from customers	6,123	15,361
Tax refund/(paid)	(497)	(16)
Payments to suppliers & employees	(8,893)	(17,907)
Operating cash flows	(3,101)	(2,453)
Investing cash flows	514	(300)
Financing cash flows	(2,249)	1,846
Cash and cash equivalents at 31 December 2025	6,739	8,801
Cash and cash equivalents at 27 February 2026	8,651**	

* The cash flows for the prior period (HY2025) are consolidated group numbers including the contribution from the Votiro business that was sold in February 2025

** Cash paid by Menlo Security Inc. in February 2026 re the sale of Votiro is expected to be received by VGM in March 2026 following clearance from the Israeli tax authorities. This is expected to grow the cash balance to approximately \$15 million in March 2026

- Lower operating cash flows reflect higher materials and support services expense during the period and higher receivables due to sales late in Dec 2025.
- Normalised gross margins and sales momentum expected to deliver stronger operating cash in the balance of FY2026
- Investing cash flows reflect proceeds from the sale of Votiro that were received in HY2026. Balance of Votiro cash proceeds expected in March 2026
- Financing cash outflows largely reflect the \$2 million capital return completed in December 2025
- Consolidated cash at 27 February 2026 was \$8.7 million reflecting conversion of recent sales post 31 December 2025
- Cash on hand is expected to grow to approximately \$15 million in March 2026 following receipt of cash from Menlo re the sale of Votiro
- The Senetas operating business remains debt free

Summary balance sheet

Half year ended 31 December 2025 (\$000's)	HY2026	FY2025
Cash and cash equivalents	6,739	11,577
Trade receivables and contract assets	8,349	6,728
Inventories	3,064	3,579
Trade and other receivables	7,611	8,884
Financial asset at FVTPL	31,360	30,832
Total assets	59,321	63,453
Trade and other payables	(1,875)	(1,342)
Contract & lease liabilities	(8,523)	(10,352)
Total liabilities	(15,455)	(16,743)
NET ASSETS*	43,867	46,710

* Net Asset Backing – \$2.64 per share

- Lower cash balance reflects the operating cash outflows and the \$2 million capital return to shareholders in December 2025
- Higher receivables reflect the higher portion of sales being towards the end of December 2026
- Cash at 27 February 2026 was \$8.7 million reflecting conversion of recent sales since 31 December 2025. Senetas operating business remains debt free
- Trade and other receivables includes the \$6.7 million due from Menlo in relation to the Votiro sale and due to be received in March 2026 after clearance from Israeli tax authorities. Following receipt of the Menlo cash Senetas cash balance in March is expected to be approx. \$15 million
- Financial asset at FVTPL represents 100% of the current value of VGM Aust Holdings investment in Menlo Security Inc following the Votiro sale – Senetas share of this investment is \$19.5 million

Senetas Business Overview

About Senetas Corporation Limited

Senetas is an Australian-founded defence technology company providing high-assurance cybersecurity solutions to defence, government, and critical infrastructure organisations in more than 60 countries. Our technologies deliver certified quantum-resistant network encryption for future threats. We safeguard mission-critical communications by protecting sensitive data in motion and data at rest.

Distributed globally by Thales, one of the world's largest defence, aerospace, and cybersecurity technology providers, Senetas solutions comply with the highest international security standards and certifications, including Common Criteria and FIPS.

In modern defence environments, secure communications are as critical in the field as they are in core network infrastructure. Senetas solutions extend military-grade network encryption to every location duty calls – from submarine depths to aerial missions – arming military assets with uncompromising protection against sophisticated state and criminal cyber threats.

Corporate Structure

Capital Structure	
Share Price (26 February 2026)	\$2.05
Shares Outstanding (26 February 2026)	16,577,389
Market Capitalisation (A\$m)	34.0
Cash as at 31 December 2025 (A\$m)	6.7
Debt as at 31 December 2025 (A\$m)	2.9
Net Asset Backing per share	\$2.64
Options Outstanding	460,000
Performance Rights	25,550
Cash as at 27 February 2026 (A\$m)	8.7
Est. cash in March 2026 (Approx. A\$m)	15.0
Minority Shareholding in Menlo Security Inc (A\$m)	19.5

Shareholders as at 27 February 2026	%
Francis Galbally: Corporate Interests	13.1
Madison Park LLC	12.0
Herald Investment Management Ltd	3.1
Speliza Investments Pty Ltd	3.1
Hui Shyan Yao	2.4
Top 20	55.1
Board & Management	26.0



Board & Management
Francis Galbally – Executive Chair
Andrew Wilson – CEO
Lauren Barker – CFO
Chris Fedde – Non-Executive Director
Lachlan Given – Non-Executive Director
Kenneth J. Gillespie – Non-Executive Director
Philip Schofield – Non-Executive Director

Company Overview

Proven Track Record

Over 25 years securing sensitive data across 60+ countries.

