

27 November 2023

ASX Announcement

**SENETAS CORPORATION LIMITED ANNOUNCES PARTIALLY UNDERWRITTEN NON-RENOUNCEABLE RIGHTS OFFER AND INSTITUTIONAL PLACEMENT**

**Key highlights:**

- Senetas launches partially underwritten entitlement offer and placement (**Offer**) to raise up to approximately A\$5 million (before costs)
- Up to \$3.5 million will be raised via a partially underwritten non-renounceable pro rata entitlement offer (**Entitlement Offer**) to eligible Australian and New Zealand shareholders of 1 new share at A\$0.014 per share for every 4.86 shares held at the Record Date plus 1 option for every 3 new shares subscribed for. Options will have an exercise price of \$0.025 per share and an expiry date of 12 months from date of issue
- Partial underwriting commitments in place for A\$2.05 million of target amount, with Southbank Capital Pty Ltd (an entity associated with Senetas Chairman, Francis Galbally) and MST Financial Services Pty Limited (**MST**) acting as co-underwriters. MST is also acting as lead manager to the Offer
- In addition to Southbank Capital Pty Ltd's underwriting commitment, Senetas Directors, Andrew Wilson, Kenneth J. Gillespie, Philip Schofield and Lawrence D. Hansen have all indicated that they intend to participate in the Offer by taking up their entitlements under the offer and/or sub-underwriting to Southbank Capital Pty Ltd
- Senetas has also received commitments for an additional \$1.5 million by way of a placement (**Placement**) to institutional and sophisticated investors on the same terms as the Entitlement Offer
- Funds are being raised to support the development of Votiro's business and for general working capital

**MELBOURNE Australia, 27 November 2023:** Senetas Corporation Limited (ASX:SEN) (**Senetas**) is pleased to announce the launch of the Offer to raise up to approximately A\$5 million (before costs) by way of an Entitlement Offer and Placement.

**Entitlement Offer**

The Entitlement Offer, which aims to raise \$3.5 million, will be offered to Senetas shareholders in Australia and New Zealand who are registered shareholders at the Record Date described below (**Eligible Shareholders**) to acquire one (1) new fully paid ordinary share (**New Share**) at an issue price of 1.4 cents (\$0.014) per New Share for every 4.86 shares held by Eligible Shareholders at 7:00 pm (Melbourne time) on 30 November 2023 (**Record Date**) together with one (1) option (**New Option**) for every 3 New Shares subscribed for under the Offer, and each New Option will entitle the holder to subscribe for one (1) additional fully paid ordinary share at an exercise price of 2.5 cents (\$0.025) per share with an expiry date of 12 months from the date of issue. Given the Entitlement Offer is non-renounceable, entitlements will not be tradeable or otherwise transferable.



Senetas has received commitments to the Entitlement Offer from its existing shareholders for approximately A\$0.25 million of the target amount, and Senetas has also received underwriting commitments for a further A\$2.05 million in respect of the Entitlement Offer.

As a show of support for the Offer, Southbank Capital Pty Ltd ACN 130 971 201 (**Southbank Capital**), an entity controlled by the Company's chairman, Mr Francis Galbally, has agreed to underwrite up to \$1.55 million of any shortfall of the Entitlement Offer. In addition, the following directors of the Company have indicated they intend to participate in the Entitlement Offer as follows:

- (a) Andrew Wilson, CEO and Managing Director, intends to take up his entitlement in full.
- (b) Kenneth J. Gillespie, non-executive Director, via his controlled entity SectorWest Pty Limited as trustee for the Gillespie Family Trust, intends to take up his entitlement in full and has agreed with Southbank Capital to sub-underwrite the Entitlement Offer up to a total commitment of \$50,000.
- (c) Philip Schofield, non-executive Director, personally and via his controlled entity, Moosehead Pty Limited, intends to take up his entitlement in full.
- (d) Lawrence D. Hansen, non-executive Director, has agreed with Southbank Capital to sub-underwrite the Entitlement Offer up to a total commitment of \$100,000.

### **The prospectus and shortfall facility**

Senetas has lodged a prospectus today in connection with the Entitlement Offer (**Prospectus**), copies of which will be made available to shareholders on the Senetas website, the ASX website and via the link described below which Eligible Shareholders will need to access in order to obtain their personalised entitlement and acceptance form to participate in the Entitlement Offer.

Eligible Shareholders who subscribe for their full entitlement under the terms of the Entitlement Offer will also have the opportunity to apply for additional New Shares (and receive the associated New Options) in any shortfall at the same price of \$0.014 per New Share. There is no guarantee of the number of shortfall shares (if any) that will be available to Eligible Shareholders and the allocation of those shortfall shares among applicants will be at the discretion of the Senetas board in accordance with the policy described in section 1.3 of the Prospectus.

