

**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 2024	Previous Corresponding Period Financial Year ended 30 June 2023		
<b>2 Results for announcement to the market</b>	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>Change</b>	
	\$	\$	\$	%
2.1 Revenues from ordinary activities	31,247,255	29,346,644	1,900,610	6.48%
2.2 Net loss before tax attributable to members	(5,932,224)	(7,089,531)	1,157,307	16.32%
2.3 Net loss after tax attributable to members	(6,107,232)	(7,313,585)	1,206,353	16.49%
2.4 Other comprehensive income for the year attributable to members (foreign currency translation reserve)	(14,359)	420,923	(435,282)	(103.41%)
<b>3 Net comprehensive loss after tax attributable to members</b>	<b>(6,121,590)</b>	<b>(6,892,662)</b>	<b>771,072</b>	<b>11.19%</b>

**Brief Explanation of Figures 2.1 to 2.4**

**FY2024 Financial Highlights:**

- Strong growth in customer sales of Senetas products - up over 100%
- Consolidated group revenue up 6.5% to \$31.2 million
- Consolidated group gross profit up 12.6% and gross margins up 4 percentage points to 86%
- Senetas segment revenue was up 6.8% when adjusted for Variable Consideration
- Senetas segment profit before tax was \$3.6 million - which when adjusted for Variable Consideration was up 63%
- FY2024 saw the largest value sale in the company's history to Thales for a Middle East Government customer
- Votiro annual recurring revenue (ARR) was US\$10.4 million - up 49% from August 2023
- Votiro sales pipeline (including renewals) in excess of US\$35 million
- Group net loss after tax attributable to members was \$6.1 million (net cash loss after adjusting for non-cash items was \$3.4 million)
- Cash on hand at 30 June 2024 was \$9.4 million

<b>Full year ended 30 June 2024 (\$'000's)</b>	<b>FY2024</b>	<b>FY2023</b>
Revenue from ordinary activities	31,247	29,347
Gross profit	27,020	23,990
Other income	182	437
Profit (loss) before tax	(13,453)	(14,173)
Tax benefit/(expense)	53	(15)
Net profit (loss) after tax	(13,400)	(14,187)
Net profit (loss) after tax attributable to members	(6,107)	(7,314)

The following table shows a reconciliation of reported Net profit (loss) After Tax to Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) by operating segment.

Year ended 30 June 2024	Senetas	Votiro	Total
	\$'000	\$'000	\$'000
<b>Reported Net profit (loss) after tax</b>	<b>3,181</b>	<b>(16,581)</b>	<b>(13,400)</b>
Tax expense/(benefit)	465	(518)	(53)
Net interest expense / (income)	(871)	951	79
Depreciation and Amortisation	594	2,525	3,119
<b>EBITDA</b>	<b>3,368</b>	<b>(13,623)</b>	<b>(10,254)</b>

  

Year ended 30 June 2023	Senetas	Votiro	Total
	\$'000	\$'000	\$'000
<b>Reported Net profit (loss) after tax</b>	<b>3,175</b>	<b>(17,362)</b>	<b>(14,187)</b>
Tax expense/(benefit)	545	(530)	15
Net interest expense / (income)	(572)	532	(40)
Depreciation and Amortisation	732	2,455	3,187
<b>EBITDA</b>	<b>3,880</b>	<b>(14,905)</b>	<b>(11,025)</b>

