31 July 2026

archTIS June 2026 Quarterly Report

archTIS Closes Record FY2026 as Spirion Transforms the Business, and Defence Momentum Builds in the U.S. and Australia

Q4 FY26 Investor Highlights

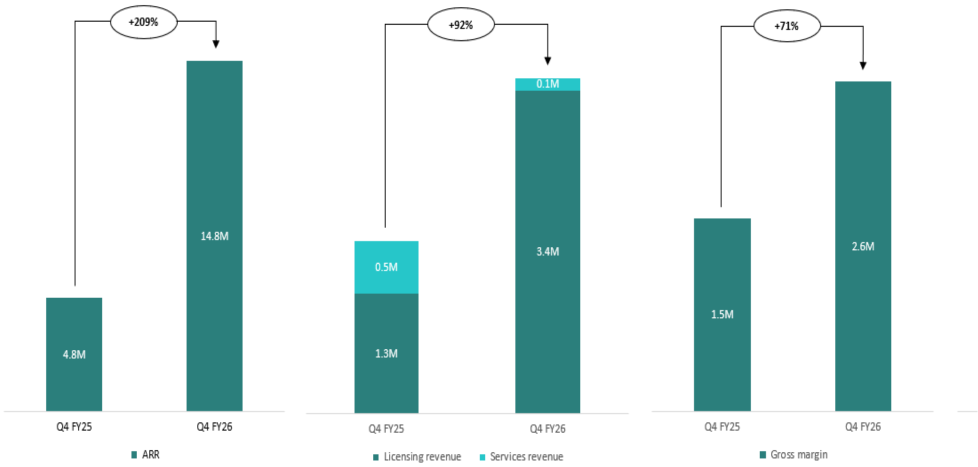
- Strengthening financial profile across growth, cost and liquidity:
  - Annual Recurring Revenue (ARR) of $14.8M, up 209% on the prior corresponding period (PCP), across 225 total customers
  - Q4 revenue of $3.5M up 92% on PCP
  - Gross margin 74% for the quarter and year to date (YTD)
  - Operating Expenses down 11% quarter-on-quarter, second consecutive quarterly reduction
  - Cash, deposits and receivables of $5.8M; an increase of $2.0M from the prior year-end
  - Deferred revenue up 40% PCP supporting FY27 revenue objectives
- Record contracted sales of $14.1M for FY26, up 65% on FY25 (pro forma $16.6M, up 94%)
- U.S. Department of Defense (U.S. DoD) completed final production testing of NC Protect — all 60 test cases passed; enterprise licensing negotiations advanced
- Subsequent to quarter end, Australian Department of Defence (Australian Defence) awarded archTIS a $3.2M Kojensi contract commencing 1 July 2026; of which $1M has been received

archTIS Limited (ASX:AR9, OTCQB:ARHLF) (“archTIS” or the “Company”), a global provider of data-centric security solutions for the secure collaboration of sensitive information, is pleased to provide its Quarterly Activities Report and Appendix 4C Cash Flow Report for the quarter ended 30 June 2026.

archTIS closed FY2026 with record contracted sales, strong recurring revenue growth and its most diversified customer base to date, reflecting the first full period following the Spirion acquisition and a second consecutive quarterly reduction in operating expenses. The quarter was defined by two strategic milestones: the U.S. DoD completed final production testing of NC Protect, passing all test cases and advancing enterprise licensing negotiations, while subsequent to quarter-end Australian Defence renewed and expanded its Kojensi commitment.

Daniel Lai, CEO and Managing Director of archTIS, said: "Allied defence organisations are converging on the same conclusion: Zero Trust cannot stop at the network. It has to reach the data itself, and that is where archTIS outperforms. Validation at the highest levels of U.S. security assurance, alongside Australian Defence's deepening commitment, positions us to move from proving our technology to scaling it across allied and coalition environments, which is the foundation for enterprise-scale recurring revenue and sustainable growth."

Financial Summary (Unaudited)



As of 30 June 2026, ARR stabilized at $14.8M, a 209% increase from $4.8M as of 30 June 2025. Total revenue for Q4 FY26 was $3.5M, up from $1.8M, or 92% PCP, and in line with the prior fiscal quarter. Gross margin remained strong at 74% for both Q4FY26 and FY26, reflecting the Company’s continued transition away from lower-margin services, equipment, and third-party software toward proprietary licensing solutions.

Total operating expenses were $5.3M, $0.9M (11%) lower than the March quarter, the second consecutive quarterly reduction, reflecting the full and continued effect of the cost actions implemented following the Spirion integration. Management continues to expect operating expense levels to decline in the coming quarters to better align with ARR and overall revenue.

Operating cash flow for the quarter was negative $3.8M, including $0.8M in one-off payments aligned with the Spirion acquisition, transition-related expenses, redundancy payments, and credit facility costs. The Company closed the quarter with total available funding of $2.9M, with additional trade receivables of $2.9M, including significant customer invoicing late in the quarter, which are expected to convert to cash early in the September quarter.