MST Financial Services Pty Limited ACN 617 475 180 (**MST**) has been appointed as lead manager to the Offer, and has agreed to co-underwrite the Entitlement Offer up to a further \$500,000 (in addition to the \$1.55 million committed by Southbank Capital).

### **Placement**

In addition to and in conjunction with the Entitlement Offer, Senetas has undertaken a Placement to institutional and sophisticated investors, under which it has received commitments for \$1.5 million, on the same terms as the terms being offered to all Eligible Shareholders under the Entitlement Offer.

### **Use of Proceeds**

The funds raised (after the costs of the Entitlement Offer and the Placement) will be used for the purpose of:

- (a) supporting Votiro and funding the development, sales and marketing of its business; and
- (b) funding general working capital.

## Business Update

Senetas's traditional encryption business remains in a sound financial position. As reported in Senetas's 2023 full year financial results released on 31 August 2023, the Senetas business segment revenue was up 12% and profit before tax was up 95% for the year to 30 June 2023.

The Votiro business remains in its early growth phase and requires financial support to see it through until it becomes self-sufficient from a cash flow and profitability perspective. With a continuation of the strong growth seen through the 2023 financial year, Votiro is targeting to reach a cash flow breakeven position by the middle part of the 2024 calendar year.

The Votiro sales pipeline more than doubled through the 2023 financial year, including US\$10 million of new pipeline added in the first half of the 2023 calendar year. Subject to its sales pipeline being realised as anticipated, Votiro is targeting annual recurring revenue of up to US\$10 million by the end of 2023. As at the end of September 2023 annual recurring revenue has grown to US\$7.2 million, an increase of over 60% since September 2022 (when annual recurring revenue was US\$4.4 million) and an increase of 50% since December 2022 (when annual recurring revenue was US\$4.8 million).

CEO and Managing Director, Mr Andrew Wilson commented: *“Votiro is a relatively new business with a best-in-class anti-malware / ransomware solution that represents a continuing high growth opportunity for Senetas with a much larger addressable market than Senetas’s traditional encryption business. The Votiro business has seen strong recent growth in its annual recurring revenue, and its sales pipeline more than doubled through the 2023 financial year, including US\$10 million of new pipeline added in the first half of the 2023 calendar year. Votiro’s total sales pipeline currently sits at in excess of US\$40 million.*

*“We are pleased with the growing interest in Votiro and its products. With the scale of the Votiro pipeline and the additional sales and marketing capability that has been added to the business in recent months, along with the ongoing support of its key shareholders, we expect that Votiro will continue to deliver strong growth in annual recurring revenue and cash flow in the near term.*

*“On behalf of the directors, I thank shareholders for your continued support of Senetas and encourage you to carefully consider this investment opportunity at an exciting time in the development of the Votiro business.”*

## Impact of the Offer

If fully subscribed, the Offer will result in the issue of approximately 357 million new ordinary shares and 119 million new options (including shares and options to be issued under both the Entitlement Offer and Placement).

<b>Indicative Timetable</b>	<b>Date</b>
Record Date for Offer	30 November 2023
Allotment and issue of New Shares and New Options subscribed for under the Placement	1 December 2023
Offer opens	4 December 2023
Offer closes	15 December 2023

Allotment and issue of New Shares and New Options under the Entitlement Offer	22 December 2023
Trading of New Shares and New Options issued under the Entitlement Offer expected to commence	27 December 2023

### Further information and how to obtain a copy of the Prospectus

Full details of the Entitlement Offer and how Eligible Shareholders may access the Prospectus and their personalised entitlement and access form for the purposes of participating in the Entitlement Offer can be found in the letter to shareholders which will be released to the ASX and distributed to Eligible Shareholders on 4 December 2023. Paper copies of the Prospectus and personalised entitlement and access form will not be sent to Shareholders unless specifically requested. Eligible Shareholders will receive a document with a QR code that links to their copy of the Prospectus.

Further information on the Entitlement Offer and the Placement can also be found on the Senetas Investor Hub using this link: : <http://nreo.senetas.com/>



or this QR code

If you have any query or question about the Entitlement Offer or the Prospectus, please call the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Melbourne time) Monday to Friday during the Entitlement Offer period.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Before making any investment decision, investors should seek appropriate professional advice.

Authorised for lodgement by:

Andrew Wilson  
CEO and Managing Director

27 November 2023