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SENSITIVE INFORMATION

# Investor Update

Q322 (MARCH) QUARTER



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## No Warranties

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# Quarterly Highlights



**Record  
Licensing  
Revenue and  
Gross Margins**



**Significant  
Customer Wins  
and Renewals  
with Minimal  
Churn**



**Award winning  
recognition  
across both  
product lines**



**Positive Q4  
Sales outlook  
to drive  
accelerated  
ARR**

## Key Customer Wins & Renewals

- Numerous cross-sell wins across Defense Industrials
- Named in a systems integration consortium led by KPMG, for the Australian Department of Defence.
- Expansion of Licensing Footprint to SAP
- Continued Microsoft Co-sell Extension of Pipeline
- Renewed All Major Customer Contracts

## Corporate

- Listed on US-Federal GSA contract schedule
- Finalised Cipherpoint acquisition consideration and escrow release
- Named new Chief Security Officer

# At a Glance - ASX:AR9 | OTCQB:ARHLF

## Share Price Chart (ASX:AR9)



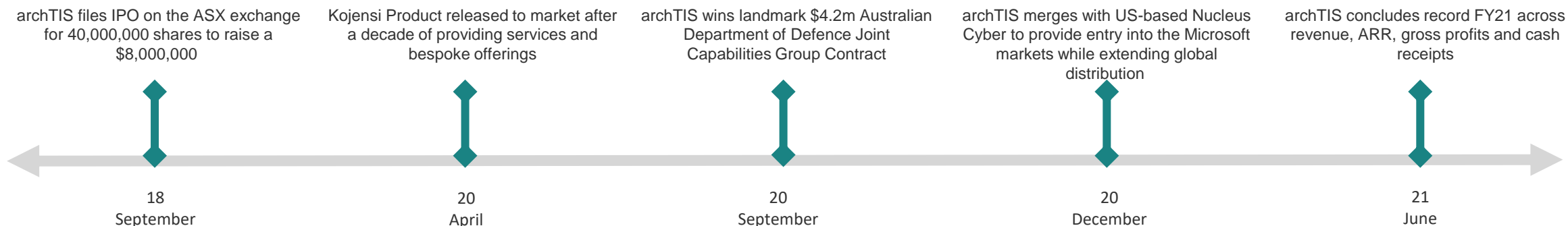
## Share Register (11 Apr 22)

Institutional	10.9%
Board & Management	19.3%
Top 40 Shareholders	48.9%

## Capital Structure / A\$ / 31 Mar 22

ASX Share Price	\$0.195
12 Month Share Price Range	\$0.16-\$0.39
Shares on Issue	263,803,207
Market Capitalization	\$51,441,625
Options and performance rights	18,502,427
Average daily volume (ASX 1-month)	376,541
Cash (31 Mar 22)	\$9.8M
Debt	\$0

## Company Public History – 2018 / A\$25M raised to date



# At a Glance - archTIS



AR9



ARHLF

Patented data-centric security software that secures information access, sharing and collaboration across the enterprise.

US\$10B data-centric security market by 2026 with a 23.1% CAGR.

- Increasing number of data & IP breaches with significant cost
- 2 proven technology products in Kojensi and NC Protect
- Provides military accredited protection layers to “Protected / Top Secret” information and to key Microsoft applications

Well-positioned to capture significant market share

- Global operational presence in Canberra – AUS (HQ), Boston, MA – US, London – UK
  - Strong top-line licensing growth
  - Strong ARR growth
  - Increasing gross margins approaching 70%
  - World-class alliances with Microsoft, Thales, Raytheon,
  - Marquee global customers
  - Experienced Executive Team

