

20 December 2024

ASX Announcement

EXECUTION OF UNDERWRITING AGREEMENT FOR THE EXERCISE OF OPTIONS

MELBOURNE Australia, 20 December 2024: Senetas Corporation Limited (ASX:SEN) (**Senetas** or the **Company**) is pleased to announce it has entered into an underwriting agreement (**Underwriting Agreement**) with Taylor Collison Limited (**Underwriter**) in respect of a number of the:

- 40,126,155 unquoted (ASX:SENAN) options on issue, exercisable at \$0.025 on or before 22 December 2024 and will each convert into 1 fully paid ordinary share (**Share**) in Senetas (**SENAN Options**); and
- 42,852,332 unquoted (ASX:SENAP) options on issue, exercisable at \$0.025 on or before 29 December 2024 and will each convert into 1 Share in Senetas (**SENAP Options**),

pursuant to which the Underwriter has agreed to underwrite the exercise of a portion of the unexercised SENAN and SENAP Options in Senetas that remain at 5:00pm on their respective expiry dates (the **Underwritten Options**), up to a total amount of \$1,446,685.50 (before costs) (**Underwritten Amount**).

The amount being subscribed per Share in respect of the unexercised Options is \$0.025 per share (being the same as the exercise price of the Options).

In summary, up to the date that the Underwriting Agreement was executed on 20 December 2024:

- 971,835 of the SENAN Options have been exercised, leaving 39,154,320 presently unexercised; and
- 1,646,096 of the SENAP Options have been exercised, leaving 41,206,236 presently unexercised.

To the extent that the Underwritten Options are not exercised prior to their respective expiry dates, the Underwriter will subscribe for Shares (or procure the subscription for Shares) (**Shortfall Shares**) and pay (or procure payment of) the exercise price for the Underwritten Options, and Senetas will issue the Underwriter the Shortfall Shares to raise total new funds of up to the Underwritten Amount (before costs). The Underwriter may nominate sophisticated or professional investors to sub-underwrite the exercise of the Underwritten Options.

Any Shortfall Shares to be issued to the Underwriter (or its nominees) will be issued in accordance with ASX Listing Rule 7.2 (Exception 10) and therefore shareholder approval will not be sought.

The Underwriter will be paid an amount equal to:

- a management fee of 3% (excluding GST) of the Underwritten Amount; and
- an underwriting fee of 3% (excluding GST) of the Underwritten Amount.

A summary of the significant events that could lead to the Underwriting Agreement being terminated is set out in the annexure to this announcement.



The timing of the underwriting is set out in the indicative timetable below:

Event	Date
SENAN Options expire	Sunday 22 December 2024
SENAP Options expire	Sunday 29 December 2024
Senetas notifies the Underwriter of shortfall of SENAN and SENAP Options	Monday 6 January 2025
Underwriter subscribes for shortfall of SENAN and SENAP Options up to the underwritten amount	Friday 10 January 2025
Senetas issues shares to the Underwriter (or nominee(s)) from subscription for shortfall of SENAN and SENAP Options	Monday 13 January 2025

Note: All times noted above refer to AEDT.

Please note all dates may be subject to change.

Separately, Senetas has received confirmation from each of the directors who were issued SENAN and/or SENAP Options that they (and their related parties, where relevant) intend to exercise all of their Options on or before the respective expiry dates. Assuming all of those Options are exercised this will result in the exercise of 135,141 SENAN Options for a total amount of \$3,378.53 and 24,542,809 SENAP Options for a total amount of \$613,570.23.

Senetas intends to use any funds received in respect of the Underwritten Amount or from exercise of Options for general working capital purposes.

Authorised for lodgement by:

Andrew Wilson
CEO and Managing Director

20 December 2024

Annexure – Underwriting Agreement events of default

The obligation of the Underwriter to underwrite the exercise of the Underwritten Options is subject to certain events of termination. The events listed in Part A are not subject to any materiality thresholds, meaning that the Underwriter may terminate the Underwriting Agreement if any of the events in Part A were to occur. For Part B, the Underwriter may only terminate the Underwriting Agreement if the Underwriter determines reasonably and in good faith that the event:

- (a) has or would have had a material adverse effect on the Company; or
- (b) would be reasonably likely to create a potential liability for the Underwriter.

Having regard to the above, the Underwriter may terminate its obligations under the Underwriting Agreement if one or more of the following occurs (capitalised terms as defined in the Underwriting Agreement):

Part A

1. **(S&P/ASX Small Ordinaries Index fall)** Before the allotment date, the S&P/ASX Small Ordinaries Index is at any time at a level which is 90% of, or less than 90% of, the level of that index at the close of trading on the trading day before the date of the Underwriting Agreement.
2. **(Change in Law)** Any of the following occurs which does or is likely to prohibit, restrict or regulate the transactions contemplated by the Underwriting Agreement in a material respect or materially reduce the level or likely level of valid exercises:
 - (a) the introduction of legislation into the parliament of the Commonwealth of Australia or of any State or Territory of Australia;
 - (b) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory; or
 - (c) the adoption by ASIC or its delegates or the Reserve Bank of Australia of any regulations or policy.
3. **(Quotation)**
 - (a) ASX makes an official statement to any person or indicates to the Company or the Underwriter that official quotation of the Shares on the market operated by ASX will not be given.
 - (b) Official quotation of the Shares on the market operated by ASX has not been given before the Allotment Date.
4. **(Insolvency Event)** An Insolvency Event occurs with respect to the Company or any of its Related Bodies Corporate.
5. **(Public Announcements)**
 - (a) Any Public Announcements is or becomes materially false, misleading or deceptive (including by way of omission).
 - (b) Any Public Announcements does not materially comply with the Corporations Act, the Listing Rules or any other applicable laws.

