

27 February 2026

## ASX ANNOUNCEMENT

### Senetas Corporation Limited

#### Half Year Results for the six months to 31 December 2025

**MELBOURNE, AUSTRALIA** – Senetas Corporation Limited (ASX: SEN) (Senetas / The Company), a global leader in defence grade high-assurance network encryption solutions, today announced its financial results for the six months ended 31 December 2025.

#### Highlights:

- Consolidated Senetas revenue of \$9.5 million
  - Similar to the prior period but lower than expected due to some sales into the Middle East that were held up by delayed export permits – expected completion in March quarter 2026 bringing an additional \$1.3 million of revenue and \$1.0 of profit before tax when completed
- 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
- The final cash payment in relation to the sale of the Votiro business was made by the purchaser (Menlo Security Inc.) in February 2026. The cash is expected to be received in March 2026 following clearance from the Israeli tax authorities
- The value of Senetas’s indirect investment in Menlo shares was \$19.5 million at 31 December 2025
- \$2 million capital reduction and share consolidation were 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. The consolidated cash balance at 27 February 2026 was \$8.7 million, which is expected to grow to approximately \$15 million in March 2026 following receipt of the Menlo cash
- At the conclusion of HY2026 Senetas has:
  - A strong, profitable and cash generative outlook for the underlying Senetas business and a strong sales pipeline;
  - \$8.7 million of consolidated cash on hand at 27 February 2026 growing to approximately \$15 million in March 2026; and
  - An indirect investment in Menlo Security Inc. valued at approximately \$19.5 million

## HY2026 CEO Commentary

Commenting on the half year to 31 December 2025, Senetas CEO, Andrew Wilson, said: “The focus for Senetas in FY2026 has been to continue expanding the addressable market for the Company’s security solutions, both geographically and through product tailoring and enhancements.

“To date, FY2026 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. Some of these new opportunities, if realised, have the potential to be quite transformative for Senetas and be the core drivers of future growth.

“Our business focus and financial position has been significantly strengthened with the disposal of the Votiro business in FY2025, and our cash outlook and the significant indirect investment we hold in Menlo Security Inc. create options for ongoing investment in the Company’s products and services, and for capital management activity in the near and medium-term.

“The sales outlook for Senetas over the next 12 months looks positive and subject to the precise timing of completion for some large-scale transactions in the pipeline we expect both revenue and profit will grow through that period.”

## HY2026 Summary Financials

Half year ended 31 December 2025 (\$000's)	HY2026	HY2025
<b>Consolidated Continuing Operations</b>		
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>
Net profit (loss) before tax for continuing operations	(1,092)	312
Net profit after tax for continuing operations	(1,075)	63
Profit (loss) after tax for continuing operations attributable to members	(557)	756
<b>Senetas Operating Segment</b>		
Senetas segment revenue	9,476	9,531
Segment profit before tax	1,819	1,868
Operating profit after tax	1,836	1,619

- HY2026 consolidated revenue of \$9.5 million was similar to the prior period (HY2025: \$9.5 million) despite the expected Middle East sales that were delayed until the March quarter of FY2026

- Gross margin was temporarily lower due to higher materials and support services expense – a higher proportion of sales relating to lower margin inventory transfers to our global distribution partner during the half, and sales mix
- Gross margins are expected to normalise in FY2026 as that inventory is on-sold to end customers
- Loss before tax for the continuing business was \$1.1 million and the net loss after tax for continuing business attributable to members was \$0.6 million. The consolidated loss reflects the temporarily lower gross margin in HY2026
- For the Senetas operating segment the net profit after tax was \$1.8 million (HY2025; \$1.6 million)

### **Senetas operational review**

Senetas segment revenue was \$9.5 million – in line with the prior period (HY2025: \$9.5 million), but lower than expected due to a large Middle Eastern sale that was incomplete at 31 December due to delayed export permits. The transactions are expected to be completed in the March quarter of 2026 bringing an additional \$1.3 million of revenue and \$1.0 million of profit before tax when completed.

Product sales in HY2026 were higher and maintenance revenue was lower than the prior period due to the timing of large contract renewals and subsequent revenue recognition. Maintenance revenue represented approximately 46% of total revenue.

There was good revenue growth in both the Asia Pacific (+42%) and Europe, Middle East & Africa (+33%) regions, whilst the North American region was lower than the prior year. The North American government and defence market remains solid, however, Senetas has seen some consistent softening in the US commercial market in recent periods.

