

15 November 2024

ASX ANNOUNCEMENT

Senetas Corporation Limited

2024 Annual General Meeting – Chairman's Address and CEO Presentation

Senetas Corporation Ltd (ASX: SEN) (Senetas), is pleased to provide a copy of the Chairman's address and the CEO's presentation to be delivered to shareholders at the Annual General Meeting to be held today, Friday, 15 November 2024 at 9:30 am (Melbourne time).

The Annual General Meeting will be a virtual meeting and shareholders will be able to view and listen to the meeting presentations, vote and submit questions in real-time. As detailed in the Senetas Annual General Meeting Notice released on 14 October 2024, to participate in the meeting, you can log in by entering the following URL: <https://meetnow.global/MMJGWNM> on your computer, tablet or smartphone.

Please refer to the attached Computershare Online Meeting Guide which provides details on how to attend, vote your shares and submit shareholder questions during the Annual General Meeting.

This announcement has been authorised by Brendan Case, Company Secretary.

END

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CHAIRMAN'S ADDRESS

Good morning, I am Francis Galbally, Chairman of Senetas and welcome to the Senetas Corporation Limited Annual General Meeting for 2024.

Our CEO, Andrew Wilson, will provide a report on our 2024 financial results and business operations shortly, but first I would like to touch briefly on some of the highlights from the past year, including a strong rebound in sales of Senetas's encryption hardware by our global distribution partner, and continued growth for our majority owned subsidiary, Votiro.

The 2024 financial year saw some very strong sales results for the Senetas business and a return to more normal ordering patterns from customers following an easing of the global component shortages that have affected sales in the previous 2-3 years. Sales to customers via our global distribution partner, Thales, were up over 100% during the period, and the number of units shipped was up almost 50%.

A particular highlight has been the recent development of our business in the Middle East region where we have seen some rapid growth and large-scale transactions with new customers.

This sales growth included Senetas's largest ever sale by value through Thales to a Middle East Government customer. That transaction, which was completed late in the 2024 financial year, added over \$2 million in revenue in 2024.

The strong growth in recent sales by Thales and the ever-increasing prevalence of cyber threats globally provides confidence in the outlook for Senetas's core encryption business and has been supported by good growth in our sales pipeline over the past 6 months.

Senetas is continuing to innovate with the development of new and updated products that meet the needs of our global customers.



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Key R&D projects in 2024 included upgrades to our 10Gbps encryptors, a new version of our 100Gbps encryptor, and further developments to Senetas's post quantum capabilities.

Senetas is also in the early stages of conducting some proof-of-concept trials using our encryption technology embedded on Autonomous Vehicles (seaborne, land and airborne). Further work is underway to open what could be a new market for the company, and we hope to be able to provide you with an update during the course of the next 12 months.

Importantly we re-gained NATO certification for our encryption products during FY24 and we have seen increased sales opportunities from European NATO members. In addition we have won business from 3 new Middle East Government bodies and we anticipate our encryption business will continue a steady growth in that region.

Finally we are seeing while, not spectacular, steady growth in our defence grade secure document exchange business Suredrop. We are working on some early-stage projects which if they come to fruition, have significant revenue potential.

Moving now to our majority owned subsidiary, Votiro.

There was good growth in all of Votiro's key performance measures in the 2024 financial year including its annual recurring revenue which was up 49%, following growth of 50% and 83% in the two preceding years. Importantly, this solid growth in revenue has now positioned Votiro to reach a cash flow breakeven point in the very near term.

Whilst the majority of Votiro's annual recurring revenue continues to come from the Asia Pacific region, increasing recognition of Votiro's solutions is now occurring in the North American market following the successful launch of Votiro's data detection and response product, or DDR, in the first half of the 2024 calendar year.

This represents a major new opportunity for Votiro, particularly for the North American market where demand for this broader security capability is greatest.



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This new capability provides a unified content security platform combining real-time cybersecurity for data privacy and threat protection. Votiro DDR is the first in the industry to bring together threat prevention, data security, and privacy controls in a Zero Trust DDR solution, and will play a key role in accelerating Votiro's penetration of the cybersecurity market

Whilst DDR sales are only at the early stage, customer feedback to date has been very positive. At this stage, Votiro has completed 4 DDR sales transactions, including both upsells to existing Votiro customers and sales to customers new to Votiro, with the future sales pipeline for DDR now sitting at approximately US\$5 million.

