archTIS

Q4 FY2026 Quarterly Report

Quarter ended 30 June 2026

ASX:AR9 | OTCQB:ARHLF

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Addressing Shareholder Priorities

1 SHARE PRICE

Valuation has lagged operational progress amid small-cap liquidity and the wait for a U.S. DoD outcome.

Catalysts: a contracted DoD award and a demonstrated path to cashfow breakeven.

2 GROWTH

The largest opportunities run on government procurement timelines, not ours.

Response: 225 customers, growing upsell revenue and partner channels reduce reliance on any single award.

3 PERFORMANCE

The cost base is not yet aligned to revenue, despite consecutive quarterly reductions.

Bridge to breakeven: receivables conversion, deferred revenue and continued cost discipline.

4 DILUTION & CAPITAL

Concern over further equity issuance is understood.

Funding strategy prioritises non-dilutive sources — any capital decision weighed against alternatives and timed to strength, not necessity.

Q4 / YE FY26 Investor Highlights

Strengthening financial profile across growth, cost and liquidity

A$16.6M

Record annual pro forma contracted sales, up 94%)

74%

Q4 / YTD gross margin

-11%

Opex quarter-on-quarter - second consecutive reduction

A$14.8M

ARR up 208% on PCP

+40%

Deferred revenue growth, supporting FY27 revenue objectives

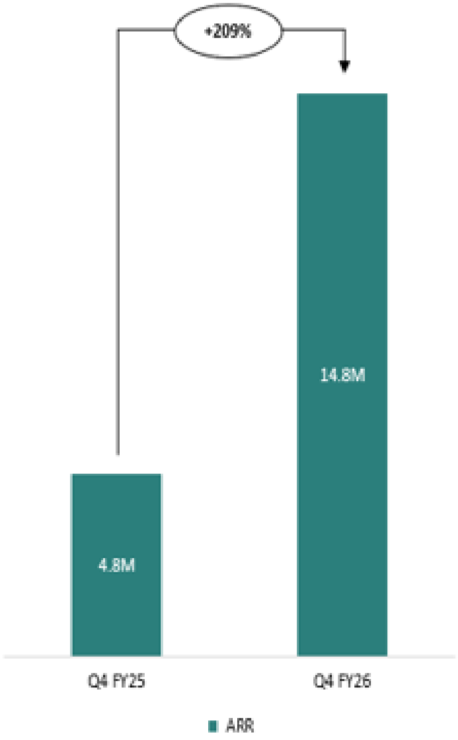
60 / 60

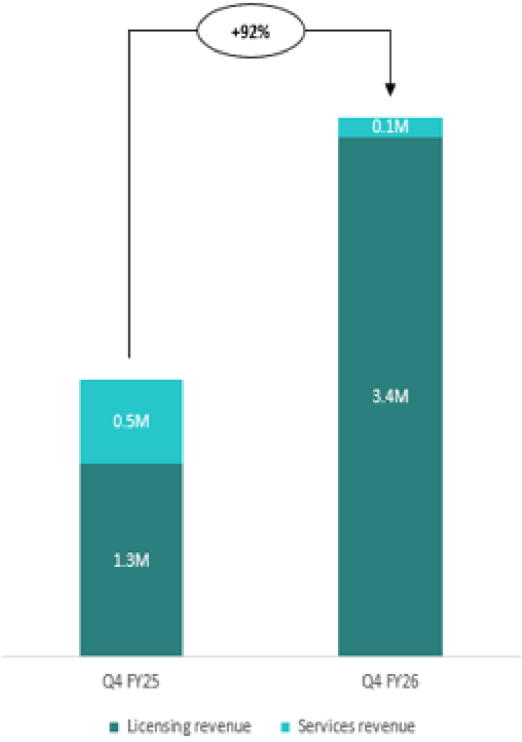
Test cases passed in final US DoD Warfighter production testing

