

Appendix 4D

Senetas Corporation Limited

Results for announcement to the market

ACN 006 067 607

1 Details of the reporting period and the previous corresponding period

| | Reporting Period | | Previous Corresponding Period | |
|--|----------------------------------|--------------------|----------------------------------|-----------------|
| | Half-year ended 31 December 2024 | | Half-year ended 31 December 2023 | |
| 2 Results for announcement to the market | 31-Dec-24 | 31-Dec-23 | Change | |
| | \$ | \$ | \$ | % |
| 2.1 Revenues from ordinary activities | 16,396,037 | 13,490,405 | 2,905,631 | 21.54% |
| 2.2 Net loss before tax attributable to members | (1,236,164) | (3,902,197) | 2,666,033 | (68.32%) |
| 2.3 Net loss after tax attributable to members | (1,392,508) | (3,867,733) | 2,475,225 | (64.00%) |
| 2.4 Other comprehensive income for the year attributable to members (foreign currency translation reserve) | (525,690) | (120,930) | (404,760) | (334.71%) |
| 2.5 Net comprehensive loss after tax attributable to members | (1,918,198) | (3,988,663) | 2,070,465 | (51.91%) |

Brief Explanation of Figures 2.1 to 2.5

Commentary on the results for the period and additional ASX Appendix 4D (Listing Rule 4.2A.3) disclosures can be found in the Consolidated Interim Financial Report of Senetas Corporation Limited for the period ended 31 December 2024 attached. This document should be read in conjunction with the Annual Report of Senetas Corporation Limited for the year ended 30 June 2024 and any public announcements made in the period by Senetas Corporation Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

3 Movement in retained earnings

Please refer to attached Interim Financial Report

4 Dividends and distribution payments

Interim dividend

None

Final dividend

No final dividend proposed

5 Net tangible asset Backing

| | 31-Dec-24 | 31-Dec-23 |
|--|--------------------------|--------------------------|
| | (Cents Per Share) | (Cents Per Share) |
| Net tangible asset backing per ordinary security | (1.06) | (0.48) |

Appendix 4D (continued)

| | |
|---|--|
| 6 Details of Entities Over Which Control Has Been Gained or Lost During The Period | None |
| 7 Details of Associates / Joint Venture Holdings | None |
| 8 Other Information on Financial Statements | Please refer to attached Interim Financial Report |
| 9 Foreign Entities – accounting standards used to prepare report | None |
| 10 Other Information | None |
| 11 Independent Review Report | This report is based on accounts which have been reviewed. An unqualified review conclusion has been issued. |



Francis W. Galbally
Chairman
Date: 28 February 2025

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Interim Consolidated Financial Report
for the half-year ended 31 December 2024

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CORPORATE INFORMATION

Non-Executive Directors

Francis W. Galbally - Chairman

Lachlan P. Given

Kenneth J. Gillespie

Lawrence D. Hansen

Philip Schofield

Executive Director and Chief Executive Officer

Andrew R. Wilson

Company Secretary

Brendan Case

Registered Office

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Investor Relations

For all investor enquiries

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Auditors

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DIRECTORS' REPORT

Senetas Corporation Ltd

Senetas Corporation Ltd (ASX: SEN) (Senetas / the Company) is a leading developer and manufacturer of certified, high-assurance encryption hardware; virtualised (software based) network encryption; and advanced encrypted file sharing application.

Your directors are pleased to submit their report for the half-year ended 31 December 2024 (HY25).

Names, Qualifications, Experience and Special Responsibilities

The following directors were in office for the entire financial period and until the date of this report unless otherwise noted:

| | |
|----------------------|-----------------------------------|
| Francis W. Galbally | Director (Non-Executive Chairman) |
| Andrew R. Wilson | Director (Executive) |
| Lachlan P. Given | Director (Non-Executive) |
| Kenneth J. Gillespie | Director (Non-Executive) |
| Lawrence D. Hansen | Director (Non-Executive) |
| Philip Schofield | Director (Non-Executive) |

DISTRIBUTIONS PAID AND PROPOSED

| | Cents | \$ |
|-------------------------------------|-------|-----|
| Distributions paid during the year: | Nil | Nil |

CORPORATE INFORMATION

Senetas is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the entities within the consolidated group during the year was the sale of IT security products which provide network data security solutions to businesses and governments around the world.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no significant changes in the state of affairs.

OPERATING & FINANCIAL REVIEW

HY2025 Financial Highlights:

| Six months ended 31 December 2024 (\$000's) | HY2025 | HY2024 |
|---|---------|---------|
| Revenue from ordinary activities | 16,396 | 13,490 |
| Gross profit | 14,591 | 12,133 |
| Other income | 106 | 59 |
| Profit (loss) before tax | (3,729) | (8,085) |
| Tax benefit/(expense) | (82) | 148 |
| Net profit (loss) after tax | (3,811) | (7,937) |
| Net profit (loss) after tax attributable to members | (1,393) | (3,868) |

DIRECTORS' REPORT

- Group operating revenue up 21.5% to \$16.4 million (HY2024: \$13.5 million)
 - Senetas segment reported revenue of \$9.5 million was up 2% over the prior period (HY2024: \$9.3 million)
 - Votiro segment revenue was up 66% to \$6.9 million (HY2024: \$4.1 million)
- Gross margin for the Group was 89% - similar to the prior period
 - Senetas segment gross margin was 87% (HY2024: 89%)
 - Votiro segment gross margin was 92% (HY2024: 92%)
- Profit before tax for the Senetas operating segment in HY2025 was up 31% to \$1.9 million (HY2024: \$1.4 million)
- Variable Consideration had no material impact on the Senetas financial results for HY2025
- The Group net loss after tax of \$3.7 million includes a \$5.6 million operating loss after tax for Votiro
 - \$2.4 million of the Votiro loss is attributable to minority interests
 - Votiro's loss before tax includes non-cash items such as share based payments expense and amortisation totaling \$1.1 million
- The Group net loss after tax attributable to members was \$1.4 million
- The Group net loss attributable to members after adjusting for non-cash items was \$0.4 million
- Cash on hand at 31 December 2024 was \$8.8 million and no debt.

Whilst HY2025 has seen ongoing improvement in the financial performance of both the Senetas and Votiro businesses, the key recent development for the Company has been the completion of the Votiro transaction with Menlo Security Inc. (Menlo) earlier this month.

The Votiro business becoming part of the Menlo business represents a significant opportunity to accelerate the growth of the underlying Votiro business. The financial strength of Menlo and its backers, the seamless fit of Votiro in Menlo's portfolio, and significant number of customers that Votiro and Menlo had in common made Menlo an obvious choice for the growth and development of the Votiro business moving forward.

And the ongoing exposure Senetas will have to Menlo and Votiro via the component of consideration received in the form of Menlo shares ensures that Senetas shareholders will have the opportunity to benefit as Menlo and Votiro continue to grow.

The Senetas business achieved modest revenue growth in HY2025, but strong profit growth. The forecast reduction in inventories held by our global distribution partner results in lower inventory shipments by Senetas but has very limited impact on profit and cash flow as good customers sales continue. HY2025's profit before tax growth of 31% was a very strong result for the segment.