- Group operating revenue up 6.5% to \$31.2 million (FY2023: \$29.3 million)
  - Senetas segment reported revenue of \$21.6 million was in line with the prior period (FY2023: \$21.6 million)
  - Votiro segment revenue was up 25% to \$9.7 million (FY2023: \$7.7 million)
- Senetas segment revenue adjusted for Variable Consideration was up 6.8% to \$21.6 million
- Gross margin for the Group was 90% - up from 81% in the prior period
  - Senetas segment gross margin was up 6 percentage points to 84%
  - Votiro segment gross margin was 92% - in line with the prior period
- Senetas segment EBITDA was \$3.4 million
- Profit before tax for the Senetas operating segment in FY2024 was \$3.6 million (FY2023: \$3.7 million)
- Profit before tax for the Senetas operating segment adjusted for Variable Consideration was up 63%
- The Group net loss after tax of \$13.4 million for FY2024 includes a \$16.6 million operating loss after tax for Votiro
  - \$7.3 million of the Votiro loss is attributable to minority interests
  - Votiro's loss before tax includes non-cash items such as share based payments expense and amortisation totaling \$3.5 million
- Votiro annual recurring revenue (ARR) was US\$10.4 million - up 49% from August 2023.
- The Group net loss after tax attributable to members was \$6.1 million
- The Group net loss attributable to members after adjusting for non-cash items was \$3.4 million.
- Cash on hand at 30 June 2024 was \$9.4 million.

FY2024 has seen good growth in underlying performance across both the Senetas and Votiro businesses.

Following an extended period of industry disruption as a result of the global electronic component shortages, Senetas has experienced a year of exceptional growth in sales as customers returned to more normal ordering patterns, and Senetas expended its presence in the Middle East market. We expect that over time there will be further upside in sales to existing and new Middle East customers.

Customer sales of Senetas's hardware encryption devices by our global distribution partner, Thales, were up over 100% during the year, and the number of hardware units sold was up almost 50%.

Whilst the impact of that sales growth on our reported results for FY2024 was complicated by the application of AASB15 Variable Consideration, the underlying performance of the business was very pleasing.

After adjusting for Variable Consideration, Senetas's FY2024 revenue was up 6.8% over FY2023, and its profit before tax was up 63%. Gross margin was also up 6 percentage points to 84%, and Senetas operating cash inflow was up over 300% to \$5.9 million.

Votiro continued to build on its growth momentum in FY2024 with revenue up 25%, ARR was up 49% since last August, and good progress is being made towards our target of cash flow break-even by the end of the 2024 calendar year.

Votiro ARR was US\$10.4 million with growth in all markets, but particularly in the Asia Pacific region which remains Votiro's largest. Total contract value grew 52% during the year to US\$33.3 million and Votiro's total sales pipeline is now over US\$35 million.

Importantly, Votiro's sales momentum continues to accelerate, with over 70 new customers and upsell deals signed since the beginning of the 2023 calendar year, including 30 deals that have already been signed in the 2024 calendar year to date.

A very important development for Votiro during FY2024 has been the launch of its new data detection and response (DDR) capability which was launched during the second half of the financial year. The new capability provides a unified content security platform that brings together threat prevention, data security, and privacy controls in a zero-trust solution and will play a key role in accelerating Votiro's market penetration, particularly in North America.

Already Votiro has built a DDR sale pipeline of US\$3.5 million in North America and the first product sale was completed in July 2024.

### **Senetas operational review**

Senetas segment reported revenue in FY2024 was similar to the prior period, with strong growth in customer sales of Senetas products and services by Thales being offset by lower inventory transfers and a negative adjustment to Variable Consideration when compared to the FY2023 year.

Revenue from sales by Thales was up over 100%, with one of the key components being Senetas's largest ever single sales transaction to a customer in the Middle East. The Middle East transaction was completed and announced to the ASX in May 2024.

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.

The number of Senetas hardware encryptor units sold by Thales to customers in FY2024 was up 48%.

Senetas segment gross profit was up 7.2% to \$18.1 million and gross margin increased 6 percentage points to 84%. Materials and support services expense was 21% lower in FY2024, primarily as a result of lower inventory shipments to Thales during the period.

Senetas segment reported profit before tax was similar to the prior period at \$3.6 million, and the profit before tax after adjusting for Variable Consideration increased by 63% driven by significantly higher sales to end customers completed during the year.

