archTIS
www.archtis.com

2 April 2019
ASX Announcement

Shareholder Update

Dear Shareholders,

On behalf of the Board, I would like to thank you for your ongoing support of archTIS and provide you with an update on our upcoming product launch and our progress towards commercialisation.

archTIS was established to resolve one of the greatest challenges that governments and organisations face today: the need to collaborate and share information securely.

With the upcoming launch of our Kojensi Gov product, I am pleased to say the Company is addressing this market gap with a clear pathway to scalable commercialisation. Integral to this is our ability to capitalise on emerging opportunities across multiple sectors, in an age where increasing cybersecurity breaches are driving increasing demand for commercial solutions providing the ability to share information securely.

Commercial release of Kojensi Gov on track for 1H 2019
Recognising the appetite for trusted information sharing services beyond traditional defence and security sectors, our strategic focus has been to transition the Company from a consulting-services business to a software platform company generating high value recurring SaaS revenues.

We are poised to commercially launch Kojensi Gov in 1H 2019 and leverage our growing network of partnerships and pipeline of leads. Following the launch, we expect SaaS product-based revenues will gain traction and our expenditure on research and development to materially decrease.

Direct and reseller channels to market
Our go-to-market strategy utilises two distinct channels:

1. **Direct** – which leverages our established relationships and existing foothold within the government sector to continue to sell direct to government customers and;
2. **Third party** – which leverages our growing network of reseller and strategic partnerships to target non-government commercial opportunities.

Whilst our platform is relevant to all industries, our short to medium term objective is to leverage our established relationships and capitalise on significant opportunities in defence, the broader defence industry ecosystem, legal and finance sectors. As budgets increase to address the growing risk of cyber security attacks, we expect to benefit directly from increased investment into securing confidential data.

We continue to progress commercial discussions with several government agencies, which we expect to convert to commercial contracts in 2H 2019 – in line with the government's annual procurement cycle. Our strategic partnerships with industry-leading companies, such as Axiomatics and Oracle, leading cloud providers (Vault, AWS) and systems integrators (Cirrus Networks, DXC) bolster our offering and position us alongside complementary products and services. Partnerships with Deloitte and KPMG place our technology as part of their technology solution for global clients, giving us direct access to a broad and established customer base. This will help us accelerate our global brand and drive sales.

Already, we have identified important opportunities within the non-government sector, which we expect to be able to progress into commercial agreements in the coming months.

Successful trial with Attorney Generals Department leads to beta expansion

Central to a successful product launch has been the positive feedback we have received to date. An important milestone for our work with the Commonwealth Attorney General's Department resulted in the Kojensi Gov beta program's extension to the Aged Care Royal Commission in March. This provides strong validation of Kojensi Gov's value and doubles the number of users in the beta program whilst significantly expanding the use case of the offering to the legal sector.

New certification will allow Kojensi Gov to handle additional classified information

Once received, the PROTECTED-level certification for holding classified information will significantly expand our potential customer base and is expected to be completed by the end of April 2019. The certification process marks the final stage before our product's 1H 2019 commercial release.

Extending our partner ecosystem to support our path to commercialisation

Since listing, we have made strong progress across a number of fronts, including product development and strengthening our network of strategic partners to support our commercial launch of our Kojensi Gov.

The scope of the opportunities being generated provides further validation of the market opportunities identified for Kojensi Gov and clearly demonstrates an unmet need for the archTIS platform within Australia, Asia and Europe. This strongly positions us to secure commercial contracts in the coming months.

Whilst the performance of our share price since listing has been disappointing, we do not believe it accurately reflects the underlying potential of the Company and its technology. We are now at a critical turning point with the imminent commercial launch of our flagship product, Kojensi Gov.

We're excited for this next phase in operations for the Company. The response from potential clients to the demonstrations we have conducted of Kojensi Gov give us confidence in our potential to generate significant shareholder value.

On behalf of the Board,

Daniel Lai

Daniel Lai
Managing Director, archTIS Limited

Investors
Daniel Lai
Managing Director
E: investors@archTIS.com

For media enquiries, please contact:
Daniel Paperny
Media and Capital Partners
P: 0433 339 454
E: daniel.paperny@mcpartners.com.au

About archTIS Limited (www.archtis.com) archTIS Limited (ASX:AR9) is an award winning, Canberra-based cyber security company established in 2006. Leveraging its strong pedigree with government and defence, the company has developed an industry-leading information security platform (Kojensi) providing a robust platform for the sharing and collaborating of sensitive information. It has a number of industry partnerships including Vault, Axiomatics and DXC. It's business model is focused on strongly growing Software-As-A-Service (SaaS) revenues.