Strong recurring maintenance and subscription revenue for HY2025 was assisted by the first period of contribution resulting from Senetas's largest ever encryptor sale to a Middle Eastern government customer late in FY2024.

R&D remains a critical focus for Senetas. The key focus areas during the period included the ongoing upgrades to Senetas's 10Gbps encryptors, the new version of the 100Gbps encryptor and re-certifications that are required for the North American market.

In the near term we expect an increasing investment in, and opportunities relating to, the previously announced work we have been doing relating to embedding Senetas encryption on Autonomous Vehicles (Drones) and working with a US multinational company with regard to potential AUKUS projects.

DIRECTORS' REPORT

The Senetas business remains strong, profitable and cash generative and we are confident in the outlook for its future.

Senetas operational review

Senetas segment reported revenue in HY2025 was up 2% to \$9.5 million. Higher revenue was driven by good growth in customer sales of Senetas products and services by Thales, partly offset by lower inventory transfers as Thales reduced its inventory holdings post the global electronic component shortages.

Maintenance and subscription revenue grew 28% to \$5.3 million in HY2025 and represented 56% of total Senetas segment revenue. One of the key drivers of the strong growth in maintenance and subscription revenue was the first period of maintenance payments related to Senetas's largest ever sale to a Middle Eastern government customer that completed in late FY2024.

Senetas segment gross profit was \$8.3 million and gross margins were 89%, marginally lower than the prior period.

Senetas segment profit before tax was up 31% to \$1.9 million and profit after tax was up 23% to \$1.6 million. Variable Consideration as highlighted in recent accounting periods had no material impact on Senetas's results in HY2025.

With the global component shortages now having eased, Senetas's inventory holdings have stabilised, and the inventory of Senetas products held by Thales has reduced by 29% since the same time in the prior year. We continue to expect both Thales and Senetas inventory levels will return towards more historic levels over the next 12 months.

The sales pipeline growth that Senetas saw in the June 2024 quarter continued into HY2025 providing solid momentum for the remainder of FY2025.

Expenditure on R&D was in line with the prior period. Core R&D projects in HY2025 included the ongoing upgrades to Senetas's 10Gbps encryptors, the new version of the 100Gbps encryptor and re-certification that is required for the North American market.

Proof of Concept trials using Senetas encryption embedded on Autonomous Vehicles are continuing productively. There have been no significant developments at this stage, however, the platform agility Senetas has demonstrated is leading to numerous other opportunities in the tactical space. Senetas is also working with a US multinational company with regard to potential AUKUS projects.

SureDrop, Senetas's encrypted file-sharing and collaboration platform, continued to grow revenue during the half year but remains only a small part of the Company's revenue sources. Senetas expects revenue will continue to grow through the remainder of FY2025 off a small base.

Sale of Votiro

The underlying Votiro business becoming part of Menlo Security Inc. (Menlo) represents a significant opportunity to accelerate the growth of the Votiro business. Senetas's ongoing exposure to Menlo, via the shares Votiro received as consideration for the transaction, also has the potential to deliver substantial upside to both Votiro and Senetas shareholders by providing them with exposure to a far larger and well financed US based security company.

Menlo is backed by Vista Equity Partners, Neuberger Berman, General Catalyst, American Express Ventures, Ericsson Ventures, HSBC, and JPMorgan Chase. The financial strength of its backers, and the fact that some were also Votiro's customers, made Menlo an obvious choice for the growth and development of the Votiro business.

DIRECTORS' REPORT

Votiro has also had a very productive commercial relationship with Menlo for some years and Votiro's technology fits seamlessly into the Menlo portfolio. Menlo and Votiro also have a number of large customers in common.

Key Transaction Details

The sale of the Votiro operating business to Menlo Security Inc. (Menlo) was announced on 20 February 2025.

- The transaction was structured as a sale by Votiro Cybersec Global (Australian incorporated Votiro parent company) of its wholly owned operating subsidiary companies
- As at the date of the transaction, Senetas held a fully diluted 55.7% shareholding in Votiro Cybersec Global. Currently, Senetas holds a 57.8% shareholding as a result of unvested employee options expiring
- The transaction proceeds are to be received by Votiro Cybersec Global as 40% in cash and 60% as shares in Menlo
- The consideration for the Votiro business on a cash free/debt free basis is a base value of US\$37.5 million (approximately A\$60 million) plus the potential for incremental consideration if certain conditions are met
- Up to US\$17.2 million of the consideration will be held back for a minimum period of 12 months subject to certain conditions relating to the renewal of key Votiro customer contracts
- The initial consideration expected to be received by Votiro Cybersec Global in April/May 2025 following the completion of standard tax clearance processes in Israel
- Initial cash proceeds received are likely to be used to part repay loans outstanding to Senetas and another major Votiro shareholder
- Votiro Cybersec Global and any cash and/or Menlo shares will continue to be consolidated in Senetas's accounts in future periods
- Once the final transaction consideration is confirmed, it is estimated that Votiro Cybersec Global is likely to hold (assuming the base consideration of US\$37.5m is received) a shareholding of approximately 2% in Menlo
- Senetas will report the valuation of its ongoing investment in Votiro Cybersec Global in its half and full year accounts – commencing FY2025
- Senetas Board to consider capital management options as cash proceeds from the Votiro transaction are realised

About Menlo Security Inc.

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.

Menlo announced on 1 October 2024 that it had surpassed US\$100 million in annual recurring revenue (ARR) and had achieved 50% growth in the previous 24 months. In the same announcement Menlo confirmed that it held US\$350M in total contract value and expected to be cash flow positive in 2025. Menlo had also achieved 110% in net revenue retention rate and grown its gross revenue retention by 97% in the previous 12 months.

Further detail about Menlo, its business operations, and the 1 October 2024 announcement can be found at <https://www.menlosecurity.com/>

DIRECTORS' REPORT

Votiro operational review

Votiro operating revenue was up 66% to \$6.7 million driven primarily by growth in the Asia Pacific region. The Asia Pacific region remains the largest contributor to revenue and ARR.

Cost of sales grew similarly to revenue – up 56% - and gross margin was maintained at 92%

Efficiency initiatives throughout the period at Votiro saw a reduction of 15% in overhead expenses. Strong revenue growth and the benefit of the 15% reductions in overheads saw Votiro's loss before tax reduce by 41% to \$5.6 million. Votiro's net loss after tax reduced similarly to \$5.4 million.

\$2.4 million of Votiro's loss after tax was attributable to minority interests.

As forecast, Votiro reached a cash flow breakeven point for the month of December 2024.

Balance sheet and cash flow

Consolidated net assets at 31 December 2024 were negative \$6.0 million with cash on hand of \$8.8 million and no debt. The lower net assets at 31 December 2024 reflect the consolidation of the current period loss from Votiro, partly offset by the Senetas segment profit. At 31 December 2024 the Senetas segment had positive net assets of \$43.3 million (30 June 2024: \$41.5 million).

After a significant increase in contract and lease liabilities during FY2024, they remained stable in HY2025. Contract and lease liabilities primarily reflect payments received in advance from Votiro customers and movements in Senetas's prepaid maintenance contracts. These amounts will be reflected as revenue in future years as the relevant contract service periods mature.