Some increases in operating expenses offset the higher gross profit with the key driver of higher costs being increased costs to renew security certifications that are required continue selling encryptors to North American government agencies.

With the global component shortages now having eased, Senetas's inventory holdings have begun to reduce, and Thales inventory levels have stabilised. We expect both Thales and Senetas inventory 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 somewhat during the second half of FY2024 as some larger sales transactions were completed. Good momentum in 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 and re-certification required in North America.

SureDrop, Senetas's encrypted file-sharing and collaboration platform, grew revenue over 70% during the year but remains only a small part of the Company's revenue sources. Senetas expects revenue will continue to grow in FY2025 off a small base.

### **Votiro operational review**

Votiro operating revenue was up 25% to \$9.7 million driven primarily by new contracts won in the Asia Pacific region. The Asia Pacific region remains the largest contributor to Votiro's revenue and ARR.

Votiro's ARR was US\$10.4 million which was up 49% from August 2023. There was revenue growth in all of Votiro's operating regions. Votiro's total contract value was US\$33.3 million, up over 50% since August 2023, and the total sales pipeline was over US\$35 million.

Since the commencement of the 2023 calendar year Votiro has signed over 70 new customers and 'upsell' deals, with 30 of them in the 2024 calendar year to date. These deals have ranged in size from the low US\$10's of thousands to others in excess of US\$1 million.

Votiro's FY2024 loss after tax was \$1.6 million (FY2023: \$17.4 million) which included \$3.5 million of non-cash items. \$7.3 million of Votiro's after tax loss is attributable to the minority interests in Votiro.

Votiro continues to target cash flow breakeven by the end of the 2024 calendar year.

Good growth in Votiro's sales pipeline, ARR, revenue and cash flow have been achieved through FY2024, however, transaction lead times remain longer than expected, particularly on some of the larger scale transactions. Delays to customer projects, extended procurement processes and customer budget availability are ongoing features in closing some deals. Despite the delays, Votiro is not losing any deals due to these issues. It continues to win consistently in technology trials against its competitors, and is confident of strong growth into FY2025

The overall customer renewal rate for the business remained at >90%. However, excluding the impact from Votiro discontinuing support for some low margin end of life products in the Japan market, the customer renewal rate was >95%.

#### Data Detection and Response

Votiro's new data detection and response (DDR) capability was launched in the second half of FY2024. This represents a major new opportunity for Votiro, particularly for the North American market where demand for this broader security capability is greatest. Whilst DDR sales are only at the early stage, customer feedback to date has been very positive, a number of proof of concept trials are underway and US\$3.5 million of sales pipeline had been built by July 2024. The first completed transaction was finalised in July 2024.

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.

#### **Balance sheet and cash flow**

Consolidated net assets at 30 June 2024 were negative \$1.6 million with cash on hand of \$9.4 million. The lower net assets at 30 June 2024 reflect the consolidation of the current period loss from Votiro, partly offset by the Senetas segment profit and the capital raised by Senetas in December 2023. At 30 June 2024 the Senetas segment had positive net assets of \$41.5 million (30 June 2023: \$33.8 million).

There was a significant increase in contract and lease liabilities during the year. This movement primarily reflects payments received in advance from Votiro customers and movements in Senetas's prepaid maintenance contracts. These amounts will be reflected as revenue in future years as the relevant contract service periods mature.

The level of cash on hand at 30 June 2024 reflects the impact of the Senetas capital raising and Senetas segment cash inflows, offset by the Votiro losses. Senetas operating cash inflows for FY2024 were \$5.9 million and Votiro cash outflows for the period were \$12.4 million.

Consolidated group receipts from customers were similar to the prior period and in line with consolidated group revenue.

Senetas successfully completed a placement and entitlement offer in December 2023 to raise \$5 million. The primary objectives of the capital raise were to support Senetas's investment in Votiro and for general working capital purposes. Whilst Votiro is targeting cash flow breakeven by the end of the 2024 calendar year, it has continued to require the financial support of its shareholders until it reaches that point.