Votiro's recognition by the industry is also leading to an increasing range of technology partnerships and integrations with key industry partners such as Palo Alto Networks, Zscaler, CyberArk, Menlo Security and Owl Cyber Defense among many others that are broadening the market opportunity for Votiro. And at a corporate level, S & P Global – Market Intelligence has recently commenced coverage on Votiro, further reinforcing its profile in the industry.

Andrew will speak more about the business outlook and year to date performance in a moment, but we expect the positive 2024 trends for third-party sales in the Senetas business and the Votiro revenue growth momentum to continue as we progress through 2025.

I want to take this opportunity to thank our partner Thales for its ongoing work as Senetas's global partner. I also thank our board, management team and all our employees across both Senetas and Votiro for their efforts over the past year.

I would now like to hand over to Andrew for his presentation.



Senetas Corporation Limited

2024 Annual General Meeting

15 November 2024

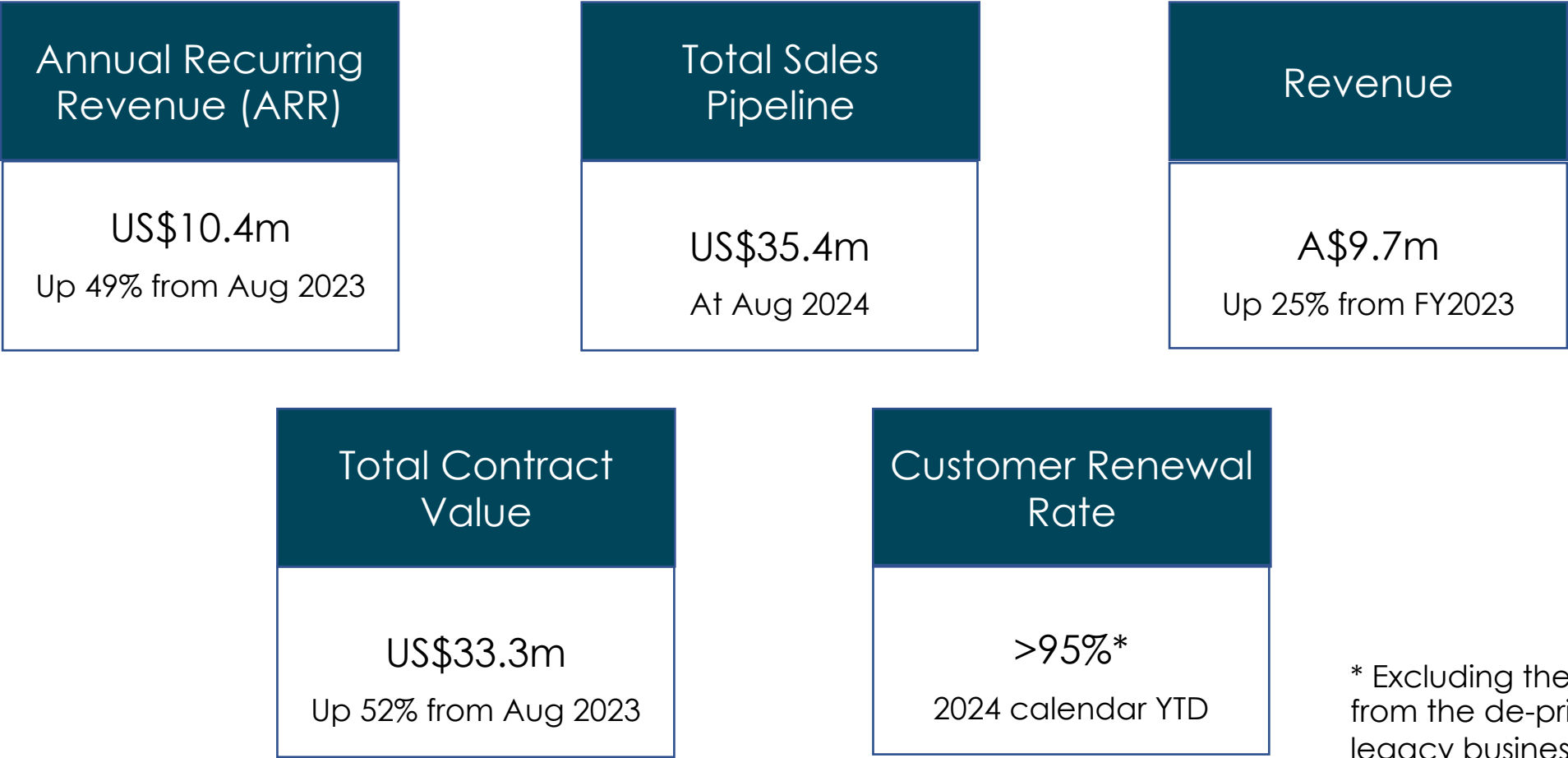
FY2024 Group Highlights

- Consolidated group operating revenue was \$31.2 million (up 6.5%) with good growth in both Senetas segment underlying revenue and Votiro segment revenue
 - Reported Senetas segment operating revenue after adjusting for Variable Consideration was up 6.8%
 - Votiro operating revenue was up 25% and Annual Recurring Revenue was up 49% to US\$10.4 million
- Strong growth in sales to customers of Senetas hardware products
 - Senetas sales to customers by (global distribution partner) Thales were up over 100% compared to the prior period, and the number of units shipped to end customers was up 48%
 - Achieved largest value sale in the Company's history to Thales for a Middle East Government customer
- Consolidated gross profit was up 12.6% to \$27.0 million with gross margins up 4 percentage points to 86%
- Senetas segment adjusted profit before tax was up 63% to \$3.6 million after eliminating the impact of Variable Consideration

FY2024 Senetas Operations

- Strong growth in customer demand for Senetas encryptors included the largest single sale in company history
 - The Middle East transaction added over \$2 million to Senetas's FY2024 revenue and the related maintenance contract will contribute an additional \$1.4 million over the next 3 years
- With the global component shortages now having eased, Senetas's inventory holdings have begun to reduce, and Thales inventory has stabilised
 - We expect both Thales and Senetas inventory levels will return towards more historic levels over the next 12-24 months
- The Senetas sales pipeline grew significantly through the 2023 calendar year but moderated during the second half of FY2024 as sales transactions were completed. Sales pipeline growth returned in the June 2024 quarter providing solid momentum into the early part of FY2025
