

23 July 2018

ASX ANNOUNCEMENT

Senetas Corporation Limited – Market Update

Senetas Corporation Ltd (ASX: SEN) (Senetas / the Company) provides the following market guidance in relation to its financial results for the financial year ended 30 June 2018 (FY2018).

FY2018 operating results

Following confirmation of the June 2018 sales results from the Company's major distribution partner, Gemalto, Senetas expects its operating revenue to be between \$19.0 million and \$19.1 million for FY2018 (FY2017 revenue: \$17.59 million). Operating Net Profit before Tax is expected to be between \$5.4 million and \$5.8 million for FY2018 prior to a write down to the carrying value of unlisted investments (FY2017 Operating NPBT: \$5.26 million).

Statutory Net Profit before Tax (Statutory NPBT) is expected to be between \$4.0 million and \$4.4 million for FY2018 (FY2017 Statutory NPBT: \$5.26 million). Statutory NPBT for FY2018 has been impacted by a \$1.36 million reduction in the carrying value of the unlisted investment in DeepRadiology Inc.

Following a review of the performance of DeepRadiology Inc the board has resolved to write down the balance sheet carrying value of \$1.36 million investment in DeepRadiology to nil. Deep Radiology has not yet achieved FDA approval for its technology and the company has therefore missed milestone and projected revenue targets. Given the level of uncertainty as to the carrying value of the investment the board believes the write-down decision is appropriate.

Cash and cash equivalents as at 30 June increased by 15% to \$23.2m (FY2017 \$20.1 m) and the Company remains debt free.

Ultra-high-speed 100Gbps ethernet encryptor

Additional sales to Gemalto of the ultra-high-speed 100Gbps ethernet encryptor in the second half of the financial year have contributed to FY2018 earnings. Two of Gemalto's end users have now successfully implemented the 100Gbps encryptor in their networks. Customer interest in the 100Gbps encryptor continues to grow with four additional customers currently undertaking trials.

Detailed FY2018 results and Appendix 4E

The results provided above have not been audited. A detailed update on the Company's operations and further information in relation to the FY2018 results will be released with the Appendix 4E and Full Year Report following completion of the annual audit on or around Monday, 27 August 2018.

END





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ABOUT SENETAS CORPORATION LIMITED

Senetas, an Australian public listed company (ASX:SEN), is a leading developer of network data encryption solutions for enterprise, government, defence and technology service providers. From certified high-assurance encryption hardware and virtualised encryption, to the most secure file sharing application providing data sovereignty control, all Senetas solutions are based on the same leading security, high performance and crypto-agile platform.

Senetas encryption solutions leverage state-of-the-art encryption key management and crypto-agility by design, providing long-term data protection in a post-Quantum computing world. They share the same designed-in data protection without compromising network and application performance or user experience.

- CN Series – certified high-assurance hardware encryptors for core IT and network infrastructure.
The CN Series features crypto-agility, uncompromising performance and certifications by multiple independent authorities (C.C., FIPS and NATO), providing Senetas customers with the added confidence that CN Series solutions are state-of-the-art and provide maximum security essential for today's infrastructure.
- CV Series – strong virtualised encryption for large-scale extended and virtualised WANs.
The CV Series virtual encryptor provides >1Gbps performance and is transport Layer agnostic. The CV Series enables rapid scalability, flexibility and cost-effective data protection, all the way to the virtual edge. The CV Series encryptor uses the same high-assurance Senetas CN Series hardware encryption platform.
- SureDrop – the most secure, “box”-type file sharing application with 100% data location control.
SureDrop leverages Senetas's state-of-the-art encryption security to provide secure collaboration and data sovereignty. SureDrop provides the same Senetas crypto-agility, scalability and ease of use as the network data encryption solutions. It is also an ideal solution for service providers' large-scale deployment as a “Security-As-A-Service” customer solution.

Senetas encryptors have been trusted to protect much of the world's most sensitive information for nearly 20 years. They are used to protect everything from government and defence data and secrets, to intellectual property and business data, to financial transactions, CCTV networks, SCADA critical infrastructure control systems and citizen identities.

Senetas CN and CV Series encryptors provide optimised encryption security for everything from modest bandwidth requirements of 10Mbps to the ultra-fast 100Gbps networks required for aggregated Big Data, Cloud and data centre applications.



Senetas encryption solutions are used in more than 35 countries. Senetas encryptors are distributed and supported internationally by Gemalto, the world's largest data security company, under its SafeNet Identity and Data Protection products.

www.senetas.com