#### **Outlook**

A strong rebound in sales of Senetas products in FY2024, and good sales pipeline growth in the June quarter provides solid momentum into FY2025.

A more significant reduction in Thales inventory of Senetas is likely in FY2025 as both Senetas and Thales inventory levels return towards more historic levels over the next 12-24 months. Those adjustments will likely lead to lower inventory transfers to Thales and therefore a negative impact from Variable Consideration in FY2025.

Overall, we expect customer sales of Senetas products in FY2025 to be maintained at a similar level to FY2024 after adjusting for the impacts of Variable Consideration.

However, there are some larger scale sales opportunities in the Middle East that may provide upside to FY2025 revenue, but at this stage those opportunities remain uncertain and have long lead times so may not fall in FY2025. We have, however, just received our largest order by volume from our global distributor Thales for a new North African Government customer, which we expect to ship in the coming weeks.

Votiro's growth momentum expected to continue in FY2025. The Votiro sales pipeline continues to grow and the new DDR product has already made a significant contribution to that pipeline in its first few months. The early market feedback suggests that DDR has the potential to significantly enhance sales growth opportunities in the North American market.

In the near to medium term we expect the Asia Pacific region will remain the largest market for Votiro, and most of the largest opportunities in the near term are there.

Significantly, we continue to target cash flow breakeven for Votiro by the end of calendar year 2024, thereby limiting the ongoing financial support required from its shareholders

<b>4 Statement of Comprehensive Income</b>	Please refer to attached 30 June 2024 Statement of Comprehensive Income	
<b>5 Statement of Financial Position</b>	Please refer to attached 30 June 2024 Statement of Financial Position	
<b>6 Statement of Cash Flows</b>	Please refer to attached 30 June 2024 Statement of Cash Flows	
<b>7 Statement of Changes in Equity</b>	Please refer to attached 30 June 2024 Statement of Changes in Equity	
<b>8 Dividends and distribution payments</b>		
Interim dividend	None	
Final dividend	No final dividend proposed	
<b>9 Details of Dividend Reinvestment Plan</b>	N/A	
<b>10 Net tangible asset Backing</b>	<b>30-Jun-24 (Cents Per Share)</b>	<b>30-Jun-23 (Cents Per Share)</b>
Net tangible asset backing per ordinary	(0.86)	(0.51)
<b>11 Details of Entities Over Which Control Has Been Gained or Lost During The Period</b>	None	
<b>12 Details of Associates / Joint Venture Holdings</b>	None	
<b>13 Other Information on Financial Statements</b>	None	
<b>14 Foreign Entities – accounting standards used to prepare report</b>	None	
<b>15 Other Information Appendix 4E (continued)</b>	None	

#### Compliance Statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and other standards acceptable to the ASX.
- 2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on accounts which are in the process of being audited. At the completion of the audit, an unmodified audit report is expected to be issued on these financial statements.
- 5 The entity has a formally constituted audit committee.



