

## Appendix 4E

### 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 Financial Year ended 30 June 2025	Previous Corresponding Period Financial Year ended 30 June 2024		
2 Results for announcement to the market	30-Jun-25	30-Jun-24	Change	
	\$	\$	\$	%
<b>Continuing operations</b>				
2.1 Revenues from ordinary activities	19,254,115	21,575,457	(2,321,342)	(10.76%)
2.2 Net profit before tax attributable to members from continuing operations	1,659,982	2,739,080	(1,079,098)	(39.40%)
2.3 Net profit after tax attributable to members from continuing operations	1,525,592	2,273,855	(748,263)	(32.91%)
2.4 Net profit/(loss) from discontinued operations attributable to members	26,296,998	(8,381,089)	34,678,087	(413.77%)
2.5 Net profit/(loss) for the period attributable to members	27,822,590	(6,107,234)	33,929,824	(555.57%)
2.6 Other comprehensive income/(loss) for the year attributable to members (foreign currency translation reserve)	559,450	(14,357)	573,807	3,996.82%
<b>3 Net comprehensive income/(loss) after tax attributable to members</b>	<b>28,382,040</b>	<b>(6,121,590)</b>	<b>34,503,631</b>	<b>(563.64%)</b>

#### Brief Explanation of Figures 2.1 to 3

A significant net profit for the period attributable to members of \$27.8 million was realised following the sale of the Votiro business in February 2025. This gain primarily reflects the positive accounting impact of removing Votiro's previously reported negative financial position (where its liabilities were greater than its assets) from the Company's balance sheet, with the sale consideration received in cash and shares in Menlo Security Inc (Menlo).

#### Highlights:

- Consolidated Senetas revenue of \$19.3 million – in line with expectations but below FY2024
- Senetas business operating profit before tax and non-cash impairments of \$3.4 million
- The Group reported an underlying net profit of \$1.5 million from its continuing operations attributable to members. However, the total reported net profit for the period attributed to members was a significant \$27.8 million
- Strong growth in cash balance and outlook has resulted in a capital management and reconstruction proposal to be put to Senetas shareholders at the 2025 AGM on 14 November 2025
  - Proposed initial equal capital reduction to return approximately \$2 million of capital to shareholders
  - Senetas is applying for a class ruling from the ATO to confirm the tax treatment of the payment to shareholders
  - Proposed 100:1 share consolidation
  - The Senetas Board will consider further capital management activity as cash builds above business requirements
- Senetas finishes FY2025 with:
  - A strong, profitable and cash generative outlook for the underlying Senetas operating business and a record high future sales pipeline
  - \$11.6 million of cash on hand at 30 June 2025 and no debt
  - An indirect investment in Menlo Security Inc. currently valued at in excess of \$17.5 million

FY2025 was a transformative year for Senetas. By successfully divesting the Votiro business, we have streamlined our operations and are now fully focused on our core network encryption business, which is profitable and cash generative, but have also retained an interest in the future success of Menlo and the Votiro business within it.

We have finished the financial year in a strong cash position and with our largest-ever sales pipeline, which positions us exceptionally well for sustained growth in the years ahead.

Our strong financial health and positive outlook have enabled the Board to propose a significant capital return to our shareholders, along with a share consolidation. This is a testament to our commitment to delivering value and our confidence in the future of the business. We are entering FY2026 with a clear strategy and a robust pipeline of opportunities.

The Senetas Board will consider further capital management activity as cash from operations and further Votiro sales proceeds builds above business requirements.

Our strong gross margin of 87% underscores the quality of our product and our market leadership in a niche but critical security sector. Despite some temporary headwinds in product sales during FY2025, our business fundamentals remain sound, and we are confident in our ability to convert our record sales pipeline into tangible revenue growth.