Global Reach, Local Expertise

Deployed in partnership with Thales, a global leader in advanced technologies.

Defence & Industrial-Grade Solutions

Australian-designed and manufactured encryption and secure file sharing platforms.

Future-Ready Performance

Solutions use quantum-resistant, future-ready encryption that adapts as new cybersecurity standards emerge.

Cross-Sector Trust

Trusted by government, defence, financial services, critical infrastructure, and professional services.

Independently Certified

Technology certified by global security authorities and standards, including Common Criteria, FIPS, DoDIN APL and NATO.



Clients

Our clients trust us with their most sensitive data, and we maintain strict confidentiality. Our cybersecurity solutions are used by a variety of organisations, including:

- United States government agencies, defense organisations and law enforcement
- Australian government agencies, defence organisations and law enforcement
- European & Middle Eastern government agencies and defence organisations
- Multi-national defence companies
- Global cloud and SaaS providers
- Telecommunications companies

- Multi-national technology companies
- Multi-national manufacturing and engineering companies
- Financial institutions and banks
- Data center service providers
- European Air Traffic Control organisation
- Defence, Science and Technology companies
- Energy generation and distribution

Our Strengths

Specialising in innovative defence-grade high speed network encryption and secure file sharing solutions.

Certified

By leading independent authorities including Common Criteria, FIPS, DoDIN APL and NATO – trusted by governments and defence agencies worldwide.

High performance

Predictable maximum throughput with minimal latency, operating at line speed without compromising network performance.

Quantum-ready architecture

Future-Proof Data Protection: prevents "harvest now, decrypt later" attacks. Our architecture ensures data intercepted today remains encrypted and inaccessible in the post-quantum era.

Architecture-agnostic

Seamlessly deploy across diverse environments, speeds and network topologies.

Crypto-Agility

Dynamic Algorithmic Flexibility: Rapidly switch or update cryptographic standards without system downtime. Includes full support for **sovereign algorithms** to meet specific national or local security mandates.

Trusted Technology for Sensitive Environments

Network Encryptors: CN Series

- High performance
- Post-quantum ready
- Crypto-agile, platform agile, network agile
- High Assurance Security: hardware encryption engine, and random number generators (RNG)
- Highest Global Certifications
- Hardware and software-based solutions

Typical Revenue Model

- Up front product sales revenue
- Usually with recurring maintenance revenue

Secure File Sharing: SureDrop by Senetas

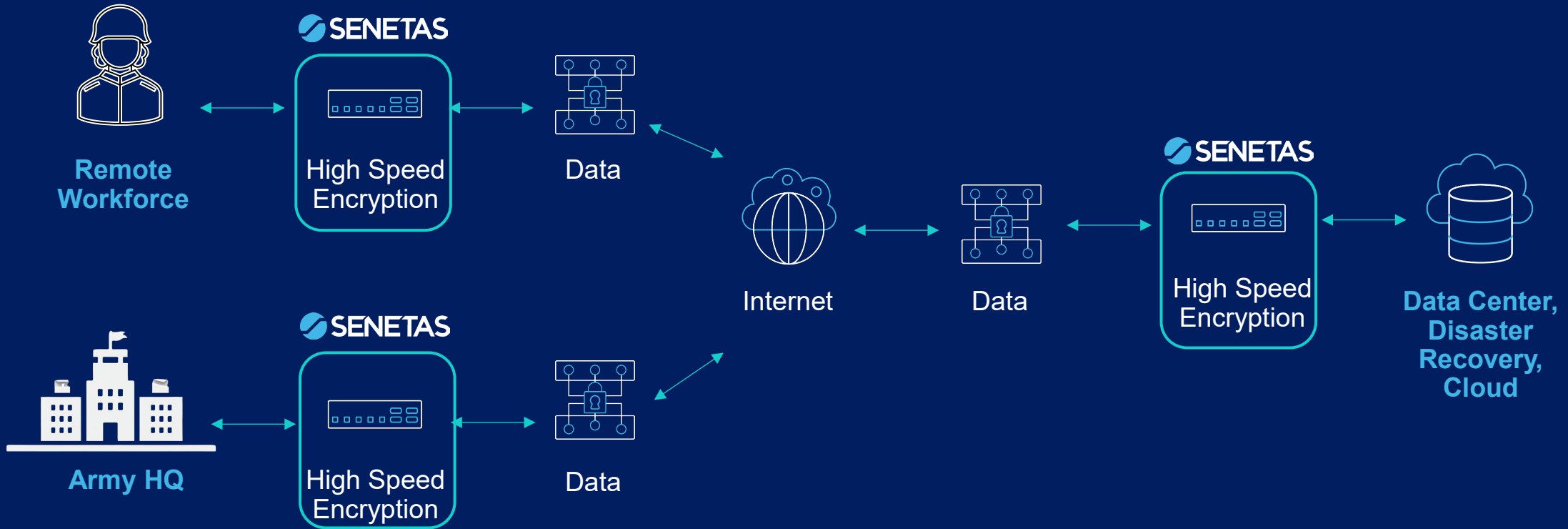
- Secure by design, provides ease of use without compromising performance
- Fully encrypted workforce file-sharing, storage and collaboration environment
- 100% file and encryption key location control and sovereignty
- Flexible and scalable
- Microsoft 365 and enterprise integration