- (c) Any expression of opinion, intention or expectation contained in the Public Announcements is not based on reasonable assumptions.
6. **(Certificate)** A certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished by the relevant time or a statement in that certificate is untrue, incorrect or misleading or deceptive.
7. **(ASIC action)** ASIC:
- (a) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Company or any Public Announcements under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth), unless that hearing, or notice, is:
 - (i) not made public; and
 - (ii) is terminated (in the case of a hearing) or withdrawn (in the case of a notice) by the earlier of:
 - (A) 6pm on the second Business Day after it is made; and
 - (B) 10am on the Business Day before the Allotment Date; or
 - (b) either:
 - (i) prosecutes or gives notice of an intention to prosecute; or
 - (ii) commences proceedings against, or gives notice of an intention to commence proceedings against,

the Company or any of its officers.
8. **(Listing)** The Company ceases to be admitted to the Official List.
9. **(Suspension)** Trading in Shares on the financial market operated by ASX is suspended (other than with the prior written consent of the Underwriter), or the Shares cease to be officially quoted on the market operated by ASX.
10. **(Material Adverse Change)** Any material adverse change occurs, or is likely to occur, in respect of the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or its Related Bodies Corporate (insofar as the position of the Related Bodies Corporate affects the position of the Company), including (without limitation):
- (a) any material change in the earnings, future prospects or forecasts of the Company or any of its Related Bodies Corporate; or
 - (b) any material change in the nature of the business conducted by the Company or any of its Related Bodies Corporate.
- For the purpose of this clause, a material adverse change will be deemed to have occurred if:
- (c) any licence, permit, authorisation, consent or the like which is material when considered in the context of the Company or necessary to conduct the business of the Company is suspended, modified or amended in a manner unacceptable to either Underwriter, acting reasonably.
11. **(Material contract)** Any material contract to which the Company is a party is terminated or materially amended or any person materially breaches a material contract in each case which has a material

adverse impact on the Company's business or its ability to meet its obligations under the Underwriting Agreement.

12. **(Regulatory action)**

- (a) A Director or any officer of the Company is charged with a criminal offence relating to any financial or corporate matter.
 - (b) Any Director is disqualified under the Corporations Act from managing a corporation.
 - (c) Any regulatory body commences any investigation, public action or hearing against the Company, any of the Directors or any officer of the Company, or publicly announces that it intends to take any such action.
13. **(Prescribed occurrence)** An event specified in section 652C(1)(a)-(h) or section 652C(2)(a)-(e) of the Corporations Act (but replacing "target" with "Company") occurs excluding any issue of Shares on the exercise of Options, the issue of any Shares comprising or included in the Shortfall and the issue of any Shares on the exercise of conversion of any convertible securities on issue as at the date of the Underwriting Agreement.
14. **(Timetable)** Any event specified in the Timetable is delayed for more than 2 Business Days without the prior written consent of the Underwriter.
15. **(Security interests)** The Company or a Related Body Corporate creates a security interest over or agrees to create a security interest over, the whole, or a substantial part of its business or property other than as publicly disclosed through ASX prior to the date of the Underwriting Agreement.
16. **(Listing Rules)** The Company commits a material breach of the Listing Rules or fails to obtain or procure from ASX any waivers or approvals required under the Listing Rules.

Part B

1. **(Default)** The Company is in default of any of any terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement.
2. **(Fails to Comply)** The Company or any Related Body Corporate fails to comply with any of the following:
- (a) a clause of its constitution;
 - (b) a statute by which it is bound; or
 - (c) any agreement entered into by it.
3. **(Capital Structure)** Other than as a consequence of the exercise of Options or other issue of Shares under the Underwriting Agreement, the Company or a Related Body Corporate alters its capital structure without the prior written consent of the Underwriter.
4. **(Constitution Altered)** The constitution or any other constituent document of the Company or a Related Body Corporate is amended without the prior written consent of the Underwriter, which consent must not be unreasonably withheld, delayed or conditioned.
5. **(Financial Assistance)** The Company or a Related Body Corporate seeks the approval of shareholders under section 260B of the Corporations Act, without the prior written consent of the Underwriter.
6. **(Business)** The Company or a Related Body Corporate:

- (a) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property; or
- (b) ceases or threatens to cease to carry on business,

in either case without the prior written consent of the Underwriter.

7. **(hostilities)** any of the following occurs:

- (a) there is an outbreak of hostilities not presently existing or a major escalation in existing hostilities occurs (in each case, whether or not a war or a national emergency has been declared);
- (b) a declaration is made of a national emergency or war, excluding any war or hostilities presently existing as at the date of this document; or
- (c) a major terrorist act is perpetrated;

involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, any member state of the North Atlantic Treaty Organization, the People's Republic of China, Hong Kong, South Korea, Japan, Singapore, Russia, Ukraine, Israel, Palestine or Iran; or

- (d) a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, including an escalation resulting in a material shut-down of business around the world;

8. **(Adverse change in financial markets)** Any of the following occurs:

- (a) any adverse change or disruption to financial markets of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union or any development involving a prospective change in political, financial or economic conditions of any of those countries;
- (b) a general moratorium on commercial banking activities in Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Japan is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries, or
- (c) trading in all securities quoted or listed on ASX, the New Zealand Exchange, the London Stock Exchange, the New York Stock Exchange or Hong Kong Stock Exchange is suspended or limited in a material respect.

9. **(change in directors or management)** a change to the chief executive officer, chief financial officer, chief operating officer or the board of directors of the Issuer occurs, or any such changes are announced, other than as contemplated in the Offer Materials.