#### FY2025 Summary Financials

Full year ended 30 June 2025 (\$'000's)	FY2025	FY2024
<b>Consolidated Continuing Operations</b>		
Revenue from continuing operations	19,254	21,575
Materials and support service expenses	(2,498)	(3,491)
Gross profit from continuing operations	16,756	18,084
Gross margin	87%	84%
Net profit before tax for continuing operations	338	2,026
Net profit after tax for continuing operations	204	1,561
Profit / (loss) from discontinued operations	45,070	(14,961)
Profit / (loss) for the period	45,274	(13,400)
Profit after tax for continuing operations attributable to members	1,526	2,274
<b>Senetas Operating Segment</b>		
Senetas segment revenue	19,254	21,575
Segment profit before tax including non-cash impairment of investment	(4,562)	3,646
Operating profit before tax prior to impairment of investment	3,354	3,646

- Revenue from continuing operations was \$19.3 million (FY2024: \$21.6 million) with some temporary sales disruption during the year partially offset by growth in maintenance revenue
- Gross margin was 87% - up 3 percentage points with good product sales mix
- Profit before tax for the continuing business was \$0.3 million and the net profit after tax for continuing business attributable to members was \$1.5 million
- The profit from discontinued operations reflects the negative net assets disposed of on sale of the Votiro business during the year
- For the Senetas operating segment the net profit before tax excluding the non-cash impairment charge was \$3.4 million
- Including the non-cash impairment charge (that was eliminated on Consolidation) the Senetas business segment made a pre-tax loss of \$4.6 million
- Cash on hand at 30 June 2025 was \$11.6 million with no debt

## Senetas operational review

Revenue in the Senetas operating segment for FY2025 was \$19.3 million. This was in line with expectations in accordance with the Senetas market update in early July 2025, but was lower than the prior period. Some large opportunities that were flagged at the HY2025 results which may have provided revenue upside were delayed. The timing of these opportunities is difficult to predict, however, we believe they will be realised over the next 18 months.

Maintenance revenue was higher in FY2025 but product sales were lower than the prior period. Maintenance revenue represented just over half of total revenue. Lower product sales were affected by several factors, including disruption to the sales team at Senetas' global distribution partner following a recent business acquisition, some uncertainty surrounding US import tariffs, and customer budget restraints that caused delays in ordering.

On a regional basis, revenue in the Asia Pacific region was stable, and the North American region was slightly up on the prior year. However, revenue in the Europe, Middle East & Africa region was lower following the benefit Senetas received in FY2024 from its largest ever order that was completed late in that year.

The Senetas segment underlying operating profit before tax of \$3.4 million (before non-cash impairments) was strong despite the drop in sales revenue in FY2025, with a 3% expansion in gross margin and cost control largely offsetting the lower product sales. The operating outlook for FY2026 looks positive with Senetas holding its largest ever sales pipeline as it enters the new financial year.

The key focus of R&D activities for Senetas in FY2025 included ongoing product certifications to both renew existing approvals and to enhance access to new markets and security classifications; further development of post quantum encryption capabilities; continued development of sovereign encryption capabilities which are unique and address a gap in the market; and product enhancements to reinforce Senetas' product capabilities and competitive advantages.

One of the key priorities for Senetas in FY2025, and continuing into FY2026, is to expand the addressable market for its security solutions. These initiatives have a number of aspects including:

- Expanding and upgrading of security certifications in order to grow the use cases for Senetas products and to access markets where Senetas has not previously operated;
- Utilising the growing footprint of its global distribution partner (Thales) to expand access to geographic markets where our presence to date has been relatively limited e.g. South America, Asia Pacific;
- Product development such as quantum readiness, enhanced customisation capabilities, virtualisation etc; and
- Implementing new customer requests to provide bespoke products utilising country specific sovereign encryption algorithms.

Each of these developments presents significant opportunities for Senetas, however, there are a number of challenges in realising their full benefits, and they can often have very long lead times. However, Senetas is optimistic that some will begin to contribute additional revenue to the business towards the end of FY2026.

## Capital Management

A strong balance sheet and positive cash flow outlook have led the Senetas board to consider the capital structure of the Company and some initial near-term capital management initiatives.

The Senetas cash balance at 30 June 2025 was \$11.6 million, with a positive operating cash flow outlook and further cash to be received by the company over the next 6 months following completion of the Votiro transaction. As a result the board is recommending shareholders approve a capital return at the 2025 AGM.