Francis W. Galbally  
Chairman  
Date: 30 August 2024

# Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	CONSOLIDATED	
	2024	2023
	\$	\$
Revenue from contracts with customers	31,247,255	29,346,644
<b>Revenue</b>	<b>31,247,255</b>	<b>29,346,644</b>
Materials and support services expense	(4,227,029)	(5,356,534)
Other income	181,571	437,443
Employee benefits expense	(23,601,922)	(22,037,607)
Depreciation and amortisation expense	(3,119,148)	(3,187,215)
Administration expenses	(9,579,946)	(9,830,484)
Professional fees	(2,916,311)	(2,246,046)
Other expenses	(1,176,450)	(1,211,746)
Finance costs	(260,883)	(87,030)
<b>Loss before income tax</b>	<b>(13,452,863)</b>	<b>(14,172,575)</b>
Income tax (expense)/benefit	52,967	(14,831)
<b>Loss after income tax</b>	<b>(13,399,896)</b>	<b>(14,187,406)</b>
<b>Other comprehensive income/(loss)</b>		
Items that may be subsequently classified to profit or loss		
Exchange differences on translating foreign operations	16,616	712,140
<b>Other comprehensive income/(loss) for the year</b>	<b>16,616</b>	<b>712,140</b>
<b>Total comprehensive (loss)/ income for the year, net of tax</b>	<b>(13,383,280)</b>	<b>(13,475,266)</b>
<b>(Loss)/profit for the period is attributable to:</b>		
Owners of the parent	(6,107,232)	(7,313,585)
Non-controlling interest	(7,292,664)	(6,873,821)
	<b>(13,399,896)</b>	<b>(14,187,406)</b>
<b>Total comprehensive (loss)/profit for the year is attributable to:</b>		
Owners of the parent	(6,121,590)	(6,892,662)
Non-controlling interest	(7,261,690)	(6,582,604)
	<b>(13,383,280)</b>	<b>(13,475,266)</b>
<b>Earnings per share</b>		
Basic loss for the year attributable to ordinary equity holders of the Parent.	(0.435)	(0.602)
Diluted loss for the year attributable to ordinary equity holders of the Parent.	(0.435)	(0.602)

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# Statement of Financial Position

AS AT 30 JUNE 2024

	CONSOLIDATED	
	2024 \$	2023 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	9,421,235	9,813,782
Trade receivables and contract assets	11,737,691	6,005,523
Inventories	4,307,556	5,321,537
Other assets	1,582,748	1,397,876
Current income tax receivable	-	153,819
<b>Total current assets</b>	<b>27,049,230</b>	<b>22,692,537</b>
<b>Non-current assets</b>		
Long-term cash deposit	91,667	91,667
Non-current prepayments	473,682	28,953
Deferred tax asset	-	-
Plant and equipment	539,808	733,647
Goodwill and intangible assets	5,294,634	7,790,336
Right-of-use asset	1,488,223	327,774
<b>Total non-current assets</b>	<b>7,888,014</b>	<b>8,972,377</b>
<b>TOTAL ASSETS</b>	<b>34,937,244</b>	<b>31,664,914</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	5,510,895	4,816,499
Current income tax payable	905,020	-
Contract liabilities	15,182,947	9,810,565
Interest-bearing liabilities	2,395,651	-
Lease liabilities	236,271	333,579
Provisions	1,822,603	1,681,404
<b>Total current liabilities</b>	<b>26,053,387</b>	<b>16,642,047</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	196,858	1,018,316
Provisions	100,474	66,667
Contract liabilities	8,920,420	7,559,312
Lease liabilities	1,261,543	56,416
<b>Total non-current liabilities</b>	<b>10,479,295</b>	<b>8,700,711</b>
<b>TOTAL LIABILITIES</b>	<b>36,532,682</b>	<b>25,342,758</b>
<b>NET ASSETS</b>	<b>(1,595,438)</b>	<b>6,322,156</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Contributed equity	113,443,783	109,127,198
Accumulated losses	(109,773,425)	(103,666,193)
Employee benefits reserve	5,428,577	4,701,089
Other reserves	1,936,119	992,860
Foreign currency translation reserve	394,902	409,260
<b>Equity attributable to owners of the parent</b>	<b>11,429,956</b>	<b>11,564,214</b>
Non-controlling interests	(13,025,394)	(5,242,058)
<b>TOTAL EQUITY</b>	<b>(1,595,438)</b>	<b>6,322,156</b>

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# Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

## CONSOLIDATED

2024

\$

2023

\$

### Cash flows from operating activities

Receipts from customers	32,080,706	32,288,266
Payments to suppliers and employees	(39,039,628)	(40,116,091)
Income tax refund / (paid)	290,347	286,865
Interest received	180,132	124,417