The level of cash on hand at 31 December 2024 reflects the impact of the Senetas segment cash inflows, offset by the Votiro segment losses. Senetas operating cash outflows for HY2025 were \$1.0 million and Votiro cash outflows for the period were \$1.5 million.

Outlook

We continue to expect good customer sales of Senetas products to be maintained through the remainder of FY2025 with customer sales pipeline growth through HY2025 providing solid momentum into the second half of FY2025.

As forecast, Thales's inventory of Senetas products reduced by 29% in HY2025 which will continue to affect inventory transfers and top line revenue growth, however, higher gross margins, strong profitability and good cash flow should continue through the remainder of the year.

There remain some significant sales opportunities in the Middle East market that may provide some upside to expected FY2025 revenue, however, because the timing of these opportunities remains uncertain and they generally have long lead times, they may not fall in FY2025.

Overall, the outlook for the Senetas operating business remains strong, with good profit and cash flow expected to continue.

The cash proceeds from the Votiro transaction, plus Senetas's ongoing exposure to Menlo, via the shares Votiro received as consideration for the transaction, have the potential to deliver substantial value to both Votiro and Senetas shareholders in future. As cash proceeds from the Votiro transaction are realised over time the Senetas board will consider all capital management options as appropriate.

DIRECTORS' REPORT

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Completion of Exercise of Options

On 20 December 2024, Senetas announced that it had executed an underwriting agreement with Taylor Collison Limited to cover the shortfall of unexercised options upon their expiry under the Rights Offer. As these options expired on 22 and 29 December, Senetas received funds of \$0.7 million in December 2024, however, the corresponding shares were not formally issued until 8 January 2025. Consequently, a liability of \$0.7 million was recognised at the reporting date. Additional funds of \$1.37 million were received in January 2025, less transaction costs of \$0.1 million. This resulted in the issuance of 82,978,487 new shares, bringing the total shares on issue to 1,655,519,083.

Sale of Votiro Cybersec Limited and its wholly owned subsidiaries (operational subsidiaries)

On 20 February 2025, Senetas announced that the Board of Votiro Cybersec Global Pty Ltd (Votiro Global) had approved the entry into a definitive share purchase agreement (transaction) to sell the operational subsidiaries to Menlo Security Inc. (Menlo), a privately held cybersecurity company. The transaction was completed simultaneously with the execution of binding agreements.

The sale includes Votiro Global's wholly owned Israeli subsidiary, Votiro Cybersec Limited, and its subsidiary entities. Senetas, which holds a 55.7% controlling interest in Votiro Global on a fully diluted basis, will retain its shareholding, maintaining exposure to the value of Votiro Global's shares in Menlo.

The total transaction consideration for 100% of the operational subsidiaries comprises a base amount of US\$37.5 million (approximately A\$60 million), with 40% payable in cash and 60% in Menlo shares. Additionally, up to 45% of the base consideration is deferred for 12 months, contingent on the renewal of key customer contracts. Further incremental consideration may also be payable if specific conditions are met.

The financial impact of the sale cannot yet be determined due to several outstanding factors. Specifically, the sale proceeds have not been fully settled, transaction costs remain unfinalised, and adjustments to net working capital are still under review. These elements will directly affect the overall financial outcome of the sale. Until these key components are resolved, management is unable to accurately quantify the financial impact.

As of 31 December 2024, Votiro Global had received only a non-binding indicative offer (Offer) from Menlo, which remained subject to several conditions, including board approvals from both parties and ongoing due diligence extending into January 2025. The Offer could be withdrawn at any time, with no certainty of completion as of the reporting date. Additionally, key transaction details, including its structure and the specific Votiro entities involved, were still under negotiation after the reporting date. As a result, the criteria for classifying a disposal group as held for sale were not met at reporting date.

ROUNDING

The Company is an entity to which ASIC Class Order 2016/191 applies and, accordingly the amounts contained in the financial report have been rounded to the nearest \$1 (where rounding is applicable).

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity is not subject to any particular or significant environmental regulations.

Signed in accordance with a resolution of the directors



Francis W. Galbally
Chairman

Date: 28 February 2025

Grant Thornton Audit Pty Ltd

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Auditor's Independence Declaration

To the Directors of Senetas Corporation Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Senetas Corporation Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance
Melbourne, 28 February 2025

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Interim Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

| | Notes | CONSOLIDATED | |
|--|-------|--------------------|--------------------|
| | | December 2024 | December 2023 |
| | | \$ | \$ |
| Revenue from contracts with customers | 1 | 16,396,037 | 13,490,405 |
| Revenue | | 16,396,037 | 13,490,405 |
| Materials and support services expense | | (1,805,214) | (1,357,337) |
| Other income | 2 | 105,734 | 59,015 |
| Employee benefits expense | 3(a) | (11,045,810) | (11,786,057) |
| Depreciation and amortisation expense | 3(b) | (1,120,850) | (1,594,848) |
| Administration expenses | 3(c) | (4,224,114) | (4,826,098) |
| Professional fees | 3(d) | (1,178,501) | (1,018,761) |
| Other expenses | 3(e) | (546,569) | (977,614) |
| Finance costs | 3(f) | (309,607) | (73,857) |
| Loss before income tax | | (3,728,894) | (8,085,151) |
| Income tax (expense)/benefit | 4 | (81,860) | 148,508 |
| Loss after income tax | | (3,810,754) | (7,936,643) |
| Other comprehensive income/(loss) | | | |
| Items that may be subsequently classified to profit or loss | | | |
| Exchange differences on translating foreign operations | | (880,960) | (174,590) |
| Other comprehensive income/(loss) for the year | | (880,960) | (174,590) |
| Total comprehensive (loss)/ income for the year, net of tax | | (4,691,714) | (8,111,233) |
| (Loss)/profit for the period is attributable to: | | | |
| Owners of the parent | | (1,392,508) | (3,867,733) |
| Non-controlling interest | | (2,418,246) | (4,068,910) |
| | | (3,810,754) | (7,936,643) |
| Total comprehensive (loss)/profit for the year is attributable to: | | | |
| Owners of the parent | | (1,918,198) | (3,988,663) |
| Non-controlling interest | | (2,773,516) | (4,122,570) |
| | | (4,691,714) | (8,111,233) |
| Earnings per share | | | |
| Basic loss for the year attributable to ordinary equity holders of the Parent. | | (0.089) | (0.313) |
| Diluted loss for the year attributable to ordinary equity holders of the Parent. | | (0.089) | (0.313) |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