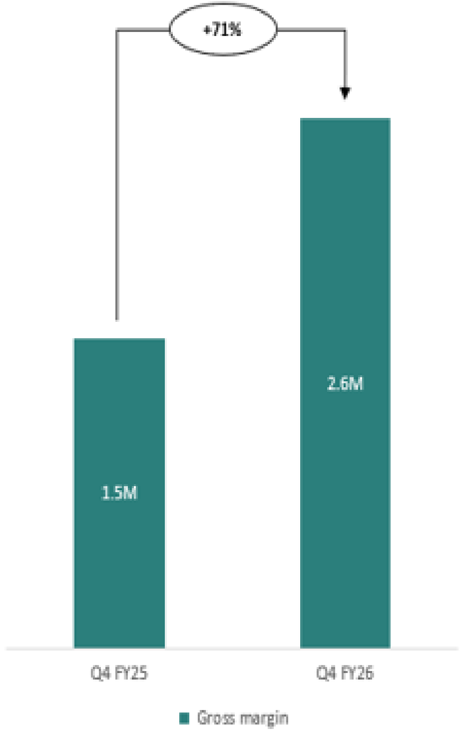
*Unaudited / Prior Comparative Period (PCP)

Financial Summary (Unaudited)

Q4 FY25 vs Q4 FY26 — A$ millions







Q4 FY26

ARR **$14.7M**

Revenue **$3.5M**

(+92% PCP)

Gross Margin % **74% (74% YTD)**

Operating Expense **$5.3M**

(incl. $.8M one-off costs / $4.5M)

Operating Cashflow (**$3.8M)**

(Incl. $.8M one-off costs / $3.0M)

Record Sales and Transformed Customer Base

FY26 contracted sales up 65% — following the Spirion acquisition over 3 quarters

A$14.1M

FY26 contracted sales, up 65% on FY25

Upsell / cross-sell emerged as a growth engine

A$2.7M across 12 transactions in FY26 (19% of total sales), up from A$0.2M in FY25 and nil prior led by Australian Defence programs and early activity in the Spirion base.

A$16.6M

Pro forma FY26 sales incl. Spirion, up 94%

Concentration risk halved

Top-10 customer concentration fell from 68.5% (FY25) to 32.3%; Department of Defence share of revenue fell from a 64.5% peak (FY24) to 16.6%.

225

Active customers across a dozen verticals (from ~60)

Sustained growth trajectory

17.8% compound annual growth in contracted sales since FY22, with FY26 the most diversified book to date — 225 active customers across a dozen verticals.

U.S. Department of Defense: NC Protect

Final production testing complete; commercial negotiations advanced

60 / 60

Test cases passed in final Warfighter Command production testing

Announced 27 May 2026

No remaining technical barriers

Testing covered U.S. personnel, releasable users and ABAC data segregation scenarios, and identified no barriers to deployment in the evaluated high-assurance environments.

Operational urgency

The DoD prioritised and accelerated testing despite concurrent operational demands — underscoring NC Protect's importance for secure mission data handling within Microsoft DoD365.

Enterprise licensing negotiations advanced

With the internal technical assessment complete, archTIS advanced commercial negotiations for a potential enterprise licensing arrangement across a substantially larger U.S. defence user base. Timing, scale and outcome remain subject to U.S. Government procurement processes.

Defence Momentum: Australia & Allied Environments

Expanding footprint across allied and coalition defence programs

Australian Department of Defence: Kojensi

A$3.2M

- Awarded subsequent to quarter end; 12-month contract commenced 1 July 2026.
- A$1.0M annual recurring software licences + A$2.2M application development, enhancement and maintenance services.
- Options to extend for up to two further 12-month periods at Defence's discretion.
- Continues Defence's on-premises use of Kojensi Enterprise; underpins recurring revenue into FY2027.