### Net cash flows from operating activities

**(6,488,443)**      **(7,416,543)**

### Cash flows used in investing activities

Purchase of plant and equipment	(156,435)	(406,943)
Purchase of other intangibles	-	(28,336)
Payment of contingent consideration	-	(6,687)

### Net cash flows used in investing activities

**(156,435)**      **(441,966)**

### Cash flows used in financing activities

Proceeds from issued capital	5,000,000	7,355,877
Transaction costs on issued capital	(683,415)	(416,321)
Proceeds from interest bearing loans	2,211,085	-
Payment of interest on lease liability	(19,968)	(35,553)
Payment of principal portion of lease liability	(333,578)	(304,395)

### Net cash flows used in financing activities

**6,174,124**      **6,599,608**

Net (decrease)/increase in cash and cash equivalents      (470,754)      (1,258,901)

Net foreign exchange differences      78,207      380,877

Cash and cash equivalents at beginning of the year      9,813,782      10,691,806

### Cash and cash equivalents at 30 June

**9,421,235**      **9,813,782**

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# Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Attributable to equity holders of Senetas Corporation Ltd					Owners of the parent	Non-controlling interest	Total equity
	Contributed equity	Accumulated (losses) / profits	Foreign currency translation reserve	Employee benefits reserve	Other reserves	Total		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>CONSOLIDATED</b>								
<b>At 1 July 2022</b>	<b>108,996,265</b>	<b>(96,352,608)</b>	<b>(11,663)</b>	<b>3,963,896</b>	<b>246,262</b>	<b>16,842,152</b>	<b>(5,245,320)</b>	<b>11,596,832</b>
Loss for the year	-	(7,313,585)	-	-	-	(7,313,585)	(6,873,821)	(14,187,406)
Other comprehensive income	-	-	420,923	-	-	420,923	291,217	712,140
<b>Total comprehensive income</b>	<b>-</b>	<b>(7,313,585)</b>	<b>420,923</b>	<b>-</b>	<b>-</b>	<b>(6,892,662)</b>	<b>(6,582,604)</b>	<b>(13,475,266)</b>
<b>Transactions with owners in their capacity as owners</b>								
Proceeds from issued capital	-	-	-	-	-	-	7,328,166	7,328,166
Transaction costs	81,830	-	-	-	-	81,830	(416,321)	(334,491)
Acquisition of non-controlling interests	-	-	-	-	746,598	746,598	(746,598)	-
Options converted to shares	49,103	-	-	(49,103)	-	-	27,711	27,711
Share based payments expense	-	-	-	786,296	-	786,296	392,909	1,179,205
<b>At 30 June 2023</b>	<b>109,127,198</b>	<b>(103,666,193)</b>	<b>409,260</b>	<b>4,701,089</b>	<b>992,860</b>	<b>11,564,214</b>	<b>(5,242,058)</b>	<b>6,322,156</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>At 1 July 2023</b>	<b>109,127,198</b>	<b>(103,666,193)</b>	<b>409,260</b>	<b>4,701,089</b>	<b>992,860</b>	<b>11,564,214</b>	<b>(5,242,058)</b>	<b>6,322,156</b>
Loss for the year	-	(6,107,232)	-	-	-	(6,107,232)	(7,292,664)	(13,399,896)
Other comprehensive income	-	-	(14,358)	-	-	(14,358)	30,974	16,616
<b>Total Comprehensive Income</b>	<b>-</b>	<b>(6,107,232)</b>	<b>(14,358)</b>	<b>-</b>	<b>-</b>	<b>(6,121,590)</b>	<b>(7,261,690)</b>	<b>(13,383,280)</b>
<b>Transactions with owners in their capacity as owners</b>								
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)	-
Options converted to shares	-	-	-	-	-	-	-	-
Share based payments expense	-	-	-	727,488	-	727,488	421,614	1,149,102
<b>At 30 June 2024</b>	<b>113,443,783</b>	<b>(109,773,425)</b>	<b>394,902</b>	<b>5,428,577</b>	<b>1,936,119</b>	<b>11,429,956</b>	<b>(13,025,394)</b>	<b>(1,595,438)</b>

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# Notes to the Appendix 4E

FOR THE YEAR ENDED 30 JUNE 2024

## BASIS OF PREPARATION

The financial information has also been prepared on an historical cost basis and is presented in Australian dollars with 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.