| | Notes | CONSOLIDATED | |
|--|-------|---------------------|--------------------|
| | | December 2024 \$ | June 2024 \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 8,800,691 | 9,421,235 |
| Trade receivables and contract assets | 6 | 12,361,488 | 11,737,691 |
| Inventories | | 4,638,547 | 4,307,556 |
| Other assets | | 1,079,528 | 1,582,748 |
| Total current assets | | 26,880,254 | 27,049,230 |
| Non-current assets | | | |
| Long-term cash deposit | | 91,667 | 91,667 |
| Non-current prepayments | | 468,895 | 473,682 |
| Plant and equipment | | 656,547 | 539,808 |
| Goodwill and intangible assets | 8 | 4,377,424 | 5,294,634 |
| Right-of-use asset | | 1,345,304 | 1,488,223 |
| Total non-current assets | | 6,939,837 | 7,888,014 |
| TOTAL ASSETS | | 33,820,091 | 34,937,244 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 6,074,851 | 5,510,895 |
| Current income tax payable | | 1,029,077 | 905,020 |
| Contract liabilities | 7 | 15,657,085 | 15,182,947 |
| Interest-bearing liabilities | 10 | 4,696,178 | 2,395,651 |
| Lease liabilities | | 235,302 | 236,271 |
| Provisions | | 1,861,135 | 1,822,603 |
| Total current liabilities | | 29,553,628 | 26,053,387 |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 128,904 | 196,858 |
| Provisions | | 148,746 | 100,474 |
| Contract liabilities | 7 | 8,879,467 | 8,920,420 |
| Lease liabilities | | 1,134,153 | 1,261,543 |
| Total non-current liabilities | | 10,291,270 | 10,479,295 |
| TOTAL LIABILITIES | | 39,844,898 | 36,532,682 |
| NET ASSETS | | (6,024,807) | (1,595,438) |
| EQUITY | | | |
| Equity attributable to equity holders of the parent | | | |
| Contributed equity | 9 | 113,390,214 | 113,443,783 |
| Accumulated losses | | (111,165,933) | (109,773,425) |
| Employee benefits reserve | | 5,625,660 | 5,428,577 |
| Other reserves | | 2,166,462 | 1,936,119 |
| Foreign currency translation reserve | | (130,787) | 394,902 |
| Equity attributable to owners of the parent | | 9,885,616 | 11,429,956 |
| Non-controlling interests | | (15,910,423) | (13,025,394) |
| TOTAL EQUITY | | (6,024,807) | (1,595,438) |

The above statement of financial position should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

| | Notes | CONSOLIDATED | |
|--|-------|--------------------|--------------------|
| | | December 2024 | December 2023 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers | | 15,361,337 | 15,300,784 |
| Payments to suppliers and employees | | (17,907,182) | (19,606,591) |
| Income tax refund / (paid) | | (15,644) | (22,177) |
| Interest received | | 108,061 | 59,788 |
| Net cash flows from operating activities | | (2,453,429) | (4,268,195) |
| Cash flows used in investing activities | | | |
| Purchase of plant and equipment | | (280,366) | (118,780) |
| Purchase of other intangibles | 8 | (20,054) | - |
| Net cash flows used in investing activities | | (300,421) | (118,780) |
| Cash flows used in financing activities | | | |
| Proceeds from issued capital | 9 | 31,431 | 5,000,000 |
| Transaction costs on issued capital | 9 | (85,000) | (659,040) |
| Proceeds from interest bearing loans | | 2,070,356 | 2,211,085 |
| Payment of interest on lease liability | | (42,614) | (9,984) |
| Payment of principal portion of lease liability | | (128,358) | (165,649) |
| Net cash flows used in financing activities | | 1,845,817 | 6,376,411 |
| Net (decrease)/increase in cash and cash equivalents | | (908,033) | 1,989,436 |
| Net foreign exchange differences | | 287,489 | (116,041) |
| Cash and cash equivalents at beginning of the year | | 9,421,235 | 9,813,782 |
| Cash and cash equivalents at period end | | 8,800,691 | 11,687,177 |

The above statement of cash flows should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

| | Attributable to equity holders of Senetas Corporation Limited | | | | | Owners of the parent | Non-controlling interest | Total equity |
|---|---|--------------------------------|--------------------------------------|---------------------------|------------------|----------------------|--------------------------|--------------------|
| | Contributed equity | Accumulated (losses) / profits | Foreign currency translation reserve | Employee benefits reserve | Other reserves | Total | | |
| CONSOLIDATED | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| At 1 July 2023 | 109,127,198 | (103,666,193) | 409,260 | 4,701,089 | 992,860 | 11,564,214 | (5,242,058) | 6,322,156 |
| Loss for the year | - | (3,867,733) | - | - | - | (3,867,733) | (4,068,910) | (7,936,644) |
| Other comprehensive income | - | - | (120,930) | - | - | (120,930) | (53,660) | (174,590) |
| Total comprehensive income | - | (3,867,733) | (120,930) | - | - | (3,988,663) | (4,122,570) | (8,111,234) |
| Transactions with owners in their capacity as owners | | | | | | | | |
| Proceeds from issued capital | 5,000,000 | - | - | - | - | 5,000,000 | - | 5,000,000 |
| Transaction costs | (659,040) | - | - | - | - | (659,040) | - | (659,040) |
| Acquisition of non-controlling interests | - | - | - | - | 808,293 | 808,293 | (808,293) | - |
| Options converted to shares | - | - | - | - | - | - | - | - |
| Share based payments expense | - | - | - | 392,913 | - | 392,913 | 235,783 | 628,696 |
| At 31 December 2023 | 113,468,158 | (107,533,926) | 288,330 | 5,094,002 | 1,801,153 | 13,117,716 | (9,937,138) | 3,180,578 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| At 1 July 2024 | 113,443,783 | (109,773,425) | 394,902 | 5,428,577 | 1,936,119 | 11,429,956 | (13,025,394) | (1,595,438) |
| Loss for the year | - | (1,392,508) | - | - | - | (1,392,508) | (2,418,246) | (3,810,754) |
| Other comprehensive income | - | - | (525,689) | - | - | (525,689) | (355,271) | (880,960) |
| Total Comprehensive Income | - | (1,392,508) | (525,689) | - | - | (1,918,198) | (2,773,516) | (4,691,714) |
| Transactions with owners in their capacity as owners | | | | | | | | |
| Proceeds from issued capital | 31,431 | - | - | - | - | 31,431 | - | 31,431 |
| Transaction costs | (85,000) | - | - | - | - | (85,000) | - | (85,000) |
| Acquisition of non-controlling interests | - | - | - | - | 230,343 | 230,343 | (230,343) | - |
| Options converted to shares | - | - | - | - | - | - | 2,640 | 2,640 |
| Share based payments expense | - | - | - | 197,083 | - | 197,083 | 116,188 | 313,271 |
| At 31 December 2024 | 113,390,214 | (111,165,933) | (130,787) | 5,625,660 | 2,166,462 | 9,885,616 | (15,910,423) | (6,024,807) |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

FINANCIAL PERFORMANCE

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Notes to the Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

ABOUT THIS REPORT

The interim consolidated financial report of Senetas Corporation Limited and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2024 were authorised for issue in accordance with a resolution of directors on 28 February 2025.

Senetas Corporation Limited (the Company or the Parent) is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. The Company is a for-profit entity.

The nature of the operations and principal activities of the Group are described in the Directors' report. The registered office of Senetas Corporation Limited is at 312 Kings Way, South Melbourne, Victoria 3205, Australia.

BASIS OF PREPARATION

The interim consolidated financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* issued by the Australian Accounting Standards Board (AASB). The interim consolidated financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial report as at 30 June 2024.