# Q322 Update

## Historic Software Licensing Growth and Gross Margins

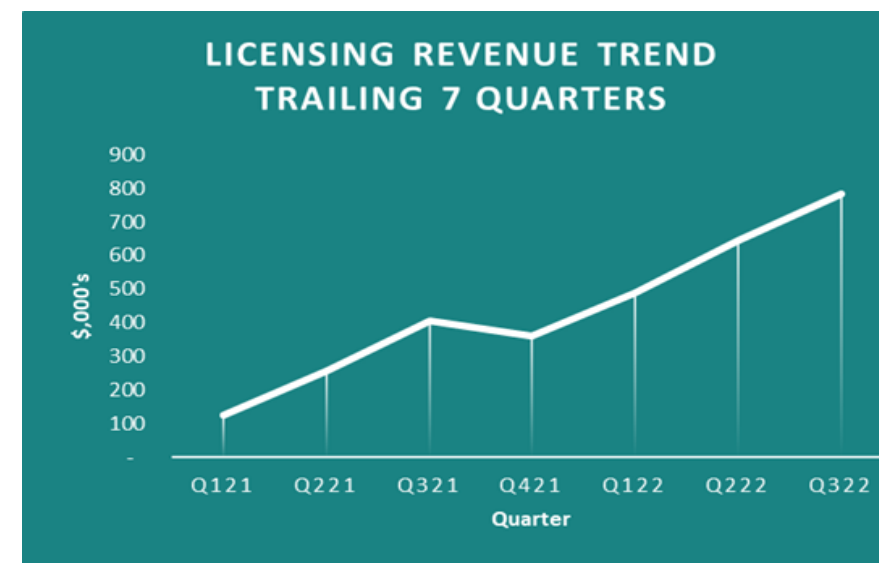
<b>Record-breaking quarterly licensing revenue up 92% on PCP</b>	<b>Annual recurring revenue (ARR) up 50% on PCP</b>	<b>Quarterly Gross Margin of 78.5%</b>
<b>Strong cash position at quarter end of \$9.8M</b>	<b>Consistent operating expenses across prior 3 quarters</b>	<b>Positive Q4 Sales outlook supports accelerated ARR</b>

**\*Q3 FY22 Highlights Relative Prior Comparative Period (PCP)**

# Q3 Overview – Driving Tactical Execution

	FY22		FY21
(A\$'000)	Q3		Q3
Licencing Revenue	783		407
Services Revenue	75		735
Equipment Revenue	-		113
Total Revenue	858		1,255
Annual Recurring Revenue	2,067		1,382
% Increase on prior comparative period	50%		
Gross Margin	78.5%		62.8%
OPEX (after capitalising development costs)	2,693		1,688

\*Unaudited results



Low customer churn rate of under 1%

Triple-digit Licensing Growth Y/Y (ytd)



# Our Customers

Driving Predictable ARR with strong renewals with less than 1% churn

## Americas

- **Global financial institution** for the creation of information barriers using NC Protect
- **Multinational manufacturing company** for the protection of intellectual property across their R&D teams.
- Leading **US health insurance provider** for the identification and protection of personal health information.

## Europe Middle East & Africa

- **SAP – Expansion of Kojensi SaaS** licensing to communicate with national defence agencies across the globe

## Asia Pacific

- **Global Defence Aviation** provider – Kojensi SAAS for defence industry collaboration
- **Managed Services Provider** – NC Protect for outsourcing for state government intelligence agency
- **Global Defence Prime** - Kojensi SAAS continued expansion across defence projects

BalladHealth™

Gallagher

DARPA

ECCLESIASTICAL  
INSURANCE YOU CAN BELIEVE IN

STATE STREET

NIH  
Center for  
Scientific Review



CareFirst

CORNING

Cogentrix



First State  
Investments

BGW  
Berufsgenossenschaft  
für Gesundheitsdienst  
und Wohlfahrtspflege

Deutsche Post  
DHL

wyzetalk



K.A.CARE

SINGAPORE  
POWER

Australian Government  
Attorney-General's Department

Raytheon

toteboard  
Giving Hope. Improving Lives.

Australian Government  
Department of Defence

NORTHROP  
GRUMMAN

THE UNIVERSITY  
OF ADELAIDE  
AUSTRALIA

Australian Government  
Office of the Australian  
Information Commissioner

BAE SYSTEMS





## Delivering on Strategic Sales Focus

### Direct Sales

- Coalition Defence Agencies
- Defense and Intelligence / Public Safety & Justice
- US DIB CUI / ITARs
- Opportunistic vertical (inbound leads)
- Targeted account management

### Microsoft IP Co-sell

- Registered deals
- Identified field reps
- Joint Go-To-Market (GTM) activities / programs

### Focused Channel

- Technology Focus: Microsoft / Security
- Regional
- Vertical

# Gaining Market Mindshare

## 2022 Media Coverage Highlights

- Hundreds of PR influenced articles, published executive interviews and press release pick-ups
- 15 Bylined Thought Leadership Articles
- 6 Podcasts
  - **Australia:** The Australian, CRN Australia, ARN, Defence Connect, Cyber Risk Leaders, Security Brief Australia, ITWire...
  - **US:** Channel Futures, HelpNet Security, Dark Reading, Redmond Magazine, Tech Republic, Continuity Central, UC Today, Security Boulevard...
  - **UK / EMEA:** Top Business Tech, Business Express, Beta News, IT Web...