The proposal to be put to the 2025 AGM is for Senetas to conduct an equal capital reduction to return approximately \$2 million of capital to shareholders. Senetas is applying to the ATO for a class ruling to confirm whether the payment to shareholders can be treated as a return of capital rather than income in the hands of shareholders.

Also to be put to the 2025 AGM is a proposal for a 100:1 share consolidation, being the consolidation of every 100 fully paid ordinary shares into 1 fully paid ordinary share. Senetas currently has in excess of 1.6 billion fully paid ordinary shares on issue and the proposal would result in the number of shares on issue reducing to just over 16 million fully paid ordinary shares. Fractional entitlements to a share would be rounded down to the nearest whole number of shares.

Further information in relation to the capital structure and capital management proposals will be made available to shareholders in advance of the 2025 AGM which is scheduled for November 2025. Appendix 3A.3 and 3A.4 disclosures in relation to the proposed share consolidation and cash return of capital have been released to ASX concurrently with this report.

The Senetas board will continue to monitor the Company's cash flow outlook and review any opportunities for additional capital management activity as cash levels build above business requirements.



## Impact of Votiro Sale on FY2025 Results

The Group reported an underlying net profit of \$1.5 million from its continuing operations attributable to members. However, the total reported net profit for the period attributed to members was a significant \$27.8 million for the reasons outlined below.

The significant net profit for the period attributed to members of \$27.8 million was realised following the sale of the Votiro business in February 2025. This outcome primarily reflects the positive accounting impact of removing Votiro's previously reported negative financial position – where its liabilities exceeded its assets – from Senetas's consolidated balance sheet.

The transaction consideration comprised both cash and shares in Menlo Security Inc. The sale eliminated Votiro's net asset deficiencies and resulted in a profit from discontinued operations of \$45.1 million for the year. In effect, by divesting a business segment that carried a negative net asset position, Senetas removed this financial burden and recorded a substantial gain.

The total estimated consideration for the Votiro divestment is approximately US\$33 million, subject to final adjustments, including the value of Menlo shares and one customer contract renewal. As at 30 June 2025, Senetas's investment in Menlo Security Inc. was valued at over \$17.5 million, representing approximately 1.7% of Menlo's total issued shares. Additional cash and share components are expected to be received in the December 2025 and March 2026 quarters.

This strategic transaction has allowed Senetas to streamline its operations, strengthen its cash position, and focus exclusively on its profitable and cash-generative core network encryption business, positioning the Company for sustained growth.

## Balance sheet and cash flow

Consolidated net assets for Senetas at 30 June 2025 were \$46.7 million (or 2.41 cents per share) with cash on hand of \$11.6 million and no debt.

The consolidated net assets at 30 June 2025 includes an amount of \$7.8 million (consideration receivable) that reflects the current estimate of cash expected to be received by VGM from Menlo in the December 2025 and March 2026 quarters in relation to the sale of Votiro. Another amount (financial asset at FVTPL) of \$30.8 million reflects the current value of the Menlo shares VGM has already received in relation to the sale of Votiro, plus the additional shares it is expecting to receive from Menlo in the same period.

The level of cash on hand at 30 June 2025 includes the first instalment of cash received from Menlo in June 2025.

## Outlook

With the Votiro transaction now largely behind us, Senetas enters FY2026 with a simplified business structure, increased focus on our core business, our largest ever sales pipeline, and significant growth opportunities.

The key areas of focus for Senetas in FY2026 includes maximising our opportunities with AUKUS, Defence in Europe, and other key prospects being explored in the Asian and South American markets. The lead times on these opportunities are long and their timing, if they are realised, is uncertain, however, Senetas expects that some of them may begin to contribute to revenue towards the end of FY2026.

With this momentum we expect the Senetas operating business revenue and profit to grow in FY2026.