The interim consolidated financial report has been prepared on an historical cost basis except for contingent consideration and investment securities that have been measured at fair value.

The interim consolidated financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

(a) Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated group reported a net loss after tax for the half-year of \$3,810,754 (31 December 2023: loss of \$7,936,643), incurring negative operating cash flows of \$2,453,429 (31 December 2023: \$4,268,195) and the consolidated group's position as at 31 December 2024 was as follows:

The consolidated group had cash and cash equivalents of \$8,800,691 (30 June 2024: \$9,421,235);

- The consolidated group had a net asset deficiency of \$6,024,807, (30 June 2024: net assets of \$1,595,438); which was largely attributable to contract liabilities of \$24,536,552 (30 June 2024: \$24,103,368). The Senetas segment had positive net assets of \$43,339,909 (30 June 2024: \$41,471,213).

During the half-year period the following events have taken place to support the going concern basis of preparation for the consolidated group:

The consolidated group has attributable available cash on hand of \$8,800,691 (30 June 2024:

- \$9,421,235);
- The consolidated group earned \$16,396,037 (31 December 2023: \$13,490,405) in sales revenue during the half-year noting that the Votiro operating segment continued to build on its growth momentum with revenue up 66% to \$6,864,705 (31 December 2023: \$4,144,284).

Notes to the Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

(a) Going concern (continued)

Despite the consolidated group reporting a net loss before tax for the half-year period of \$3,728,894 (31 December 2023: \$8,085,151), the Senetas operating segment profit before tax was \$1,867,890 (31 December 2023: \$1,425,649). The Votiro operating segment loss before tax for the half-year period was \$5,596,784 (31 December 2023: \$9,510,800), which includes non-cash items of \$1,091,176 (31 December 2023: \$1,809,367).

- The forecast cash flows for the consolidated group indicate that, based on the current cash on hand, the group is able to maintain a positive cash position beyond 12 months from February 2025.

MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim consolidated financial report are consistent with those followed in the preparation of the Group's annual report for the year ended 30 June 2024.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim consolidated financial report requires management to make judgements, estimates and assumptions that affect reported amounts in the interim financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying values of these assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

In preparing the interim consolidated financial report, management applied the same significant estimates, judgements and assumptions as in the most recent annual report as of 30 June 2024, except for the assessment of whether the classification criteria for a disposal group as held for sale were met.

Over the years, the group has undertaken various funding strategies to support its operations, including direct equity raises, convertible notes, debt financing, and capital raising by related entities. In parallel with the potential sale transaction process, alternative funding strategies, including both equity and debt financing, were being actively considered to strengthen the Votiro's financial position.

As of 31 December 2024, Votiro Global had received only a non-binding indicative offer (Offer) from Menlo, which remained subject to several conditions, including board approvals from both parties and ongoing due diligence extending into January 2025. The Offer could be withdrawn at any time, with no certainty of completion as of the reporting date. Additionally, key transaction details, including its structure and the specific Votiro entities involved, were still under negotiation after the reporting date. Given the Offer's non-binding nature and the ongoing exploration of multiple funding options, the criteria for classifying a disposal group as held for sale were not met as of the reporting date.

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

FINANCIAL PERFORMANCE SECTION

1 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers

| | CONSOLIDATED | |
|---|-------------------|-------------------|
| | December 2024 | December 2023 |
| | \$ | \$ |
| Sale of goods | 4,228,981 | 5,211,132 |
| Product maintenance and subscription revenue | 12,167,056 | 8,279,273 |
| Total revenue from contracts with customers | 16,396,037 | 13,490,405 |
| Geographical markets | | |
| Asia Pacific | 7,135,542 | 4,122,706 |
| United States | 5,682,080 | 4,613,063 |
| Africa | 49,180 | 49,748 |
| Europe | 3,529,237 | 4,704,889 |
| Total revenue from contracts with customers | 16,396,038 | 13,490,405 |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 4,228,981 | 5,211,132 |
| Services transferred over time | 12,167,056 | 8,279,273 |
| Total revenue from contracts with customers | 16,396,037 | 13,490,405 |
| The aggregate amount of transaction prices (i.e. unrecognised revenue) allocated to incomplete performance obligations, at the reporting date, is as follows: | | |
| Product maintenance and subscription revenue | 24,536,551 | 20,384,676 |
| Total | 24,536,551 | 20,384,676 |
| Of the aggregate amount of transaction prices (i.e. unrecognised revenue) allocated to incomplete performance obligations, at the reporting date the following amounts are expected to be recognised. | | |
| Product maintenance and subscription revenue expected to be recognised within: | \$ | \$ |
| One (1) year of the reporting date | 15,657,085 | 12,716,689 |
| Two (2) years from the reporting date | 5,027,059 | 4,504,407 |
| Three (3) years from the reporting date | 2,236,320 | 2,500,324 |
| Between four (4) and five (5) years | 1,616,087 | 663,256 |
| Total | 24,536,551 | 20,384,676 |
| 2 OTHER INCOME | | |
| Interest income | 105,734 | 59,015 |
| Total | 105,734 | 59,015 |

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

3 EXPENSES

| | Notes | CONSOLIDATED | |
|---|-------|-------------------|-------------------|
| | | December 2024 | December 2023 |
| | | \$ | \$ |
| (a) Employee benefits expense | | | |
| Salaries & wages | | 10,388,049 | 10,876,970 |
| Superannuation | | 307,051 | 280,391 |
| Termination payouts | | 37,439 | - |
| Share based payment expense | | 313,271 | 628,696 |
| Total | | 11,045,810 | 11,786,057 |
| (b) Depreciation and amortisation expense | | | |
| Depreciation: | | | |
| Plant and equipment | | 161,116 | 176,502 |
| Leasehold improvements | | 5,599 | 26,653 |
| Right-of-use asset | | 142,918 | 140,474 |
| Amortisation: | | | |
| Customer relationships | | 88,544 | 136,341 |
| Software | | 722,673 | 1,114,878 |
| Total | | 1,120,850 | 1,594,848 |
| (c) Administration expenses | | | |
| Premises costs | | 444,856 | 410,657 |
| Travel expenditure | | 364,314 | 449,641 |
| Telephone and internet expenditure | | 91,010 | 83,641 |
| Insurance expenditure | | 360,531 | 235,526 |
| Marketing expenditure | | 991,518 | 1,818,719 |
| External contractors -sales and corporate | | 1,971,885 | 1,827,914 |
| Total | | 4,224,114 | 4,826,098 |
| (d) Professional fees | | | |
| Certification, testing and direct R&D expenditure | | 485,426 | 473,742 |
| Legal fees | | 167,015 | 203,597 |
| Professional services | | 526,060 | 341,422 |
| Total | | 1,178,501 | 1,018,761 |
| (e) Other expenses | | | |
| Subscriptions and membership fees | | 389,780 | 399,283 |
| Net loss on foreign exchange | | 84,646 | 56,039 |
| Other expenses | | 72,143 | 522,292 |
| Total | | 546,569 | 977,614 |
| (f) Finance costs | | | |
| Bank fees and service charges | | 266,993 | 63,873 |
| Interest expense on lease liabilities | | 42,614 | 9,984 |
| Total | | 309,607 | 73,857 |