Combined cash, term deposits and trade receivables of $5.8M were $2.0M higher than at the prior year-end. Deferred revenue grew 40% to $8.9M (30 June 2025: $6.3M), providing strong visibility over FY2027 revenue, while net assets increased to $15.6M (30 June 2025: $5.4M) following the Spirion acquisition and associated capital raising.

Payments to related parties and their associates during the quarter totalled $193,000 and comprised directors’ fees.

Company Sales and Customer Wins

The Company closed FY26 with record contracted sales of $14.1M, up 65% from FY25 ($8.6M), representing a compound annual growth rate (CAGR) of 17.8% since FY22. On a pro forma full-year basis, including Spirion full-year sales of an additional $2.5M contracted between 1 July and 30 September 2025, prior to consolidation, total FY26 sales were $16.6M, up 94% on FY25.

A strength this year was the emergence of upsell and cross-sell expansion revenue as a distinct growth driver: generating $2.7M across 12 transactions and representing 19% of total FY26 sales. This compares with $0.2M in FY25 and no contribution in prior years. Key customer upsell orders were within the Australian Defence programs and early activity into the newly acquired Spirion customer base.

FY26 transformed the shape of the business from an approximate 60-customer, Defence-heavy, Australian and U.S. customer base to 225 active customers across a dozen verticals. Top 10 customer concentration halved from 68.5% (FY25) to 32.3%, and Australian Defence share of revenue fell from a peak of 64.5% (FY24) to 16.6%.

U.S. DoD: NC Protect

On 27 May 2026, the Company announced that the U.S. DoD had completed final internal Warfighter Command production testing of NC Protect, with the software passing all 60 of 60 test cases. Testing covered U.S. personnel, releasable users and ABAC data segregation scenarios, and identified no remaining technical barriers to deployment in the evaluated high-assurance environments.

The U.S. DoD's decision to prioritise and accelerate testing, despite concurrent operational demands, underscores the operational urgency attached to NC Protect's capabilities for secure mission data handling within the Microsoft DoD365 environment. With the customer's internal technical assessment now complete, archTIS advanced commercial negotiations during the quarter regarding a potential enterprise licensing arrangement across a substantially larger U.S. defence user base. The timing, scale and outcome of any award remain subject to U.S. government procurement processes, and the Company will update the market as material developments occur.

US/EU Military Alliance Contract: NC Protect

Following the award announced on 26 February 2026, deployment activities under the contract with a U.S. and European military alliance progressed during the quarter. NC Protect is being operationalised to provide ABAC policy enforcement across multiple civil-military security domains, leveraging the Microsoft SharePoint platform. The initial award of approximately $416,000 covers the balance of calendar year 2026 (approximately $244,000 licensing; $170,000 configuration and support), with two option years totalling approximately $805,000 at the purchaser's discretion.

Australian Department of Defence: Kojensi (Subsequent Event)

Subsequent to quarter end, the Company was awarded a $3.2M contract with Australian Defence (inclusive of GST), renewing licensing for the Kojensi Enterprise platform and adding application development, enhancement and maintenance services. The 12-month paid on commencement contract began on 1 July 2026 and comprises $1.0M in annual recurring software licences and $2.2M in services. Australian Defence holds options to extend for up to two further 12-month periods at its discretion. The award continues Australian Defence's use of Kojensi Enterprise, deployed on-premises across its sensitive information collaboration environment, and underpins recurring revenue into FY2027. (ASX announcement dated 1 July 2026.)

Mattermost Technical Partner Agreement

During the Quarter, the Company signed a Technical Partner Agreement with Mattermost, Inc., a provider of secure command-and-control collaboration solutions for national security and mission-critical organisations. Under the agreement, the parties intend to explore delivering integrated capabilities pairing Mattermost's collaboration platform with archTIS' Trusted Data Integration as a central Policy Decision Point for attribute-based access control, extending data-centric, policy-enforced collaboration to Defence Ministries, NATO Allies and coalition partners. The partnership reflects growing demand for ABAC-secured collaboration across allied defence environments and complements the Company's coalition-focused go-to-market strategy.

Australian Defence Industry Awards Cyber Business of the Year

After quarter end, the Company was named the 2026 Australian Defence Industry Awards Cyber Business of the Year. This is the third time the company has received this honour, winning the category in 2022 and 2023. The 2026 Australian Defence Industry Awards were presented to 30 individuals and groups recognising their contributions to building Australia’s defence capability.

Kurt Mueffelmann, Chief Strategy Officer and U.S. President of archTIS, said, "Record FY2026 sales were driven not only by new wins but by upsell and cross-sell emerging as a genuine growth engine, with the Spirion acquisition anchoring our U.S. expansion and opening a substantial North American customer base to the full archTIS platform. With deployment underway with the US/EU military alliance, our new Mattermost partnership and the continued Microsoft relationship, we are extending our reach into NATO and coalition command-and-control environments. By leveraging partner-led channels, we can scale data-centric security across allied defence and commercial markets faster than we could alone."