Our strong cash balance, profitable and cash generative outlook for the underlying Senetas operating business, and further cash realisations from the Votiro sale over time are expected to provide the Senetas board with the capacity to consider ongoing capital management opportunities, and our indirect investment in Menlo Security Inc. shares represents a significant growth asset that is expected to create increasing value for Senetas shareholders.

<b>4 Statement of Comprehensive Income</b>	Please refer to attached 30 June 2025 Statement of Comprehensive Income
<b>5 Statement of Financial Position</b>	Please refer to attached 30 June 2025 Statement of Financial Position
<b>6 Statement of Cash Flows</b>	Please refer to attached 30 June 2025 Statement of Cash Flows
<b>7 Statement of Changes in Equity</b>	Please refer to attached 30 June 2025 Statement of Changes in Equity

## 8 Dividends and distribution payments

Interim dividend / distribution

None

Final dividend / distribution

Senetas is proposing an equal capital reduction to return \$0.00120772 per share to shareholders (a total payment of approximately \$2 million) and a share consolidation of 100:1, both of which are subject to shareholder approval at the 2025 Annual General Meeting. Senetas is applying to the ATO for a class ruling to confirm whether the payment to shareholders resulting from the equal capital reduction will be able to be treated as a return of capital rather than being received as income in the hands of shareholders. The planned record date for the capital return is 20 November 2025

## 9 Details of Dividend Reinvestment Plan

N/A

## 10 Net tangible asset Backing

30-Jun-25  
(Cents Per  
Share)

30-Jun-24  
(Cents Per  
Share)

Net tangible asset backing per ordinary security

2.41

(0.86)

## 11 Details of Entities Over Which Control Has Been Gained or Lost During The Period

None

## 12 Details of Associates / Joint Venture Holdings

None

## 13 Other Information on Financial Statements

None

## 14 Foreign Entities – accounting standards used to prepare report

None

## 15 Other Information

None

### Compliance Statement

<sup>1</sup> This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and other standards acceptable to the ASX.

<sup>2</sup> This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

<sup>3</sup> This report does give a true and fair view of the matters disclosed.

<sup>4</sup> The Appendix 4E is unaudited pending completion of the audit, which has been delayed due to tax accounting complexities from the Votiro sale. Final audited results may include adjustments to the figures disclosed.

<sup>5</sup> The entity has a formally constituted audit committee.



Francis W. Galbally  
Chairman

Date: 29 August 2025

# Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2025

		CON SOLIDATED	
	Notes	2025 \$	2024 \$
Continuing Operations			
Revenue from contracts with customers		19,254,115	21,575,457
Revenue		19,254,115	21,575,457
Materials and support services expense		(2,497,745)	(3,491,448)
Other income		245,313	181,572
Employee benefits expense		(8,925,282)	(9,279,737)
Depreciation and amortisation expense		(576,314)	(593,666)
Administration expenses		(4,437,081)	(4,429,348)
Professional fees		(1,612,396)	(1,235,721)
Other expenses		(353,340)	(403,251)
Other gains/(losses) - net		(134,209)	(79,400)
Finance costs		(624,794)	(218,450)
Profit before income tax		338,268	2,026,020
Income tax expense		(134,389)	(465,224)
Profit from continuing operations		203,878	1,560,796
Profit / (loss) from discontinued operations	5	45,070,264	(14,960,692)
Profit / (loss) for the period		45,274,142	(13,399,896)
Other comprehensive income			
Items that may be subsequently classified to profit or loss:			
Exchange differences on translating foreign operations		1,002,088	16,615
Other comprehensive income for the year		1,002,088	16,615
Total comprehensive income / (loss) for the year, net of tax		46,276,230	(13,383,282)
Profit/(loss) for the period is attributable to:			
Owners of the parent		27,822,590	(6,107,232)
Non-controlling interest		17,451,552	(7,292,664)
		45,274,142	(13,399,896)
Profit/(loss) attributable to owners of the parent from:			
Continuing operations		1,525,592	2,273,855
Discontinued operations		26,296,998	(8,381,087)
		27,822,590	(6,107,232)
Total comprehensive income/(loss) for the year is attributable to:			
Owners of the parent		28,382,041	(6,121,590)
Non-controlling interest		17,894,189	(7,261,692)
		46,276,230	(13,383,282)
Earnings per share from continuing operations			
Basic profit/(loss) for the year attributable to ordinary equity holders of the Parent.		0.0947	0.1620
Diluted profit/(loss) for the year attributable to ordinary equity holders of the Parent.		0.0925	0.1579
Earnings per share			
Basic profit/(loss) for the year attributable to ordinary equity holders of the Parent.		1.7274	(0.4352)
Diluted profit/(loss) for the year attributable to ordinary equity holders of the Parent.		1.6863	(0.4393)

