

1 June 2026

ASX ANNOUNCEMENT

Senetas Corporation Limited

Proposed Equal Capital Reduction of \$3.5 million

MELBOURNE, AUSTRALIA – Senetas Corporation Limited (ASX: SEN) (Senetas / The Company), a global leader in defence grade sovereign-grade network encryption solutions, today announced that it proposes to implement an equal capital reduction to distribute to shareholders approximately \$3.5 million (\$0.2111 per share) of the Company's cash balance (Proposed Capital Reduction), subject to approval of shareholders at an extraordinary general meeting (EGM) expected to be held on or around 24 July 2026.

As disclosed in the Company's recent ASX announcements, post the sale of the Votiro business in early 2025, Senetas has a positive operating cash flow outlook, a strong balance sheet, an indirect investment in Menlo Security Inc. valued at \$19.5 million, and a current cash balance of approximately \$17.7 million, which the Senetas board believes is in excess of the Company's medium-term cash and working capital requirements.

Senetas Executive Chairman, Francis Galbally, said: "With the Company's strong balance sheet position and cash flow outlook the board has been considering alternative capital management options, and has determined that the Proposed Capital Reduction of approximately \$3.5 million is in the best interests of shareholders, and will be put to a shareholder vote at an EGM, currently expected to be held 24 July 2026.

"The operating outlook for the Senetas business remains very positive, with further opportunities following our recent success in South America, and the potential for significant upside from new opportunities in the APAC region adding to the positive outlook.

Senetas has a request outstanding with the Australian Tax Office in relation to the treatment in the hands of shareholders of the equal capital reduction that the Company completed in early December 2025. As part of that same ruling request Senetas has requested the Australian Tax Office also advise as to the tax treatment of the Proposed Capital Reduction of approximately \$3.5 million in the hands of shareholders.

Further information on the Proposed Capital Reduction including confirmation of the effective date, record date and date of payment, will be provided to shareholders with the notice of meeting for the EGM.

This announcement has been approved by Senetas Executive Chairman, Francis Galbally.

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ABOUT SENETAS CORPORATION LIMITED

Senetas is an Australian-founded defence technology company providing sovereign-grade 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.