Both Asia and the Middle East are increasingly providing Senetas with some of its most attractive new sales opportunities. Senetas sovereign encryption capabilities are playing an increasingly significant role in these opportunities.

The Senetas segment underlying operating profit before tax of \$1.8 million was similar to the prior period despite the temporarily delayed Middle Eastern sale, and the outlook for the remainder of FY2026 is encouraging.

The 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 set out in the FY2025 results materials, 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)

- Utilising the growing footprint of our global distribution partner (Thales) by expanding our presence in geographic markets where to date we have had limited success
- 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
- Senetas also announced new strategic alliance with Nokia during the period to deliver joint capabilities specifically designed for mission-critical network environments. The partnership combines Senetas's globally certified, quantum-resistant encryption technology with Nokia's trusted mission-critical network solutions, underpinned by its Defence-in-Depth cybersecurity framework

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, and we expect that these will deliver good growth for the business through the next 12-18 months and beyond.

## Capital Management

A strong balance sheet and positive cash flow outlook led the Senetas board to consider the capital structure of the Company and some initial near-term capital management initiatives.

At the 2025 Annual General Meeting Senetas shareholders approved those initiatives; an equal capital reduction to return approximately \$2 million of capital to shareholders, and a 100:1 share consolidation, being the consolidation of every 100 fully paid ordinary shares into 1 fully paid ordinary share.

Senetas has applied to the Australian Taxation Office (ATO) for a class ruling to confirm whether the capital return payment to shareholders will be treated as a return of capital rather than income in the hands of shareholders. A ruling has not yet been received from the ATO.

The capital reduction and share consolidation were completed in December 2025. Following the share consolidation Senetas now has approximately 16.6 million fully paid ordinary shares on issue.

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 as cash levels build above business requirements.

## Balance sheet and cash flow

Consolidated net assets for Senetas at 31 December 2025 were \$43.9 million, or \$2.64 per share (Net Tangible assets of \$2.27 per share) with cash on hand of \$6.7 million and no debt in the Senetas operating business.

The lower cash balance at 31 December 2025 reflects the operating cash outflows during the half year and the \$2 million capital return to shareholders in December 2025. Lower operating cash flows reflect the higher materials and support services expense during the period and

higher receivables at 31 December 2025. Normalised gross margins and sales momentum are expected to deliver stronger operating cash in the remainder of FY2026.

Trade and other receivables at 31 December 2025 included \$6.7 million due to be received from Menlo in the March 2026 quarter in relation to the Votiro sale. The Financial asset at FVTPL of \$31.4 million represents 100% of the current value of VGM Aust Holdings Pty Ltd's (the former Votiro holding company) investment in Menlo Security Inc. following the sale of the Votiro business in February 2025. The Senetas share of this investment is \$19.5 million.

Investing cash flows reflect proceeds from the sale of Votiro that were received during HY2026, and financing cash outflows largely reflect the \$2 million capital return completed in December 2025.

At 27 February 2026, cash receipts since 31 December 2025 from recent sales had increased the consolidated cash balance to \$8.7 million. That balance is expected to grow to approximately \$15 million in March 2026 following receipt of the Votiro cash from Menlo.

## Outlook

Commenting on the Company's outlook, Mr Wilson said: "The sales into the Middle East that were expected to be completed in HY2026 were temporarily held up by delays with export permits. These sales are expected to be completed in the March quarter of 2026 bringing an additional \$1.3 million of revenue and \$1.0 million of profit before tax into the second half of FY2026.

"Senetas expects operating business revenue and profit to grow in FY2026, supported by higher sales momentum and increased focus on our key growth markets.

"As has always been the case for Senetas, the timing for completion of large transactions in our sales pipeline remain inherently variable and may shift between reporting periods. There are several such transactions currently in our sales pipeline and their completion before 30 June 2026 would support a strong FY2026 result. However, sales deferrals into FY2027 would likely see FY2026 broadly in line with last year, despite the significant underlying progress that has been made in building sales momentum.

"Senetas will provide the market with further updates on these large transactions if and when they are realised.

"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 and growing 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."

## Post HY2026 results briefing and Q&A

Senetas is proposing to release a video in the week beginning 9 March 2026 in which CEO, Andrew Wilson, will provide a summary of the HY2026 results, and answer key shareholder questions. Investors wishing to ask questions about business performance and the Senetas results can use the link below and Andrew will seek to answer as many of them as possible.

<https://investorhub.senetas.com/link/P7bnKr>

**END**

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## 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.