US/EU Military Alliance: NC Protect Deployment

~A$416K

- Deployment progressed during the quarter under the contract announced 26 February 2026.
- NC Protect operationalised for ABAC policy enforcement across multiple civil-military security domains on Microsoft SharePoint.
- Initial award covers balance of CY2026 (~A$244K licensing; ~A$170K configuration and support).
- Two option years totalling ~A$805K at the purchaser's discretion.

Partnerships & Recognition

Partner-led channels extending reach into NATO and coalition environments

Mattermost Technical Partner Agreement

Signed with Mattermost, Inc., provider of secure command-and-control collaboration for national security organisations. The parties will explore integrated capabilities pairing Mattermost's platform with archTIS' Trusted Data Integration as a central Policy Decision Point for ABAC, extending data-centric, policy-enforced collaboration to Defence Ministries, NATO Allies and coalition partners.

Australian Defence Industry Awards
2026 Cyber Business of the Year

archTIS' third win in the category (2022, 2023, 2026), awarded after quarter end.

Data Security Policy Orchestration
Securing Mattermost Collaboration

Opens higher-value, regulated use cases

Identity and clearance decisions become part of each protected meeting.

Protects access continuously

TDI can admit, deny or remove participants as policy-relevant attributes change.

Turns integration into reusable IP

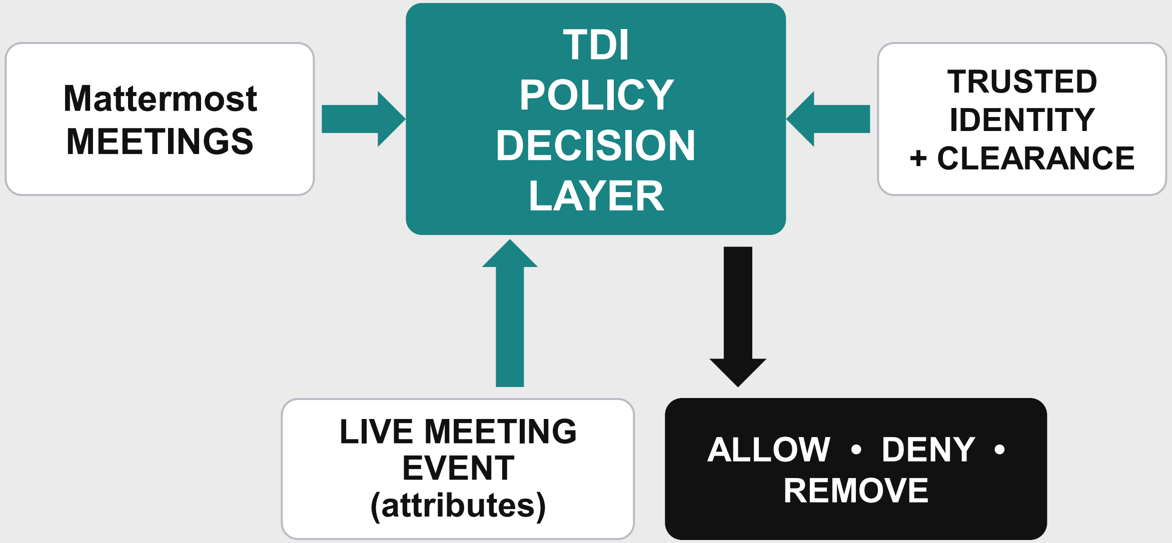
Standards-based identity, policy and event workflows can extend across collaboration channels.

Deepens platform value and stickiness

Mattermost proves TDI can orchestrate, audit and enforce policy in a live mission workflow.

ONE REUSABLE CONTROL POINT

Policy follows the participant — not just the perimeter



Admission + continuous enforcement

FY27 Go Forward Priorities

- Maximize shareholder value through disciplined capital allocation and operating efficiency
- Convert strategic momentum into large-scale recurring revenue: Close U.S. DoD
- Achieve sustainable cash flow
- Converge the product portfolio around One Platform: One Story - DSPO
- Scale through strategic alliances rather than headcount

“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.”

— Daniel Lai, CEO and Managing Director, archTIS

Q&A

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