# Statement of Financial Position

AS AT 30 JUNE 2025

	CONSOLIDATED	
Notes	2025 \$	2024 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	11,576,555	9,421,234
Trade receivables and contract assets	6,727,962	11,737,691
Inventories	3,579,403	4,307,556
Other assets	8,883,987	1,582,748
<b>Total current assets</b>	<b>30,767,907</b>	<b>27,049,230</b>
<b>Non-current assets</b>		
Long-term cash deposit	91,667	91,667
Non-current prepayments	22,105	473,682
Financial asset at FVTPL	30,831,612	-
Plant and equipment	508,849	539,808
Goodwill and Intangible assets	29,455	5,294,634
Right-of-use asset	1,201,166	1,488,223
<b>Total non-current assets</b>	<b>32,684,854</b>	<b>7,888,014</b>
<b>TOTAL ASSETS</b>	<b>63,452,761</b>	<b>34,937,244</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	1,342,253	5,510,895
Current income tax payable	73,337	905,020
Contract liabilities	5,618,484	15,182,947
Interest-bearing liabilities	2,778,341	2,395,651
Lease liabilities	256,455	236,271
Provisions	1,935,042	1,822,603
<b>Total current liabilities</b>	<b>12,003,912</b>	<b>26,053,387</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	189,410	196,858
Provisions	72,896	100,474
Contract liabilities	3,471,541	8,920,420
Lease liabilities	1,005,089	1,261,543
<b>Total non-current liabilities</b>	<b>4,738,936</b>	<b>10,479,295</b>
<b>TOTAL LIABILITIES</b>	<b>16,742,848</b>	<b>36,532,682</b>
<b>NET ASSETS</b>	<b>46,709,913</b>	<b>(1,595,438)</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Contributed equity	115,356,527	113,443,783
Accumulated losses	(81,950,835)	(109,773,425)
Employee benefits reserve	5,519,713	5,428,577
Other reserves	2,166,464	1,936,119
Foreign currency translation reserve	954,353	394,903
<b>Equity attributable to owners of the parent</b>	<b>42,046,223</b>	<b>11,429,956</b>
Non-controlling interests	4,663,690	(13,025,394)
<b>TOTAL EQUITY</b>	<b>46,709,913</b>	<b>(1,595,438)</b>

# Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	CONSOLIDATED	
		2025 \$	2024 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		19,014,665	22,457,662
Payments to suppliers and employees		(18,723,917)	(17,644,294)
Income tax refund / (paid)		(780,580)	332,763
Interest received		245,593	180,130
<b>Net cash flows from operating activities</b>		<b>(244,239)</b>	<b>5,326,261</b>
<b>Cash flows used in investing activities</b>			
Purchase of plant and equipment		(313,487)	(122,899)
Purchase of other intangibles		(20,054)	-
Proceeds from sale of subsidiary		4,654,260	-
<b>Net cash flows used in investing activities</b>		<b>4,320,719</b>	<b>(122,899)</b>
<b>Cash flows used in financing activities</b>			
Proceeds from issued capital		2,101,356	5,000,000
Transaction costs on issued capital		(199,112)	(683,415)
Payment of loans		(2,911,316)	(9,973,576)
Proceeds from interest bearing liabilities		2,070,356	2,211,085
Repayment of interest bearing liabilities		(2,198,094)	-
Payment of interest on lease liability		(102,201)	(19,968)
Payment of principal portion of lease liability		(236,270)	(333,578)
<b>Net cash flows used in financing activities</b>		<b>(1,475,281)</b>	<b>(3,799,452)</b>
Net (decrease)/increase in cash and cash equivalents		2,601,199	1,403,910
Net foreign exchange differences		4,470	2,669
Cash and cash equivalents at beginning of the year		8,970,886	7,564,307
<b>Cash and cash equivalents at 30 June</b>		<b>11,576,555</b>	<b>8,970,886</b>



## Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2025

	Attributable to equityholders 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	-	(8,107,232)	-	-	-	(8,107,232)	(7,292,664)	(13,399,896)
Other comprehensive income	-	-	(14,357)	-	-	(14,357)	30,972	16,615
Total comprehensive income	-	(6,107,232)	(14,357)	-	-	(6,121,589)	(7,261,693)	(13,383,282)
Transactions with owners in their capacity as owners								
Proceeds from issued capital	5,000,000	-	-	-	-	5,000,000	-	5,000,000
Transaction costs	(683,415)	-	-	-	-	(683,415)	-	(683,415)
Acquisition of non-controlling interests	-	-	-	-	943,259	943,259	(943,259)	-
Share based payments expense	-	-	-	727,488	-	727,488	421,614	1,149,102
At 30 June 2024	113,443,783	(109,773,425)	394,903	5,428,577	1,936,119	11,429,958	(13,025,394)	(1,595,438)
CONSOLIDATED	\$	\$	\$	\$	\$	\$	\$	\$
At 1 July 2024	113,443,783	(109,773,425)	394,903	5,428,577	1,936,119	11,429,958	(13,025,394)	(1,595,438)
Profit for the year	-	27,822,590	-	-	-	27,822,590	17,451,552	45,274,142
Other comprehensive income	-	-	559,450	-	-	559,450	442,637	1,002,087
Total Comprehensive Income	-	27,822,590	559,450	-	-	28,382,040	17,894,189	46,276,229
Transactions with owners in their capacity as owners								
Proceeds from issued capital	2,101,356	-	-	-	-	2,101,356	-	2,101,356
Transaction costs	(199,112)	-	-	-	-	(199,112)	-	(199,112)
Acquisition of non-controlling interests	-	-	-	-	230,345	230,345	(230,345)	-
Options converted to shares	10,500	-	-	(10,500)	-	-	-	-
Share based payments expense	-	-	-	101,836	-	101,836	25,240	128,876
At 30 June 2025	115,356,527	(81,950,835)	954,353	5,519,713	2,166,464	42,046,223	4,663,690	46,709,913

# Notes to the Appendix 4E

## FOR THE YEAR ENDED 30 JUNE 2025

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### BASIS OF PREPARATION

The financial report has also been prepared on an historical cost basis except for contingent consideration that has been measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar (\$), unless otherwise stated, under the option available to the Company under *ASIC Corporations (Rounding in Financial / Director's Report) Instrument 2016/191* (Instrument 2016/191). The Company is an entity to which Instrument 2016/191 applies.

The financial report has been prepared on a going concern basis. At 30 June 2025, the Group had cash and cash equivalents of \$11.6 million.

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Senetas Corporation Limited (the Company) and its subsidiaries as at 30 June each year (the Group). The Group controls a subsidiary, if and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost.

Investments in subsidiaries are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. The parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 20 February 2025, Senetas announced that the Board of VGM Aust Holdings Pty Ltd (formerly Votiro Cybersec Global Pty Ltd), 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 effective 18 February 2025. Refer to the discontinued operations note for further details.

### SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Senetas is proposing a capital return of approximately \$2 million and a share consolidation of 100:1, both of which are subject to shareholder approval at the 2025 Annual General Meeting. Further information in relation to the capital structure and capital management proposals will be made available to shareholders in advance of the 2025 Annual General Meeting.