Typical Revenue model

- SaaS product with recurring revenue

Encrypting Data in Motion

Encrypting data as it moves from the field and army headquarters, between data centers, to the last mile, and up to the cloud



Security Certifications

Validated by Independent authorities to international standards



Level 3
Series
CN4000
CN6000
CN9000
Level 1
CN7000



EAL 2+
EAL 4+
NDcPP



Restricted
Green










Series
CN4000
CN6000
CN9000



Secret

Network Encryption portfolio

CN4010/CN4020	CN6010	CN6110*	CN9100/9120	CN6140	CN7000	CV1000
						
Compact desktop enclosure	1U rack mount enclosure	1U rack mount enclosure	1U rack mount enclosure	1U rack mount enclosure	Platform Agile	Virtual Network Function
100/1000Mbps (scalable licensing) 10Mbps – CN4010	100/1000Mbps (scalable licensing)	1/10Gbps (scalable licensing)	100Gbps	4 * 1/10Gbps (scalable licensing)	DPDK with Crypto acceleration (>5Gbps platform dependent)	DPDK with Crypto acceleration (>5Gbps platform dependent)
RJ45 (CN4010) SFP (CN4020)	RJ45 electrical interfaces Pluggable optical SFP	Pluggable optical SFP+/RJ45	CFP4(CN9100) QSFP28(CN9120)	Pluggable optical SFP+	Min 3, mixed speed supported, Platform dependent	Three para-virtualized interfaces
External plug pack	Dual redundant AC/DC supplies	Dual redundant AC/DC supplies	Dual redundant AC/DC supplies	Dual redundant AC/DC supplies	Platform dependent	VMware, KVM, Hyper-V hypervisor support
LEDs	LCD/Key Pad	LCD/Key Pad	LCD/Key Pad	LCD/Key Pad	Platform dependent	Integrated with SafeNet KeySecure
	User-replaceable fans/battery	User-replaceable fans/battery	User-replaceable fans/battery	User-replaceable fans/battery		
Latency < 10uS	Latency < 8uS	Latency < 6uS	Latency < 2uS	Latency < 6uS		
CC EAL2+ NDcPP, FIPS 140-3 level 3	CC EAL2+ NDcPP, FIPS 140-3 level 3	CC EAL2+, FIPS 140-3 level 3	CC EAL2+ NDcPP, FIPS 140-3 level 3	CC EAL2+ NDcPP, FIPS 140-3 level 3	FIPS 140-3 Level 1 (CE Crypto Module)	FIPS140-3 Level 1 (CE Crypto Module)

• All devices are interoperable and can be managed by SMC or CM7 Management Platforms

* Soon to be released

Network Encryption Use Cases

Government & Public Sector

- Classified data transmission between government agencies or embassies
- Secure inter-agency communications for public safety and emergency services
- Encrypted voting or election infrastructure data transfer
- Compliant intergovernmental collaboration under data sovereignty laws

Defence & Military

- Battlefield communications with ultra-low latency and quantum-resistant encryption
- Mission-critical file and video feeds between command centres and deployed units
- Encrypted satellite and drone telemetry
- Secure military supply chain coordination over WAN/SD-WAN
- Ruggedised encryption at tactical edge or mobile deployments

Critical Infrastructure

- SCADA and ICS data protection in energy, utilities, and transport networks
- Secure telemetry transmission from remote sites like power substations
- Cyber-resilient encryption for smart grid communications
- Zero-trust encryption overlay for OT/IT convergence environments
- Securing industrial IoT gateways in hostile or disconnected environments

Financial Services

- Real-time transaction encryption across data centres or between trading floors
- Secure M&A and audit data transfer between branches or partners
- Encryption of interbank communications under regulatory frameworks (e.g., PCI DSS, ISO 20022)
- Business continuity through encrypted failover paths and DR sites