- Core R&D projects in FY2024 included upgrades to Senetas's 10Gbps encryptors, a new version of the 100Gbps encryptor & re-certification required in North America
 - Senetas has also conducted some Proof of Concept trials using Senetas encryption embedded on Autonomous Vehicles. Further work is underway to open what could be a new market for the company's technology

FY2024 Highlights – Votiro



* Excluding the impact from the de-prioritized legacy business in Japan

Votiro operations



- Over 70 new customers and ‘upsell’ deals have been signed by Votiro since the beginning of the 2023 calendar year – including 30 of which that have been signed in the 2024 calendar year to date
- Votiro launched its new data detection and response (DDR) capability in the second half of FY2024. This represents a major new opportunity, particularly for the North American market
 - The new capability provides a unified content security platform to provide Data Detection & Response (DDR), combining real-time cybersecurity for data privacy and threat protection
 - Votiro DDR is the first in the industry to bring together threat prevention, data security, and privacy controls in a Zero Trust DDR solution, and will play a key role in accelerating Votiro’s penetration of the cybersecurity market
- Whilst DDR sales are only at the early stage, customer feedback has been very positive and US\$3.5 million of sales pipeline had already been built by July 2024
- Votiro’s total sales pipeline was over US\$35 million at July 2024

Outlook

- Strong customer sales of Senetas products to be maintained in FY2025
 - Good sales pipeline growth in the June quarter has continued into the early part of FY2025
 - A more significant reduction in Thales inventory is likely in FY2025 – which means lower inventory transfers and therefore a negative impact from Variable Consideration
 - We expect end customer sales in FY2025 (adjusting for Variable Consideration) to be maintained at a similar level to FY2024
 - Some key sales opportunities in the Middle East may provide upside to expected FY2025 revenue, however, these opportunities remain uncertain and have long lead times so may not fall in FY2025
- Votiro growth momentum expected to continue through FY2025
 - Pipeline continues to grow and the new DDR product has already made a significant contribution to that pipeline in its first few months – significantly enhancing opportunities in North American market
 - 4 completed DDR sales already in FY2025 and the sales pipeline currently sits at US\$5 million – total Votiro sales pipeline is currently US\$37 million
 - APAC remains the largest market and most of the largest opportunities in the near term are there
 - Cash flow breakeven target for Votiro remains the end of calendar year 2024, thereby limiting the financial support required from its shareholders

