

23 January 2018

ASX ANNOUNCEMENT

Senetas Corporation Limited – Market Update

Senetas Corporation Ltd (ASX: SEN) (Senetas / the Company) provides the following market guidance in relation to its financial results for the six months to 31 December 2017 (HY2018).

Following confirmation of the December 2017 sales results from the Company's major distribution partner, Gemalto, Senetas expects its Net Profit Before Tax (NPBT) to be between \$2.2 million and \$2.4 million for HY2018 (HY2017: NPBT \$1.3 million).

Senetas is expecting further earnings growth in the second half. This is consistent with previous announcements and will be underpinned by new projected sales from custom algorithm products, further sales of the new 100G encryptor in addition to ongoing sales of existing product and recurring maintenance revenues. Sales of virtual encryption products and the new Suredrop product are also expected to commence in the second half of FY2018 and contribute to incremental sales growth.

A detailed update on the Company's operations and further information in relation to the HY2018 results will be released with the Appendix 4D and Half Year Report on Monday, 26 February 2018.

END

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About Senetas Corporation Limited

Senetas, an Australian public listed company (ASX:SEN), is a leading developer of data encryption solutions for enterprise, government and technology service providers. From certified high-assurance encryption hardware and virtualised encryption, to the most secure file sharing application providing data sovereignty control, all Senetas solutions are based on the same leading security, high performance and crypto-agile platform.

Senetas encryption solutions leverage state-of-the-art encryption key management and crypto-agility by design, providing long-term data protection in a post-Quantum computing world. They share the same designed-in data protection without compromising network and application performance or user experience.

Senetas CN Series, certified high-assurance encryption hardware, provide maximum data protection for core Ethernet network infrastructure. A preferred option for government, enterprise, defence and communications service providers, Senetas CN Series encryptors are certified by independent testing authorities (Common Criteria, FIPS and NATO) as "suitable for government and defence use".

Senetas CV Series virtual encryptors provide robust data protection for high-scale extended and virtualised networks. The CV Series provides security benefits of virtualised encryption's rapid scalability and flexibility; delivering cost-effective deployment to meet changing business and IT needs.

SureDrop delivers a state-of-the-art encrypted file sharing, collaboration and synchronisation solution. It is the most secure file sharing application available and uniquely ensures customers' total control over data location and sovereignty. Whilst maximising users' experience, SureDrop leverages the Senetas encryption platform.

Senetas encryptors have been trusted to protect much of the world's most sensitive information for nearly 20 years. They are used to protect everything from government and defence data and secrets, to intellectual property and business data, to financial transactions, CCTV networks, SCADA critical infrastructure control systems and citizen identity.

Senetas encryption solutions are used in more than 35 countries. They are distributed and supported internationally by Gemalto, the world's largest data security company, with its SafeNet Identity and Data Protection products.

www.senetas.com