

13 February 2020

ASX ANNOUNCEMENT

Senetas Corporation Limited – Capital Reduction Ruling

Senetas Corporation Ltd (ASX: SEN) (Senetas / the Company), is pleased to advise shareholders that the Australian Taxation Office (ATO) has published its ruling confirming that the distribution of \$0.000462 per share (which was approved by shareholders at the 2019 AGM and paid on 13 December 2019) will be treated as a return of capital and not a dividend.

For Australian-resident shareholders who held shares in Senetas on the record date of 29 November 2019 and who received the distribution of such payment will be treated as having been received on capital account and:

- (a) the return of capital will not give rise to a dividend for income tax purposes; and
- (b) if the distribution received for a share is not more than the share's cost base, the cost base (and reduced cost base) for that share will be reduced by the amount received for that share. The likely effect will be to increase the amount of any future capital gain as the shareholder will have a lower cost base for that share; or
- (c) alternatively, a shareholder will make a capital gain on a share if the distribution received for that share is more than the share's cost base (i.e. if the cost base is less than \$0.000462 per share). In that case the share's cost base (and reduced cost base) will reduce to nil and a capital gain will be realised on the difference between the share's cost base and the amount of the distribution received for that share.

The above analysis does not apply to non-resident shareholders, or to shareholders who hold their shares on revenue account, as trading stock or who are subject to the taxation of financial arrangements (TOFA) rules.

The final version of the class ruling will be published on the ATO website and a notice included in the Gazette. The Company will also display the class ruling on its website as soon as it becomes available.

This announcement was authorised for release by Andrew Wilson, CEO of Senetas.

END

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ABOUT SENETAS CORPORATION LIMITED

Senetas, is an Australian public listed company (ASX:SEN) and a leading developer of high-performance encryption security solutions for data networks, file-sharing and collaboration. They are distributed internationally in over 40 countries by Thales, the world's largest security organisation.

Senetas solutions protect enterprise, government, defence, technology service provider and critical national infrastructure against data breaches and cyber-attacks. From certified high-assurance hardware and virtualised encryption for data networks; to the most secure file-sharing and collaboration application, with data sovereignty control; all are based on Senetas's leading security, high-performance and crypto-agile platform.

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

- **CN Series Hardware Encryptors** – Certified high-assurance encryptors for core IT and network infrastructure.
Senetas encryptors' crypto-agility, uncompromising performance and certifications by multiple independent authorities (Common Criteria, FIPS and NATO), provide customers with the added confidence that they are state-of-the-art and provide maximum security and scalability without compromising performance, essential for today's complex network infrastructures.
- **CV Series Virtual Encryption** – Virtual encryption appliance for large-scale customer premises equipment and virtualised networks.
The CV Series virtual encryptor enables up to 5Gbps performance and is network protocol independent, providing policy-based network independent encryption. It enables rapid scalability, flexibility and cost-effective data protection, all the way to the network virtual edge. The CV Series virtual encryptor is a software version of the high-assurance Senetas CN Series hardware encryption platform.
- **SureDrop** – The most secure, "box"-type file-sharing and collaboration application with 100% data location control for data sovereignty.
SureDrop uses end-to-end encryption security to provide secure file-sharing and collaboration without compromising data sovereignty. It delivers the same crypto-agility and scalability as Senetas network encryption solutions. SureDrop is available with Votiro Disarmer integration - an award-winning patented file content sanitisation tool - for protection against malware and zero-day attacks. SureDrop is also available as a service provider 'Security-As-A-Service' customer solution.

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



Senetas network independent encryption products provide optimal end-to-end encryption security for everything from modest bandwidth requirements of 10Mbps to the ultra-fast 100Gbps networks required for aggregated Big Data, Cloud and data centre applications.

Senetas solutions are used in more than 40 countries. They are supported internationally by Thales, under its SafeNet brand within the Cloud Protection and Licensing division.

www.senetas.com