ONLINE MEETING GUIDE

GETTING STARTED

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time. To participate online visit <https://meetnow.global/au> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

TO LOG IN, YOU MUST HAVE THE FOLLOWING INFORMATION:

Australian Residents

SRN or HIN and postcode of your registered address.

Overseas Residents

SRN or HIN and country of your registered address.

Appointed Proxies

Please contact Computershare Investor Services on +61 3 9415 4024 to request your unique email invitation link prior to the meeting day.

PARTICIPATING AT THE MEETING

To participate in the online meeting, visit <https://meetnow.global/au>. Then enter the company name in the 'Search for meeting' field. Select and click on the displayed meeting.

Search for meeting

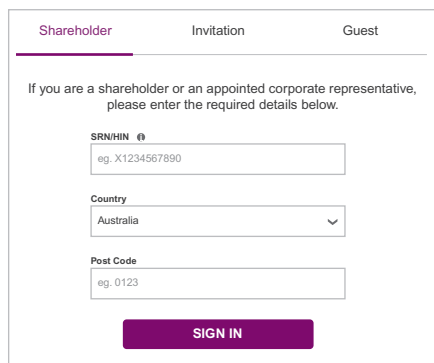
Please enter Company or Meeting Name. Enter 3 or more characters. e.g. Computershare

Or select the country where the company is based.

Australia

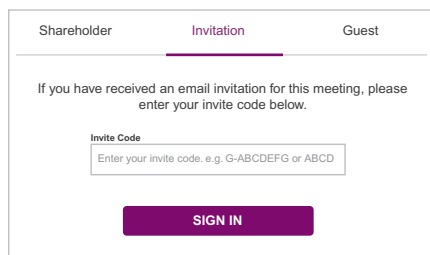
To register as a shareholder

Select 'Shareholder', enter your SRN or HIN and select your country. If Australia, also enter your postcode.



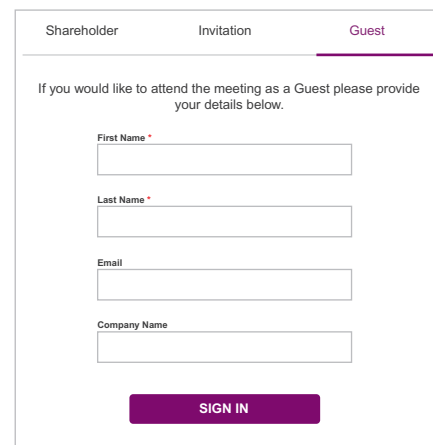
or To register as a proxyholder

To access the meeting click on the link in the invitation e-mail sent to you. Or select 'Invitation' and enter your invite code provided in the e-mail.



or To register as a guest

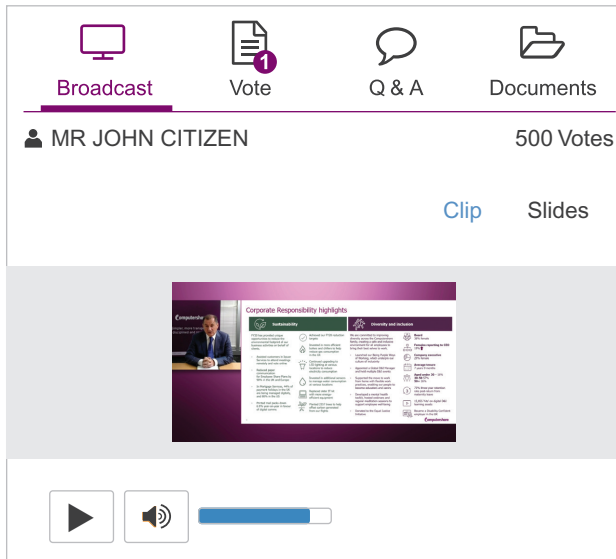
Select 'Guest' and enter your details.