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

4 INCOME TAX

| | Notes | CONSOLIDATED | |
|---|-------|-----------------|----------------|
| | | December 2024 | December 2023 |
| | | \$ | \$ |
| (a) Major components of income tax expense for the Interim Consolidated Statement of Comprehensive Income are: | | | |
| Current income tax | | | |
| Current income tax charge | | (405,434) | (640,140) |
| Adjustments in respect of current income tax of previous years | | 262,854 | 315,815 |
| Deferred income tax | | | |
| Relating to origination and reversal of temporary differences | | 60,720 | 472,833 |
| Income tax (expense)/benefit reported in statement of comprehensive income | | (81,860) | 148,508 |

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

5 SEGMENT INFORMATION

Basis of segment identification

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Senetas's chief operating decision maker is the Chief Executive Officer (CEO). The CEO provides strategic direction and management oversight of the day to day activities of the Group in terms of monitoring results and approving strategic planning. Operating segments have been identified based on the information provided to the CEO.

The Group has two reportable segments - the product division (Senetas) and solutions technology division (Votiro). In accordance with the master distribution agreement and other direct customers, both product sales and maintenance services are inter-related and reported as one (1) product division reportable segment.

The following tables present the revenue and profit information regarding reportable segments for the half-years ended 31 December:

| Half-year ended 31 December 2024 | Senetas \$ | Votiro \$ | Total \$ |
|--|------------------|------------------|-------------------|
| <i>Segment revenue - Revenue from contracts with customers</i> | | | |
| Sale of goods | 4,228,981 | - | 4,228,981 |
| Product maintenance and subscription revenue | 5,302,351 | 6,864,705 | 12,167,056 |
| Total Segment revenue | 9,531,332 | 6,864,705 | 16,396,037 |

| | Senetas \$ | Votiro \$ | Eliminations ⁽ⁱ⁾ \$ | Total \$ |
|--|------------------|--------------------|-----------------------------------|--------------------|
| <i>Result</i> | | | | |
| Segment profit/(loss) before tax | 1,867,890 | (5,596,784) | - | (3,728,894) |
| Income tax (expense) /benefit | (249,045) | 167,185 | - | (81,860) |
| Segment profit/(loss) after tax | 1,618,845 | (5,429,599) | - | (3,810,754) |
| <i>Income / (expenses)</i> | | | | |
| Depreciation and amortisation | (290,505) | (830,345) | - | (1,120,850) |
| Share based payments expense | (52,440) | (260,831) | - | (313,271) |

(i) The eliminations include the investment in subsidiary and loans with subsidiary

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

5 SEGMENT INFORMATION (CONTINUED)

| Half-year ended 31 December 2024 | Senetas \$ | Votiro \$ | Eliminations ⁽ⁱ⁾ \$ | Total \$ |
|----------------------------------|---------------|--------------|-----------------------------------|--------------|
| Non-current assets | 27,844,368 | 4,801,365 | (25,705,896) | 6,939,837 |
| Total assets | 58,956,693 | 13,269,502 | (38,406,102) | 33,820,091 |
| Total liabilities | (15,865,828) | (36,679,278) | 12,700,208 | (39,844,898) |
| Net assets | 43,090,865 | (23,409,776) | (25,705,896) | (6,024,807) |
| <i>Cashflows</i> | | | | |
| Operating activities | (981,503) | (1,471,926) | - | (2,453,429) |
| Investing activities | (295,099) | (5,322) | - | (300,421) |
| Financing activities | (2,895,917) | 4,741,734 | - | 1,845,817 |

(i) The eliminations include the investment in subsidiary and loans with subsidiary

| Half-year ended 31 December 2023 | Senetas \$ | Votiro \$ | Total \$ |
|--|------------------|------------------|-------------------|
| <i>Segment revenue - Revenue from contracts with customers</i> | | | |
| Sale of goods | 5,211,132 | - | 5,211,132 |
| Product maintenance and subscription revenue | 4,134,990 | 4,144,284 | 8,279,273 |
| Total Segment revenue | 9,346,122 | 4,144,284 | 13,490,405 |

| Half-year ended 31 December 2023 | Senetas \$ | Votiro \$ | Eliminations ⁽ⁱ⁾ \$ | Total \$ |
|--|------------------|--------------------|-----------------------------------|--------------------|
| <i>Result</i> | | | | |
| Segment profit/(loss) before tax | 1,425,649 | (9,510,800) | - | (8,085,151) |
| Income tax expense / (benefit) | (110,835) | 259,344 | - | 148,508 |
| Segment profit/(loss) after tax | 1,314,813 | (9,251,456) | - | (7,936,643) |
| <i>Income / (expenses)</i> | | | | |
| Depreciation and amortisation | (321,579) | (1,273,269) | - | (1,594,848) |
| Share based payments expense | (92,597) | (536,099) | - | (628,696) |
| Non-current assets | 26,660,095 | 6,631,480 | (25,705,896) | 7,585,677 |
| Total assets | 50,963,555 | 14,030,618 | (31,307,355) | 33,686,819 |
| Total liabilities | (11,436,276) | (24,671,423) | 5,601,459 | (30,506,240) |
| Net assets | 39,527,279 | (10,640,805) | (25,705,896) | 3,180,579 |
| <i>Cashflows</i> | | | | |
| Operating activities | (1,027,705) | (3,240,490) | - | (4,268,195) |
| Investing activities | (69,331) | (49,449) | - | (118,780) |
| Financing activities | (1,201,991) | 7,578,403 | - | 6,376,411 |

(i) The eliminations include the investment in subsidiary and loans with subsidiary

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

5 SEGMENT INFORMATION (CONTINUED)

Revenue is attributed to geographic regions based on the location of the customers. The company does not have external revenues from any external customers that are attributable to any foreign country other than as shown below.

| 31 December 2024 | Senetas | Votiro | Total |
|------------------|------------------|------------------|-------------------|
| | \$ | \$ | \$ |
| Asia Pacific | 1,525,110 | 5,610,431 | 7,135,542 |
| United States | 4,927,959 | 754,121 | 5,682,080 |
| Europe | 3,078,263 | 450,975 | 3,529,237 |
| Africa | - | 49,178 | 49,178 |
| Total | 9,531,332 | 6,864,705 | 16,396,037 |

| 31 December 2023 | Senetas | Votiro | Total |
|------------------|-------------------|------------------|-------------------|
| | \$ | \$ | \$ |
| Asia Pacific | 1,508,713 | 3,048,472 | 4,557,185 |
| United States | 4,800,322 | 568,024 | 5,368,346 |
| Europe | 4,654,607 | 290,916 | 4,945,523 |
| Africa | - | 37,241 | 37,241 |
| Total | 10,963,642 | 3,944,653 | 14,908,295 |

Revenue from one customer - the Company's global distribution partner, Thales - amounted to \$8,543,706 (2023: \$8,769,374) arising from the above mentioned geographical areas.