## Notes to the Appendix 4E (continued)

### FOR THE YEAR ENDED 30 JUNE 2025

#### 4 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's reportable segments consist of the product division (Senetas) and the investment entity (VGM Aust Holdings Pty Ltd). The operating subsidiaries of VGM, which formerly comprised the solutions technology division, were disposed of during the period. VGM's primary activities have now transitioned to the management of its investment in Menlo Security Inc and the associated residual interest-bearing liabilities. Given that the Menlo investment exceeds the 10% threshold for total combined segment assets, VGM will continue to be recognised as a distinct reportable segment. 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 years ended 30 June 2025:

Year ended 30 June 2025	Senetas \$	VGM \$	Total \$
<i>Segment revenue - Revenue from contracts with customers</i>			
Sale of goods	9,542,687	-	9,542,687
Product maintenance and subscription revenue	9,711,428	-	9,711,428
Total Segment revenue	<b>19,254,115</b>	<b>-</b>	<b>19,254,115</b>

	Senetas \$	VGM \$	Eliminations <sup>(i)</sup> \$	Total \$
<i>Result</i>				
Segment profit/(loss) before tax	(4,562,159)	(3,015,627)	7,916,053	338,268
Income tax (expense) /benefit	(134,389)	-	-	(134,389)
Segment profit/(loss) after tax	(4,696,548)	(3,015,627)	7,916,053	203,878
<i>Income / (expenses)</i>				
Depreciation and amortisation	(576,314)	-	-	(576,314)
Impairment of investment	(7,916,053)	-	7,916,053	-
Share based payments expense	(75,418)	-	-	(75,418)

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

## Notes to the Appendix 4E (continued)

### FOR THE YEAR ENDED 30 JUNE 2025

#### 4 SEGMENT INFORMATION (CONTINUED)

Year ended 30 June 2025	Senetas \$	VGM \$	Eliminations <sup>(i)</sup> \$	Total \$
Non-current assets	19,643,084	30,831,612	(17,789,844)	32,684,854
Total assets	52,711,009	39,786,302	(29,044,549)	63,452,761
Total liabilities	(13,954,212)	(14,043,345)	11,254,709	(16,742,848)
Net assets	38,756,798	25,742,956	(17,789,841)	46,709,913
<i>Cashflows</i>				
Operating activities	915,232	(1,159,471)	-	(244,239)
Investing activities	(333,541)	4,654,260	-	4,320,719
Financing activities	1,195,114	(2,670,397)	-	(1,475,281)

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

Year ended 30 June 2024	Senetas \$	VGM \$	Total \$
<i>Segment revenue - Revenue from contracts with customers</i>			
Sale of goods	12,663,181	-	12,663,181
Product maintenance and subscription revenue	8,912,276	-	8,912,276
Total Segment revenue	<b>21,575,457</b>	<b>-</b>	<b>21,575,457</b>

	Senetas \$	VGM \$	Eliminations <sup>(i)</sup> \$	Total \$
<i>Result</i>				
Segment profit/(loss) before tax	3,646,191	(1,620,170)	-	2,026,021
Income tax expense / (benefit)	(465,224)	-	-	(465,224)
Segment profit/(loss) after tax	3,180,966	(1,620,170)	-	1,560,796
<i>Income / (expenses)</i>				
Depreciation and amortisation	(593,656)	-	-	(593,656)
Share based payments expense	(190,886)	-	-	(190,886)
Non-current assets	27,869,218	5,724,689	(25,705,894)	7,888,013
Total assets	58,031,319	11,817,487	(34,911,562)	34,937,244
Total liabilities	(16,560,105)	(29,178,248)	9,205,670	(36,532,683)
Net assets	41,471,214	(17,360,761)	(25,705,892)	(1,595,439)
<i>Cashflows</i>				
Operating activities	5,868,940	(542,678)	-	5,326,262
Investing activities	(122,899)	-	-	(122,899)
Financing activities	(4,354,474)	555,022	-	(3,799,452)

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



## Notes to the Appendix 4E (continued)

### FOR THE YEAR ENDED 30 JUNE 2025

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#### 4 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.