### (a) Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. At 30 June 2024, the Group had cash and cash equivalents of \$9.4m.

The consolidated group reported a net loss after tax for the financial year of \$13,399,896 (30 June 2023: loss of \$14,187,406), incurring negative operating cash flows of \$6,488,443 (30 June 2023: \$7,416,543) and the consolidated group's position as at 30 June 2024 was as follows:

- The consolidated group had cash and cash equivalents of \$9,421,235 (30 June 2023: \$9,813,782);
- The consolidated group had a net asset deficiency of \$1,595,438, (30 June 2023: net assets of \$6,322,156); which was largely attributable to contract liabilities of \$24,103,368 (30 June 2023: \$17,369,877). The Senetas segment had positive net assets of \$41,471,213 (30 June 2023: \$33,780,111).

During the financial report period the following events have taken place to support the going concern basis of preparation for the consolidated group:

- The consolidated group has attributable available cash on hand of \$9,421,235 (30 June 2023: \$9,813,782);
- The consolidated group earned \$31,247,255 (30 June 2023: \$29,346,644) in sales revenue during the financial year noting that the Votiro operating segment continued to build on its growth momentum with revenue up 25% to \$9,671,798 (30 June 2023: \$7,707,074) and made good progress towards the target of achieving cash flow breakeven by the end of the 2024 calendar year.

Despite the consolidated group reporting a net loss before tax of \$13,452,863 (30 June 2023: \$14,172,576), the Senetas operating segment profit before tax was \$3,646,191 (30 June 2023: \$3,719,459) and their cash flows from operations was up over 300% to \$5,868,940 (30 June 2023: \$1,456,987). The Votiro operating segment loss before tax was \$17,099,054 (30 June 2023: \$17,892,035), which includes non-cash items of \$3,483,708 (30 June 2023: \$3,455,034).

- The consolidated group successfully completed a placement and entitlement offer in December 2023 and raised \$5 million. The primary objectives of the capital raise were to support Senetas's investment in Votiro and for general working capital purposes.
- The forecast cash flows for the consolidated group indicate that, based on the current cash on hand, the group is able to maintain a positive cash position beyond 12 months from August 2024.

# Notes to the Appendix 4E

FOR THE YEAR ENDED 30 JUNE 2024

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## (b) Basis of consolidation

The consolidated financial information 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.

# Notes to the Appendix 4E (continued)

## FOR THE YEAR ENDED 30 JUNE 2024

### 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 has two reportable segments - the product division (Senetas) and solutions technology division (Votiro). 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 2024:

Year ended 30 June 2024	Senetas \$	Votiro \$	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	9,671,798	18,584,074
<b>Total Segment revenue</b>	<b>21,575,457</b>	<b>9,671,798</b>	<b>31,247,255</b>

	Senetas \$	Votiro \$	Eliminations <sup>(i)</sup> \$	Total \$
<i>Result</i>				
Segment profit/(loss) before tax	3,646,191	(17,099,054)	-	(13,452,863)
Income tax (expense) /benefit	(465,224)	518,191	-	52,967
Segment profit/(loss) after tax	3,180,967	(16,580,863)	-	(13,399,896)
<i>Income / (expenses)</i>				
Depreciation and amortisation	(593,656)	(2,525,492)	-	(3,119,148)
Share based payments expense	(190,886)	(958,216)	-	(1,149,102)