-ENDS-

This announcement has been authorised for issue by order of the Board of Directors.

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archTIS Investor Centre
https://www.archtis.com/archtis-asx-ar9-investor-relations/
The archTIS Investor Centre is an online portal for investors to access our latest announcements, reports, and governance information.

About archTIS Limited
archTIS Limited (ASX:AR9, OTCQB:ARHLF) is a global provider of data-centric security solutions for the secure collaboration of sensitive information. Trusted by government, defence, enterprise and regulated industries, archTIS' policy-enforced zero trust, attribute-based access and data controls (ABAC) find and protect sensitive data across cloud, on-premises, and hybrid environments. The company’s product suite includes Trusted Data

Integration, Kojensi, NC Protect, and Spirion. For more information visit archtis.com or follow @arch_tis on X.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

archTIS Limited

ABN	**Quarter ended ("current quarter")**
79 123 098 671	30 June 2026

Consolidated statement of cash flows				Current quarter $A'000	Year to date $A'000
1.	**Cash flows from operating activities**				
1.1	Receipts from customers			2,642	7,827
1.2	Payments for				
		a.	research and development	-	-
		b.	product manufacturing and operating costs	(752)	(2,813)
		c.	advertising and marketing	(218)	(677)
		d.	leased assets	(132)	(409)
		e.	staff costs	(4,027)	(15,446)
		f.	administration and corporate costs	(1,167)	(4,366)
1.3	Dividends received (see note 3)			-	-
1.4	Interest received			31	112
1.5	Interest and other costs of finance paid			(163)	(310)
1.6	Income taxes paid			1	5
1.7	Government grants and tax incentives			-	2,008
1.8	Other (GST)			-	-
1.9	**Net cash from / (used in) operating activities**			**(3,785)**	**(14,069)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	a. entities	-	(14,902)
	b. businesses	-	-
	c. property, plant and equipment	(231)	(237)
	d. investments	-	-
	e. intellectual property	(552)	(3,472)
	f. other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	a. entities	-	-
	b. businesses	-	-
	c. property, plant and equipment	-	-
	d. investments	-	-
	e. intellectual property	-	-
	f. other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Payments to settle liabilities on settlement including transaction costs	-	-
2.6	**Net cash from / (used in) investing activities**	**(783)**	**(18,611)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	27,963
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,572)
3.5	Proceeds from borrowings	-	6,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**32,390**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,437	3,149
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,785)	(14,069)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(783)	(18,611)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	32,390
4.5	Effect of movement in exchange rates on cash held	-	10
4.6	**Cash and cash equivalents at end of period**	**2,869**	**2,869**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	2,869	7,437
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,869**	**7,437**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	193
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: Amounts included at item 6.1 relate to payments to directors of the Board.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	8,000	8,000
7.2	Credit standby arrangements	591	88
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**8,591**	**8,088**

7.5	**Unused financing facilities available at quarter end**	504
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

- Secured fixed and floating Market Rate Loan Facility of $4M with Commonwealth Bank of Australia. BBSY plus margin of 4.11%. Matures on 30 October 2026.
- Secured fixed and floating Market Rate Loan Facility of $2M with Commonwealth Bank of Australia BBSY plus margin of 4.11%. Matures on 29 January 2027.
- Secured fixed and floating Market Rate Loan Facility of $2M with Commonwealth Bank of Australia BBSY plus margin of 4.11%. Matures on 29 January 2027.
- Unsecured corporate credit card facility of $50,000 (annual interest rate 17.99%) with Commonwealth Bank.
- Unsecured corporate credit card facility of $280,000 with American Express (3% fee on unpaid balances).
- Unsecured corporate card facility of $178,800 USD with American Express. (late fee equal to the greater of $39.00 per Cardmember or 2.99% of all amounts not credited for at least one statement billing period)

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,785)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,869
8.3	Unused finance facilities available at quarter end (item 7.5)	504
8.4	Total available funding (item 8.2 + item 8.3)	3,373
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.89

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: The Board does not consider this calculation representative of the entity's funding position, as it excludes trade receivables of A$2.9M at 30 June 2026, approximately A$1.0 million received from the Australian Department of Defence in early July and significant invoiced and subsequently received renewals in July to support the US higher education (EDU) market seasonality.	
	2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: The entity is actively evaluating all available options, including a review of its receivables, an assessment of operational costs, and its current working capital position to determine its ability to fund ongoing operations.	
	3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Yes. Based on its current operating plans, the Directors expect the entity to continue as a going concern and to meet its business objectives. This expectation is supported by: (i) a contracted revenue base entering FY2027, including more than A$14 million of annual recurring licence revenue and the A$3.2 million contract with the Australian Department of Defence; (ii) the anticipated conversion of contracted receivables into cash; (iii) access to existing and available banking facilities; and (iv) ongoing cost management initiatives focused on maintaining an appropriate operating cost structure.	
	Note: where item 8.5 is less than 2 quarters, all of questions 1, 2 and 3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2026

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee - e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.