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

WORKING CAPITAL SECTION

6 TRADE RECEIVABLES AND CONTRACT ASSETS

| | Notes | CONSOLIDATED | |
|-----------------------|-------|-------------------|-------------------|
| | | December 2024 | June 2024 |
| | | \$ | \$ |
| Trade receivables (i) | | 8,689,901 | 8,153,222 |
| Contract asset | | 3,400,459 | 3,430,901 |
| Net GST receivable | | 271,128 | 153,567 |
| Total | | 12,361,488 | 11,737,691 |

(i) The fair value of trade receivables is equivalent to its carrying amounts. It is expected that the full contractual amounts can be collected. AASB 9 requires a calculation of the expected credit losses (ECL's). The Group's evaluation of this requirement has determined that an allowance for credit losses is negligible.

The Group holds no collateral against possible default by a customer. There were no receivables written off during the year.

7 CONTRACT LIABILITY

| | Notes | CONSOLIDATED | |
|--|-------|-------------------|-------------------|
| | | December 2024 | June 2024 |
| | | \$ | \$ |
| (a) Contract liability Reconciliation | | | |
| Opening balance as at 1 July | | 24,103,367 | 17,369,877 |
| Maintenance prepayments received during the year | | 12,600,241 | 25,317,564 |
| Maintenance revenue recognised during the year | | (12,167,056) | (18,584,074) |
| Closing balance | | 24,536,552 | 24,103,367 |
| Current contract liabilities | | 15,657,085 | 15,182,947 |
| Non-current contract liabilities | | 8,879,467 | 8,920,420 |
| Total | | 24,536,552 | 24,103,367 |

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

OPERATING ASSETS AND LIABILITIES

8 GOODWILL AND INTANGIBLE ASSETS

| | Notes | Goodwill \$ | Customer relationships \$ | Software \$ | Total \$ |
|---|-------|------------------|---------------------------------|------------------|------------------|
| Half-year ended 31 December 2024 | | | | | |
| At 1 July 2024, net of accumulated amortisation and impairment | | 4,020,810 | 137,558 | 1,136,266 | 5,294,634 |
| Additions | | - | - | 20,054 | 20,054 |
| Amortisation | | - | (88,544) | (722,673) | (811,217) |
| Exchange differences | | 313,974 | (49,013) | (391,007) | (126,046) |
| At 31 December 2024 net of accumulated amortisation and impairment | | 4,334,784 | - | 42,640 | 4,377,424 |
| At 31 December 2024 net of accumulated amortisation and impairment | | | | | |
| Cost (gross carrying amount) | | 4,334,784 | 1,286,080 | 10,606,383 | 16,227,247 |
| Accumulated amortisation and impairment | | - | (1,286,080) | (10,563,743) | (11,849,823) |
| Net carrying amount at 31 December 2024 | | 4,334,784 | - | 42,640 | 4,377,424 |
| Year ended 30 June 2024 | | | | | |
| At 1 July 2023, net of accumulated amortisation and impairment | | 4,023,679 | 410,011 | 3,356,646 | 7,790,336 |
| Additions | | - | - | - | - |
| Amortisation | | - | (271,502) | (2,212,786) | (2,484,288) |
| Exchange differences | | (2,869) | (951) | (7,594) | (11,414) |
| At 30 June 2024 net of accumulated amortisation and impairment | | 4,020,810 | 137,558 | 1,136,266 | 5,294,634 |
| At 30 June 2024 net of accumulated amortisation and impairment | | | | | |
| Cost (gross carrying amount) | | 4,020,810 | 1,335,094 | 10,988,113 | 16,344,018 |
| Accumulated amortisation and impairment | | - | (1,197,536) | (9,851,847) | (11,049,383) |
| Net carrying amount at 30 June 2024 | | 4,020,810 | 137,558 | 1,136,266 | 5,294,634 |

An assessment was made by management to determine whether any indicators of impairment exist. Indicators assessed included but were not limited to; the CGU's operating results, technology obsolescence, changes in laws and regulations. Impairment testing was performed and no impairment was noted.

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

CAPITAL AND FINANCIAL RISK MANAGEMENT

9 CONTRIBUTED EQUITY

| Ordinary shares | CONSOLIDATED | |
|-----------------------------------|--------------------|--------------------|
| | December 2024 | June 2024 |
| | \$ | \$ |
| Issued and paid-up capital | | |
| Ordinary shares each fully paid | 113,390,214 | 113,443,783 |

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movements in ordinary shares on issue

| | December 2024 | | June 2024 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | Number of shares | \$ | Number of shares | \$ |
| Beginning of the financial year | 1,571,283,365 | 113,443,783 | 1,214,140,627 | 109,127,198 |
| Capital Raise, net of transaction costs ¹ | 1,257,231 | - 53,569 | 357,142,738 | 4,316,585 |
| Performance rights converted to shares | - | - | - | - |
| End of the financial year | 1,572,540,596 | 113,390,214 | 1,571,283,365 | 113,443,783 |

¹ In December 2023, Senetas Corporation Limited completed a share placement at \$1.5 million and a rights offer at \$3.5 million which transaction costs of \$683,415 were incurred. During HY25, some of the options attaching to the share placement and rights offer were exercised and the shares were issued prior to 31 December 2024. There were further options exercised and funds paid in December 2024, however the shares were issued subsequent to HY25. These amounts have been reflected in the other payables balance. Total transaction costs associated with the exercise of options incurred during HY25 equated to \$85,000, which was more than the value of shares exercised and issued, of \$31,431.

Terms, conditions and movements of contributed equity

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Issued and paid up capital is classified as contributed equity and recognised at the fair value of the consideration received by the entity. Incremental costs directly attributable to the issue of new shares or options are shown in contributed equity as a deduction, net of tax, from the proceeds.

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

10 INTEREST BEARING LIABILITIES

| | Notes | CONSOLIDATED | |
|-----------------------|-------|------------------|------------------|
| | | December 2024 | June 2024 |
| | | \$ | \$ |
| <i>Current</i> | | | |
| Interest-bearing loan | | 4,696,178 | 2,395,651 |
| Total | | 4,696,178 | 2,395,651 |

(i) During the reporting period, Votiro Cybersec Global Pty Ltd entered into a loan agreement with Harvest Lane Asset Management Pty Ltd (Harvest Lane) to provide funds for working capital purposes. The loan attracted an interest rate of 15% per annum with the accrued unpaid interest capitalised and added to the principal outstanding.

Votiro Cybersec Global Pty Ltd also entered into a loan agreement with Senetas Corporation Limited (Senetas) on the same terms. The loan balance comprising principal and accrued interest at the reporting date was \$9.0 million. This is eliminated in full on consolidation.

The loan agreements with Harvest Lane and Senetas are secured against the assets of the Votiro Group. The loans are repayable on 1 February 2025 or such later date agreed between the parties in writing, therefore at reporting date these loans are classified as current interest bearing liabilities.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group has various financial instruments such as investment securities, cash in hand, trade debtors, trade creditors, lease liabilities and a contingent consideration liability. Due to the short term nature of other financial assets and financial liabilities, the fair value of these items approximates their carrying amount.