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

# Notes to the Appendix 4E (continued)

## FOR THE YEAR ENDED 30 JUNE 2024

### SEGMENT INFORMATION (CONTINUED)

Year ended 30 June 2024	Senetas \$	Votiro \$	Eliminations <sup>(i)</sup> \$	Total \$
Non-current assets	27,869,218	5,724,689	(25,705,893)	7,888,014
Total assets	58,031,318	11,817,487	(34,911,560)	34,937,244
Total liabilities	(16,560,105)	(29,178,248)	9,205,670	(36,532,682)
Net assets	41,471,213	(17,360,761)	(25,705,890)	(1,595,438)
<i>Cashflows</i>				
Operating activities	5,868,940	(12,357,383)	-	(6,488,443)
Investing activities	(122,899)	(33,536)	-	(156,435)
Financing activities	(4,354,474)	10,528,598	-	6,174,124

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

Year ended 30 June 2023	Senetas \$	Votiro \$	Total \$
<i>Segment revenue - Revenue from contracts with customers</i>			
Sale of goods	12,358,347	-	12,358,347
Product maintenance and subscription revenue	9,281,223	7,707,074	16,988,297
Total Segment revenue	<b>21,639,570</b>	<b>7,707,074</b>	<b>29,346,644</b>

	Senetas \$	Votiro \$	Eliminations <sup>(i)</sup> \$	Total \$
<i>Result</i>				
Segment profit/(loss) before tax	3,719,459	(17,892,035)	-	(14,172,576)
Income tax expense / (benefit)	(544,927)	530,096	-	(14,831)
Segment profit/(loss) after tax	3,174,533	(17,361,940)	-	(14,187,407)
<i>Income / (expenses)</i>				
Depreciation and amortisation	(732,238)	(2,454,977)	-	(3,187,215)
Share based payments expense	(179,146)	(1,000,057)	-	(1,179,204)
Non-current assets	27,873,129	7,851,932	(25,705,896)	10,019,163
Total assets	47,127,758	11,289,842	(25,705,896)	32,711,704
Total liabilities	(13,347,646)	(13,041,902)	-	(26,389,548)
Net assets	33,780,111	(1,752,060)	(25,705,896)	6,322,155
<i>Cashflows</i>				
Operating activities	1,456,987	(8,873,529)	-	(7,416,542)
Investing activities	(340,265)	(101,701)	-	(441,966)
Financing activities	(2,509,720)	9,109,328	-	6,599,609

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

# Notes to the Appendix 4E (continued)

FOR THE YEAR ENDED 30 JUNE 2024

## 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 2024	Senetas	Votiro	Total
	\$	\$	\$
Asia Pacific	2,984,662	7,349,546	10,334,208
United States	8,280,863	1,347,043	9,627,906
Europe	10,309,931	876,162	11,186,093
Africa	-	99,048	99,048
<b>Total</b>	<b>21,575,456</b>	<b>9,671,799</b>	<b>31,247,256</b>

30 June 2023	Senetas	Votiro	Total
	\$	\$	\$
Asia Pacific	3,427,125	5,912,127	9,339,252
United States	9,572,185	1,157,219	10,729,404
Europe	8,640,260	548,693	9,188,953
Africa	-	89,035	89,035
<b>Total</b>	<b>21,639,570</b>	<b>7,707,075</b>	<b>29,346,644</b>

Revenue from one customer - the Company's global distribution partner, Thales - amounted to \$19,159,107 (2023: \$17,299,405) arising from the above mentioned geographical areas.

	2024	2023
Non-current assets	\$	\$
Asia Pacific	27,869,218	27,873,129
Europe	5,724,689	7,851,932
	<b>33,593,907</b>	<b>35,725,061</b>

## SIGNIFICANT EVENTS AFTER REPORTING DATE

There are no significant events after reporting date.

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