

17 November 2022

archTIS Announces Reduction in Overall Cost Structure

Maintains 60%+ Year-Over-Year Revenue Growth Outlook Moving Toward Cash Flow Neutrality

archTIS Limited (ASX:AR9, OTCQB:ARHLF), a global provider of innovative software solutions for the secure collaboration of sensitive information, today announced it has reduced its overall cost structure to further align with market demands and achieve cash flow neutrality in a more timely manner. The Company also confirmed its previously communicated 60% year-over-year revenue growth outlook and \$9.5M of cash receipts for FY23.

The resizing of the business is expected to reduce the Company's operating expenditure by \$2.25 million per annum from December 2022 onward; including the reduction of staff and contractors by 18% and taking several steps to become more efficient by cutting discretionary spend.

Under this plan, the Company will establish a common product foundation across both Kojensi and NC Protect and consolidate into one cohesive product development unit. The primary development focus will be to ensure the security, stability and scalability of the core platform while catering for innovative market-driven enhancements to the offerings. Additional savings will be realised across customer services, administration and non-vertically focused marketing activities until sufficient cash is being generated to ensure sustainable and self-funded reinvestment.

Daniel Lai, archTIS Managing Director, said: "The technology market has recently seen significant shifts to improved capital efficiencies in a return to positive cash flow. archTIS like other global technology companies is looking to create greater efficiencies across all aspects of the business to support the growth of shareholder value and the achievement of cash flow neutrality more rapidly. We continue to provide a strong revenue growth and cash receipts outlook as we build momentum on our strategic initiatives."

-ENDS-

Authorised for issue by order of the Board of Directors

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About archTIS Limited

archTIS Limited (ASX:AR9, OTCQB:ARHLF) is a global provider of innovative software solutions for the secure collaboration of sensitive information. The company's award-winning data-centric information security solutions protect the world's most sensitive content in government, defence, supply chain, enterprises and regulated industries through attribute-based access and control (ABAC) policies. archTIS products include Kojensi, a multi-government certified platform for the secure access, sharing and collaboration of sensitive and classified information; and NC Protect for enhanced information protection for file access and sharing, messaging and emailing of sensitive and classified content across Microsoft 365 apps, Dropbox, Nutanix Files and Windows file shares. For more information visit archtis.com. Follow us on twitter [@arch_tis](https://twitter.com/arch_tis).