Network Encryption Use Cases Continued

Healthcare & Life Sciences

- Protection of electronic health records (EHRs) in motion across hospitals and clinics
- Encrypted data exchange in cross-border clinical trials
- Compliance with HIPAA, GDPR, and other privacy mandates
- Remote diagnostics and imaging file transfers over encrypted links

Telecommunications & Network Operators

- Metro and long-haul link encryption for enterprise and government customers
- Encryption-as-a-Service (EaaS) offerings using virtual and hardware appliances
- Secure backhaul for mobile and 5G networks
- Carrier-neutral secure overlays for leased lines and MPLS networks

Research & Academia

- Encrypted transmission of sensitive research data/IP across institutions
- Quantum-resistant protection for future-proofed research environments

Enterprise & Manufacturing

- Protection of sensitive intellectual property (IP) and CAD files
- Secure WAN links between global office locations or factories
- Compliance with export controls and data protection regulations
- Encrypted file exchange between OEMs and suppliers
- Last-mile protection in remote ships, or offshore rigs

Aviation

- Air traffic authority upgrades aging VPN infrastructure without disrupting real-time flight coordination requiring a zero-latency encryption overlay

Secure file sharing without compromise

- Secure by design, providing file-sharing convenience users expect with best-in-class security you need.
- Engineered for compliance and sovereignty
- Combines robust encryption and advanced file fragmentation
- Integrates seamlessly with Microsoft Office 365, Azure AD, and Active Directory.



Total File Encryption

Robustly encrypts all your files, whether stored or in transit, ensuring complete protection.



Precise Access Control & Audits

Manage exactly who can access, share, and use files, with comprehensive audit trails for security and compliance.



Data Compliance & Sovereignty

Engineered to meet stringent data privacy regulations and mitigate risks. Flexible deployment options (on-premise or geo-fenced cloud) to maintain data sovereignty and control.

Secure file sharing use cases

Government

- Secure inter-agency collaboration (e.g. policy drafts, classified documents)
- Freedom of Information (FOI) compliant file storage and sharing
- Disaster recovery and crisis coordination documents
- Sensitive data sharing with third-party contractors or NGOs

Defence

- Sharing classified material within secure enclaves
- Secure logistics and supply chain file exchange
- Joint taskforce file access for audit trail
- Field data upload from remote or tactical environments

Finance

- M&A due diligence document sharing
- Audit file exchanges with regulators
- Insider trading risk mitigation (with access logging)
- Secure board pack distribution

Healthcare

- Clinical trial data management (including cross-border sharing)
- Patient record exchange between providers
- R&D file protection for IP-sensitive research
- Audit-compliant storage of test results and medical imaging

Critical Infrastructure

- Secure operational data exchange across plants/sites
- Vendor and subcontractor collaboration with restricted access
- Incident response coordination (e.g. cyber or physical threats)
- Regulatory inspection documentation

Education

- Collaborative research involving sensitive IP
- Student data privacy in joint university programs
- Restricted thesis or data publishing under embargo
- Cross-border academic partnerships

Menlo Overview

- In February 2025, Senetas announced the sale of the Votiro operating business to Menlo Security Inc (Menlo). The transaction was structured as a sale by Votiro Cybersec Global (Australian incorporated Votiro parent company) of its wholly owned operating subsidiary companies
- The consideration for Votiro was split between cash and scrip consideration. Senetas has a minority shareholding in Menlo. Senetas's share of this investment has been valued at \$19.5M (refer to balance sheet Financial asset at FVTPL represents 100% of the current value of VGM Aust Holdings investment in Menlo Security Inc following the Votiro sale – Senetas share is \$19.5 million)
- Menlo is a pioneer of secure enterprise browser solutions with over 1,000 global enterprises and government agencies relying on Menlo to provide a safe and secure browsing experience, on any browser or any device. It is trusted by major global businesses including 8 of the 10 largest financial institutions in the world, 24 Global Fortune 500 companies, and large government institutions in the U.S. and abroad
- The Company has a notable set of investors including Vista Equity Partners who led the Company's US\$100 million Series E financing in 2020. Other notable investors include Neuberger Berman, General Catalyst, American Express Ventures, Ericsson Ventures, HSBC, and JPMorgan Chase
- Menlo announced on 1 October 2024 that it had surpassed US\$100 million in ARR and achieved 50% growth in the previous 24 months. In the same announcement it confirmed that it held US\$350M in total contract value
- Further detail about Menlo, its business operations and the 1 October 2024 announcement can be found at www.menlosecurity.com

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Thank you

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