## 2022 Awards

- 9 Gold Awards in the 2022 Cybersecurity Excellence Awards in:
  - Access Control – GOLD WINNER: NC Protect
  - Application Security –
    - GOLD WINNER: NC Protect
    - GOLD WINNER: NC Protect for Microsoft Teams
  - Data Leakage Prevention (DLP) – GOLD WINNER: NC Protect
  - Data Security Platform – GOLD WINNER: Kojensi
  - Data-centric Security – GOLD WINNER: NC Protect
  - Insider Threat Solution –
    - GOLD WINNER: NC Protect
    - GOLD WINNER: NC Protect for Microsoft Teams
  - Industry Solution for Government – SILVER WINNER – Kojensi



# Technology Innovation Driving Sales



## Microsoft Teams Integration

- Leverage application development framework to integrate Kojensi and “structured” data components directly through Teams



## Azure Marketplace

- Certified and optimized NC Protect across Azure environments for on-line procurement directly through Microsoft



## Kojensi

- KojNC combined feature sets including Secure Viewer
- the ITAR document schema to enable collaboration on ITAR controlled assets.
- Microservices architecture to enable future releases to be more agile



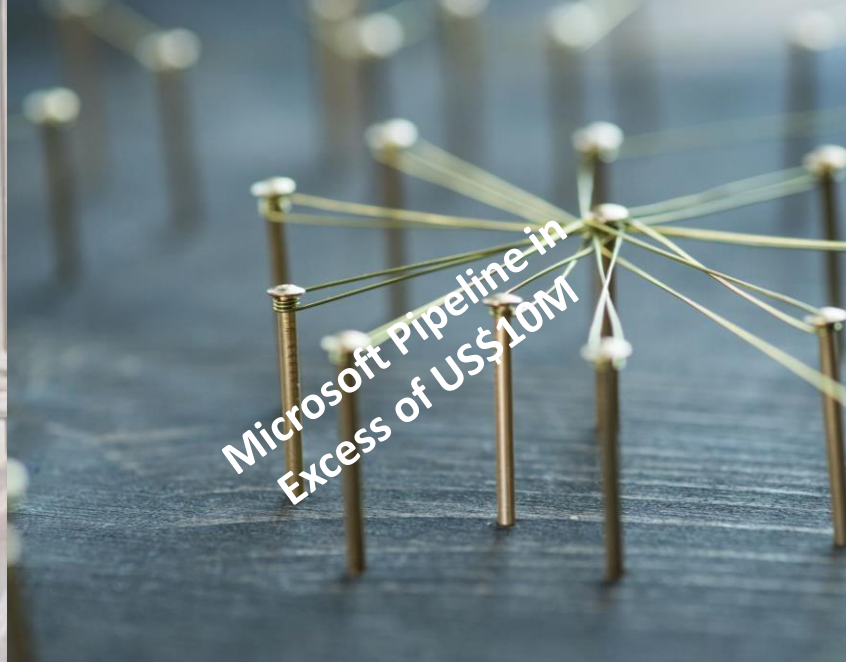
## Encryption

- Provide best of breed solutions based upon Microsoft Information Protection (MIP), internal technology and third-party devices





**Strong ARR Growth**



**Microsoft Pipeline in  
Excess of US\$10M**



**KPMG / OneDefence  
System Integrator**

# Strategic Growth Confirmation

## Close US Fed & Defence Opportunities

Leverage Australian prior successes in key government agencies and Defence industrial entities

## Leverage Key Partnerships

Continue to drive key pipeline opportunities with Microsoft, Thales, Raytheon and global reseller channel

## Continuous Product Innovation

Embrace Zero-trust security architecture across ABAC technologies for data-centric offerings

# Why Invest Now

- Who should have access to data and when
- What users should be able to do with it once they have access



Good Value



Repeatable Growth



Global Distribution



Industry-leading Partners &  
Customers



Strong Market  
Tailwinds



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