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

GROUP STRUCTURE

12 MATERIAL PARTLY-OWNED SUBSIDIARIES

(a) Material subsidiaries

Financial information of a subsidiary that has material non-controlling interests is provided below:

| Proportion of equity interest held by non-controlling interests: Name | December 2024 \$ | June 2024 \$ |
|--|---------------------|-----------------|
| Votiro Cybersec Global Limited | 44.3% | 44.1% |
| Accumulated balances of material non-controlling interest | (15,910,423) | (13,025,393) |
| Loss allocation to material non-controlling interest | (2,418,246) | (7,292,664) |

Refer to note 12(c) for a summary of the transactions with non-controlling interest

(b) Non-controlling interests (NCI)

Summarised statement of profit or loss for the half-year ended 31 December:

| | December 2024 \$ | December 2023 \$ |
|--|---------------------|---------------------|
| Revenue from contracts with customers | 6,864,705 | 4,144,283 |
| Cost of sales | (541,028) | (346,257) |
| Administrative expenses | (11,097,303) | (13,074,686) |
| Finance costs | (823,160) | (234,141) |
| Loss before tax | (5,596,785) | (9,510,800) |
| Income tax | 167,186 | 259,344 |
| Loss for the period | (5,429,600) | (9,251,456) |
| Attributable to non-controlling interest | (2,418,246) | (4,068,910) |

| | December 2024 \$ | June 2024 \$ |
|---|---------------------|---------------------|
| Summarised statement of financial position before elimination entries: | | |
| Cash and cash equivalents | 4,072,097 | 522,059 |
| Trade receivables and other current assets | 4,396,037 | 5,570,739 |
| Plant and equipment and other non-current asset | 466,577 | 468,951 |
| Goodwill and other intangibles | 4,334,784 | 5,255,738 |
| Trade and other current liabilities | (4,196,054) | (3,200,169) |
| Interest bearing liabilities | (17,231,494) | (11,436,428) |
| Contract liabilities - current | (10,644,970) | (9,390,599) |
| Contract liabilities - non-current | (4,570,474) | (4,925,474) |
| Other non-current liabilities | (36,286) | (225,577) |
| Total equity | (23,409,783) | (10,640,803) |
| Attributable to: | | |
| Equity holders of parent | (7,499,360) | (4,335,368) |
| Non-controlling interest | (15,910,423) | (13,025,393) |

| | December 2024 \$ | December 2023 \$ |
|--|---------------------|---------------------|
| Summarised cash flow information for the half-year ended 31 December: | | |
| Operating | (1,471,926) | (3,240,490) |
| Investing | (5,322) | (49,449) |
| Financing | 4,741,734 | 7,578,403 |
| Net decrease in cash and cash equivalents | 3,264,485 | 4,288,464 |

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

12 MATERIAL PARTLY-OWNED SUBSIDIARIES (CONTINUED)

(c) Transactions with non-controlling interests

In July 2024, Votiro granted options and the net impact to the Group's interest in Votiro Cybersec Global Pty Ltd was an increase of non-controlling interest by 0.4% on a fully diluted basis. Additionally, in August 2024 options were forfeited which resulted in a reduction of non-controlling interest by 0.2% on a fully diluted basis. Further options were granted and various options were exercised, forfeited or expired which resulted in a nil net impact on non-controlling interest. The total impact of these transactions on non-controlling interest in Votiro Cybersec Global Pty Ltd at 31 December 2024 was an increase by 0.2% to 44.3%.

Immediately prior to these transactions, the carrying amount of the existing non-controlling interest in Votiro was determined in order to calculate the proportion of change to the non-controlling interest. The combined impact of these transactions resulted in the Group recognising a decrease in the equity attributable to owners of the parent of \$230,343 and an increase in non-controlling interests of \$230,343.

| | December 2024 | June 2024 |
|---|----------------|----------------|
| | \$ | \$ |
| Carrying amount of non-controlling interest acquired | 230,343 | 943,259 |
| Consideration paid to non-controlling interests | - | - |
| Excess of consideration paid recognised in other reserves within equity | 230,343 | 943,259 |

Notes to the Interim Financial Report (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

OTHER INFORMATION

13 CONTINGENT ASSETS AND LIABILITIES

The Group is not aware of the existence of any contingent assets or liabilities at balance date.

14 EVENTS SUBSEQUENT TO REPORTING DATE

Completion of Exercise of Options

On 20 December 2024, Senetas announced that it had executed an underwriting agreement with Taylor Collison Limited to cover the shortfall of unexercised options upon their expiry under the Rights Offer. As these options expired on 22 and 29 December, Senetas received funds of \$0.7 million in December 2024, however, the corresponding shares were not formally issued until 8 January 2025. Consequently, a liability of \$0.7 million was recognised at the reporting date. Additional funds of \$1.37 million were received in January 2025, less transaction costs of \$0.1 million. This resulted in the issuance of 82,978,487 new shares, bringing the total shares on issue to 1,655,519,083.

Sale of Votiro Cybersec Limited and its wholly owned subsidiaries (operational subsidiaries)

On 20 February 2025, Senetas announced that the Board of Votiro Cybersec Global Pty Ltd (Votiro Global) had approved the entry into a definitive share purchase agreement (transaction) to sell the operational subsidiaries to Menlo Security Inc. (Menlo), a privately held cybersecurity company. The transaction was completed simultaneously with the execution of binding agreements.

The sale includes Votiro Global's wholly owned Israeli subsidiary, Votiro Cybersec Limited, and its subsidiary entities. Senetas, which holds a 55.7% controlling interest in Votiro Global on a fully diluted basis, will retain its shareholding, maintaining exposure to the value of Votiro Global's shares in Menlo.

The total transaction consideration for 100% of the operational subsidiaries comprises a base amount of US\$37.5 million (approximately A\$60 million), with 40% payable in cash and 60% in Menlo shares. Additionally, up to 45% of the base consideration is deferred for 12 months, contingent on the renewal of key customer contracts. Further incremental consideration may also be payable if specific conditions are met.

The financial impact of the sale cannot yet be determined due to several outstanding factors. Specifically, the sale proceeds have not been fully settled, transaction costs remain unfinalised, and adjustments to net working capital are still under review. These elements will directly affect the overall financial outcome of the sale. Until these key components are resolved, management is unable to accurately quantify the financial impact.

As of 31 December 2024, Votiro Global had received only a non-binding indicative offer (Offer) from Menlo, which remained subject to several conditions, including board approvals from both parties and ongoing due diligence extending into January 2025. The Offer could be withdrawn at any time, with no certainty of completion as of the reporting date. Additionally, key transaction details, including its structure and the specific Votiro entities involved, were still under negotiation after the reporting date. As a result, the criteria for classifying a disposal group as held for sale were not met at reporting date.

Directors' Declaration

In accordance with a resolution of the Directors of Senetas Corporation Limited, I state that:

(1) In the opinion of the directors:

- (a) the consolidated interim financial report and notes of Senetas Corporation Limited for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Francis W. Galbally
Chairman
Melbourne
Date: 28 February 2025

Independent Auditor's Review Report

To the Members of Senetas Corporation Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Senetas Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Senetas Corporation Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance
Melbourne, 28 February 2025

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