Broadcast

The webcast will appear automatically once the meeting has started. If the webcast does not start automatically press the play button and ensure the audio on your computer or device is turned on.

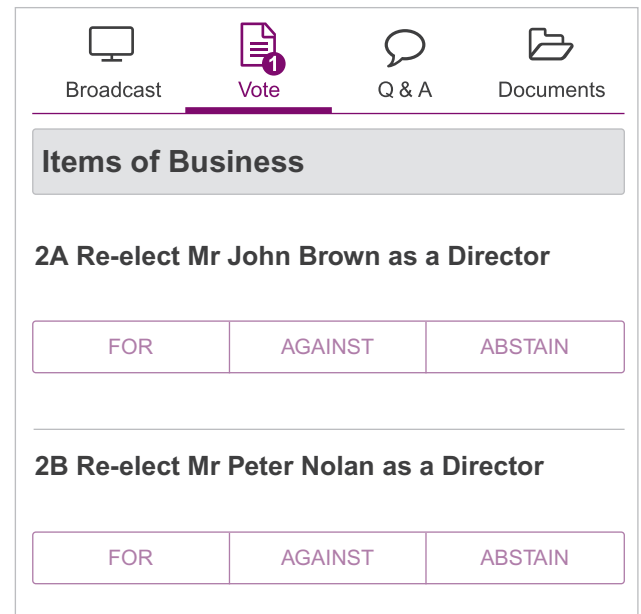


Vote

When the Chair declares the poll open, select the 'Vote' icon and the voting options will appear on your screen.

To vote, select your voting direction. A tick will appear to confirm receipt of your vote.

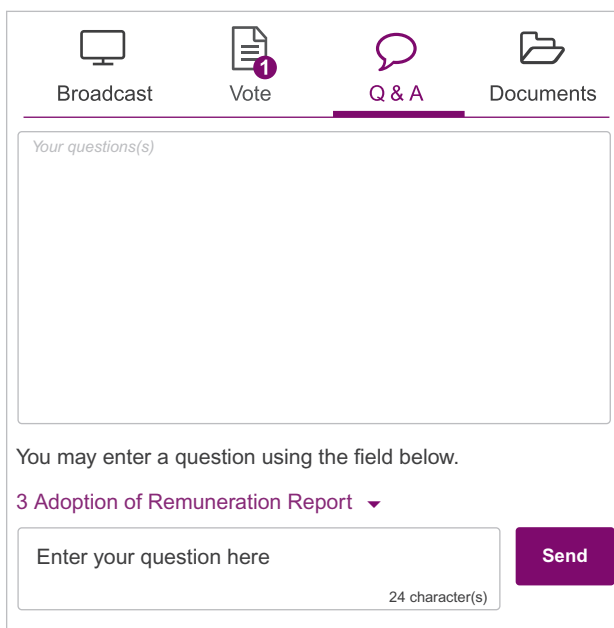
To change your vote, select 'Click here to change your vote' and press a different option to override.



Q & A

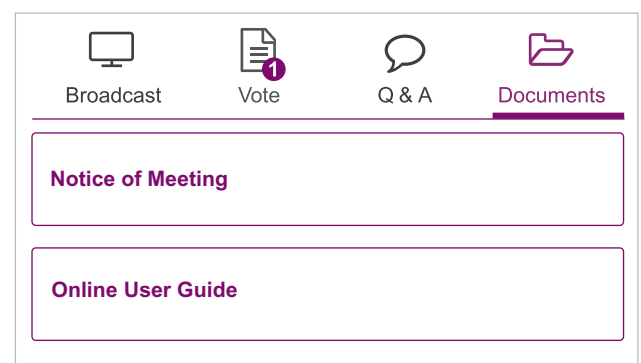
To ask a question select the 'Q & A' icon, select the topic your question relates to. Type your question into the chat box at the bottom of the screen and press 'Send'.

To ask a verbal question, follow the instructions on the virtual meeting platform.



Documents

To view meeting documents select the 'Documents' icon and choose the document you wish to view.



FOR ASSISTANCE

If you require assistance before or during the meeting please call +61 3 9415 4024.