

4 February 2021

ASX ANNOUNCEMENT

Senetas Corporation Limited – Market Guidance: Senetas Achieves Strong Growth in Core Business in HY2021

Senetas Corporation Ltd (ASX: SEN) (Senetas / the Company) provides the following market guidance in relation to its financial results for the half year ended 31 December 2020 (HY2021), along with a general update on the progress and performance of the Company's investment in Votiro Cybersec Global Pty Ltd (**Votiro**).

The following preliminary financial results remain subject to confirmation by Senetas' auditors.

- **Underlying Senetas business segment revenues expected to be up over 30%**
- **Underlying Senetas business EBITDA expected to be up over 170%**
- **Consolidated group revenue (including Votiro revenue) expected to be up over 30%**
- **Consolidated group EBITDA (including Votiro EBITDA) expected to be up significantly on HY2020**
- **Statutory consolidated net profit after tax expected to be in the range of between \$0.1 million and \$0.2 million.**

Consistent with recent results announcements, and in order to provide clarity on the Company's underlying business unit performance, the Company is presenting the preliminary results for both the underlying Senetas business segment and the consolidated Senetas group. The underlying Senetas business segment results reflect the Company's traditional high speed network encryption business including its CN series (hardware based) encryptors, CV series (software based) encryptors and SureDrop. The consolidated group results include both the Senetas business segment results plus the financial results from Senetas' interest in Votiro.

Half year results for underlying Senetas business segment

The underlying Senetas business segment operating revenue is expected to be between \$12.5 million and \$12.8 million for HY2021, an increase of over 30% on the prior period (HY2020: \$9.5 million). The key drivers of operating revenue growth in the half year have been strong sales of the Company's 100Gbps encryptors and growth in the Middle Eastern and European markets.

The underlying Senetas business segment EBITDA is expected to be between \$3.8 million and \$4.0 million, an increase of over 170% on the prior period (HY2020: \$1.4 million).

Half year results for consolidated Senetas group

Consolidated Senetas group revenue for HY2021 is expected to be between \$14.0 million and \$14.4 million, an increase of over 30% (HY2020: \$10.6m). Consolidated Senetas group EBITDA is expected to be between \$1.3 million and \$1.4 million (HY2020: \$0.1 million). The expected consolidated group Senetas net profit after tax for HY2021 is expected to be approximately \$0.2





million (HY2020: net loss after tax \$0.2 million) and such results are subject to confirmation by Senetas' auditors.

Votiro update

Votiro is a world leader in the development of cybersecurity technology to protect governments and other organisations from malware and ransomware. Ransomware is estimated by NASDAQ listed cybersecurity company, CrowdStrike to be 81% of global financial cyber crime in 2020. CrowdStrike further forecasts that the frequency and risk to government agencies and enterprises world-wide from malware and ransomware will grow significantly in the future.¹ This risk has increased as a result of COVID-19 bringing forward the move to remote offices as government and enterprises move their applications to the cloud.

Senetas Chairman Francis Galbally commented: "The demand for software protection against such threats is now only starting to emerge and Senetas believes this growth will be considerable and will translate into an opportunity to grow a substantial annuity business." Mr Galbally added, "the board is pleased that Votiro is achieving the expected results and growth that it targeted when we made our initial investment."

Votiro is currently in trials with a number of large North American organisations to deploy its cyber security technology. In addition, Votiro's Secure File Gateway has recently been selected by a Fortune 500 company to protect it from malware attacks. This customer has deployed the technology to over 50,000 users, and the revenue to Votiro from this contract is expected to be in the order of approximately USD\$250,000 per annum for 3 years.

Detailed HY2021 results and Appendix 4D

A detailed update on the Company's operations and outlook, and further information in relation to the HY2021 results will be released with the Appendix 4D and Half Year Report on or around Friday, 26 February 2021.

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

END

For further information please contact:

Chris Knorr

Senetas

M: +61 417 033 623

E: chris.knorr@senetas.com

¹ <https://www.crowdstrike.com/blog/key-themes-findings-from-cyber-front-lines-report/>



ABOUT SENETAS CORPORATION LIMITED

Senetas is an Australian public company (ASX:SEN) specialising in cybersecurity solutions - from high-performance network encryption to secure file-sharing collaboration and anti-malware applications. Used by global commercial and technology enterprises and governments in more than 45 countries, Senetas solutions are distributed and supported internationally by Thales, the world's largest security company.

Senetas cybersecurity solutions are trusted to protect business, government, defence, national infrastructure, cloud and technology service provider data against breaches and prevent crippling cyber-attacks.

A global leader in the protection of data transported across the high-speed networks essential to businesses and governments, Senetas provides network independent encryption hardware and virtualised solutions. These share a crypto-agile and quantum ready cybersecurity platform.

Certified by leading independent authorities (Common Criteria, FIPS and NATO), Senetas encryptors leverage end-to-end encryption and state-of-the-art key management providing long-term data protection without compromising network performance.

Senetas's encrypted file-sharing and collaboration application, SureDrop, provides the information security and data sovereignty control essential in today's world of rapidly growing remote work. SureDrop has the usability of box-type file-sharing and other collaboration tools, but with the added benefits of Microsoft 365, Outlook and Azure integration. It may be deployed on premises or as a service provider Software as a Solution (SaaS).

Secure File Gateway by Votiro, a Senetas subsidiary, prevents crippling malware and zero-day attacks such as ransomware and viruses. Votiro's award-winning and patented technology prevents malicious file content through email, web downloads and other file gateways.

Senetas solutions have been trusted to protect much of the world's most sensitive information for more than 20 years. They are used to protect everything from government and defence secrets to intellectual property, financial transactions, citizen privacy to real-time CCTV networks and critical national infrastructure.

www.senetas.com

About Votiro

Votiro is an award-winning cybersecurity company with a mission of securing organizations from all file-borne threats. Its proprietary, award-winning positive selection technology allows users to safely open email attachments, download and transfer files, share content, while keeping performance and functionality intact. With over 400 customers globally, Votiro has offices in US, Singapore, Australia, and Israel. Votiro is a Gartner Cool Vendor award winner and certified by the international standard of Common Criteria for Information Technology Security Evaluation (ISO/IEC 15408). Votiro has also been [recently recognized](#) as Best CDR Provider by the 2020 Cybersecurity Excellence Awards and named a Bronze winner in the Hot Security Technology Category by the 2020 Infosecurity Products Guide Awards.

www.votiro.com