30 June 2025	Senetas
	\$
Asia Pacific	3,408,177
United States	9,927,129
Europe	5,918,809
<b>Total</b>	<b>19,254,114</b>

30 June 2024	Senetas
	\$
Asia Pacific	2,984,662
United States	8,280,863
Europe	10,309,931
<b>Total</b>	<b>21,575,457</b>

Revenue from one customer - the Company's global distribution partner, Thales - amounted to \$16,156,075 (2024: \$19,250,131) arising from the above mentioned geographical areas.

## Notes to the Appendix 4E (continued)

### FOR THE YEAR ENDED 30 JUNE 2025

#### 5 DISCONTINUED OPERATIONS

##### (a) Description

On 20 February 2025, Senetas announced that the Board of VGM Aust Holdings Pty Ltd (formerly Votiro Cybersec Global Pty Ltd), 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 effective 18 February 2025. Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

Senetas, which holds 57.7% controlling interest in VGM on a fully diluted basis, will retain its shareholding, maintaining exposure to the value of VGM's shares in Menlo.

##### (b) Financial performance and cash flow information

	2025 \$	2024 \$
<b>Summarised statement of profit or loss for the year ended 30 June:</b>		
Revenue	8,893,351	9,671,798
Write-off of goodwill and acquired intangibles	-	(1,876,814)
Expenses	(18,939,976)	(22,713,260)
Loss before tax	(10,046,626)	(14,918,276)
Income tax	(98,753)	(42,416)
Loss after tax from discontinued operations	(10,145,379)	(14,960,692)
Gain on disposal of subsidiary <sup>(1)</sup>	55,215,643	-
<b>Profit/(Loss) from discontinued operations</b>	<b>45,070,264</b>	<b>(14,960,692)</b>
<sup>(1)</sup> Includes transaction costs		
<b>Summarised cash flow information for the year ended 30 June:</b>		
Operating	(1,710,874)	(11,762,552)
Investing	(10,051)	(35,509)
Financing	2,127,433	9,998,935
	<b>406,509</b>	<b>(1,799,126)</b>

##### (c) Details of the sale of the subsidiary

The sale includes VGM's wholly owned Israeli subsidiary, Votiro Cybersec Limited, and its subsidiary entities. The 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. Up to 45% of the base consideration is deferred for 12 months, contingent on the renewal of three key customer contracts and is adjusted based on the closing net working capital and on a no-cash, no-debt basis.

Of the agreed holdback amounts, the consideration below has been adjusted to exclude the holdback relating to PT ArthaTel, on the basis that this contract was not renewed by the timeframe or within the conditions outlined in the share purchase agreement, therefore VGM are not eligible to receive the cash or shares associated with this consideration. The consideration for the remaining holdback amounts has been included below, on the basis that it is expected the conditions attaching to these holdbacks will be achieved.

## Notes to the Appendix 4E (continued)

### FOR THE YEAR ENDED 30 JUNE 2025

#### 5 DISCONTINUED OPERATIONS (continued)

##### (c) Details of the sale of the subsidiary (continued)

	2025 \$
Consideration received or receivable	
Cash received	7,381,248
Cash receivable	7,845,218
Shares in Menlo Security Inc.	30,590,221
<b>Total disposal consideration<sup>(1)</sup></b>	<b>45,816,687</b>
Carrying amount of net assets sold	(12,381,275)
Gain on sale of subsidiary (before transaction costs)	58,197,962
Transaction costs	(2,982,320)
<b>Net gain on disposal of subsidiary</b>	<b>55,215,643</b>
<i>The carrying amounts of assets and liabilities as at the date of sale (18 February 2025) were:</i>	
Cash	856,857
Trade and other receivables	2,753,834
Non-current assets	483,729
Trade and other payables	(2,767,546)
Contract liabilities	(13,708,149)
<b>Net assets deficiency<sup>(1)</sup></b>	<b>(12,381,275)</b>

<sup>(1)</sup> The \$19.9 million loan receivable between VGM and Votiro Cybersec Limited is excluded from the disposal consideration and net assets calculation above because it was reassigned to Menlo as part of the transaction, and therefore does not impact the gain on disposal.