archTIS

May 2020

archTIS Limited (ASX : AR9)

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About Us

archTIS is an **Australian** sovereign information security company

Built on **13 years experience** solving information sharing challenges, in the **TOP SECRET** space

Commercialised cloud based **PROTECTED multi-level information sharing platform** launched in April 2019

Contracts with **key Australian Government Agencies** including the Attorney General's Department

Experienced Team

Stephen Smith
Independent Chairman
Stephen Smith has 20 years of experience in the Australian Federal Parliament as the Minister for Defence, and as Minister for Foreign Affairs.

Leanne Graham
Independent Non-Executive Director
Leanne Graham brings over 30 years of executive sales and technology experience, having founded a number of successful software businesses and as the former New Zealand General Manager and global head of sales for Xero.

Wayne Zekulich
Independent Non-Executive Director
The current Head of Perth for Deutsche Bank Wayne has a broad range of experience covering advice on mergers and acquisitions, arranging and underwriting project financings, privatisations, and debt and equity capital markets.

Daniel Lai
Managing Director
Daniel is a Founder and Managing Director of archTIS, with extensive industry experience leading large and complex deliverables for government and commercial organisations.

Bruce Talbot
Executive Director
Bruce is a Principal Consultant, Director and Founder of archTIS. Bruce has over 20 years of experience in the Australian Defence Force and a further 20 years in the commercial sector.

Miles Jakeman
Independent Non-Executive Director
Dr Miles Jakeman AM, is the Former CEO of Australian software and technology success story, Citadel Group. Miles co-founded the Citadel Group in 2007, and grew the company from a start-up to 300 employees with a market capitalisation of $400 million.

Corporate Overview

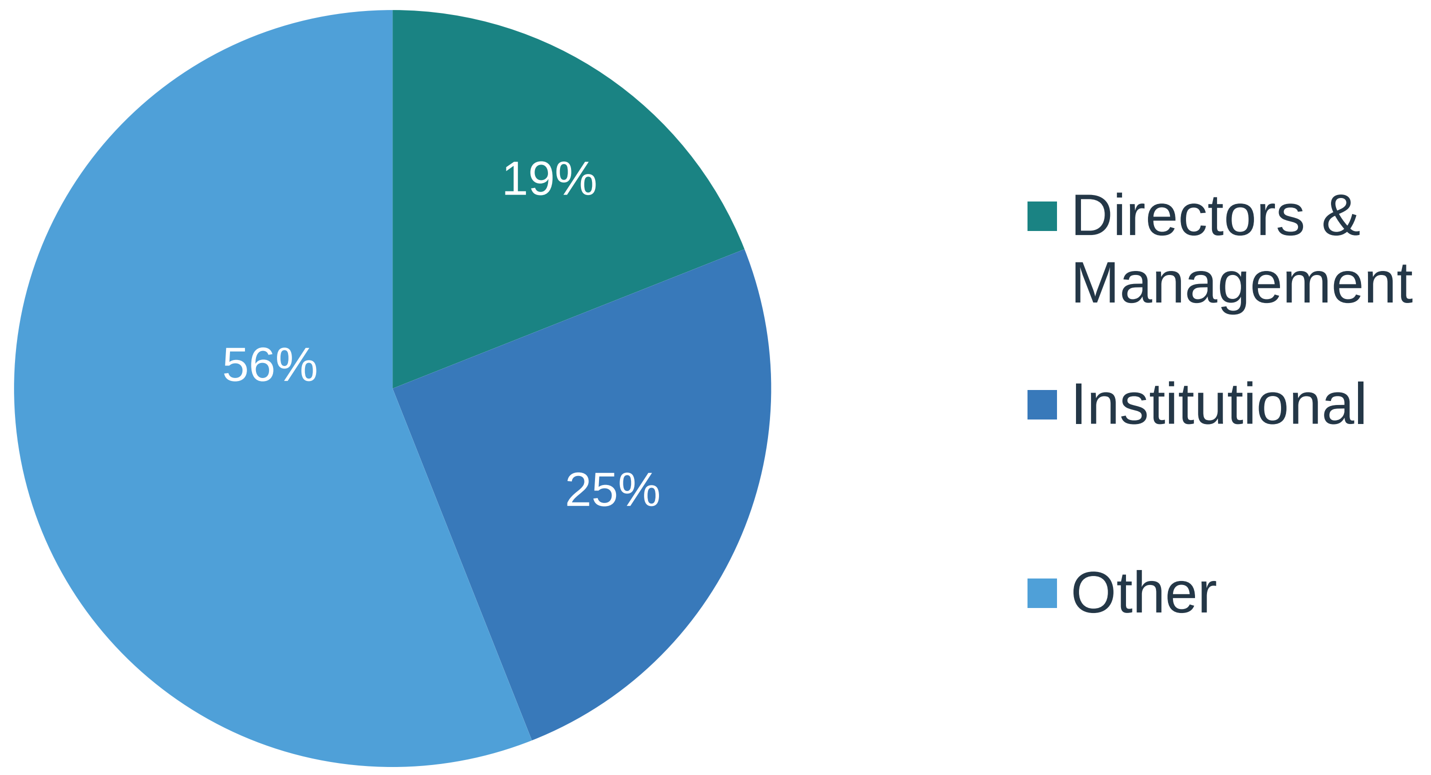
Ticker symbol	AR9
Share Price (as at 5 May 2020):	$0.075
Issued Capital:	123,096,982 ordinary shares 19,589,880 options
Market Cap (as at 5 May 2020):	$9.23m
Cash at Bank (as at 31 March 2020):	~$1.3m

Capital Structure

archTIS listed on the ASX on 21 September 2018 via an Initial Public Offering (IPO) and strong support from new and existing investors, including SG Hiscock and Merchant Group

Shareholders

Breakup of Directors and management, Institutional and other.



THE IMPORTANCE OF TRUST IN THE DIGITAL ECONOMY*

1. The digital economy is dependent on data security and sharing

2. The sharing economy is driven by the frictionless interaction of information between suppliers and consumers on an open platform

3. The trust economy transforms digital interaction into trust, allowing enterprises and consumers to participate confidently in the digital economy.

Trust Economy-The 21 Century Main Market Chaineum Feb 2019

* The International Monetary Fund report the digital economy in 2018 is now worth US$3 trillion

The Business Problem

archTIS WAS ESTABLISHED IN 2006 TO SOLVE A CRITICAL GLOBAL PROBLEM, THE NEED TO SHARE SENSITIVE AND CLASSIFIED INFORMATION SECURELY.

Data collaborations can provide value, but they also present risks.

Value dimensions of data collaboration	
Discovery of new insights	Diversifying and increasing the amount of information available, data collaborations allow researchers to uncover new insights.
Faster, more accurate decision making	Providing stakeholders with a more complete and accurate picture of complex issues for rapid decision making.
Increased prediction accuracy	Identifying new drivers of more accurate forecasts from disparate, interrelated, and interconnected data sources from the use of advanced data analytics.
Optimized process efficiency and coordination	Providing additional insights from new data sources to augment and reduce inefficiencies in day-to-day operations. Examples of such processes include complex manufacturing processes and supply-chain routes.
Increased innovation	Identifying new sources of value that can translate into new product offerings and innovative business-model opportunities in collaboration with other stakeholders in areas of shared value.

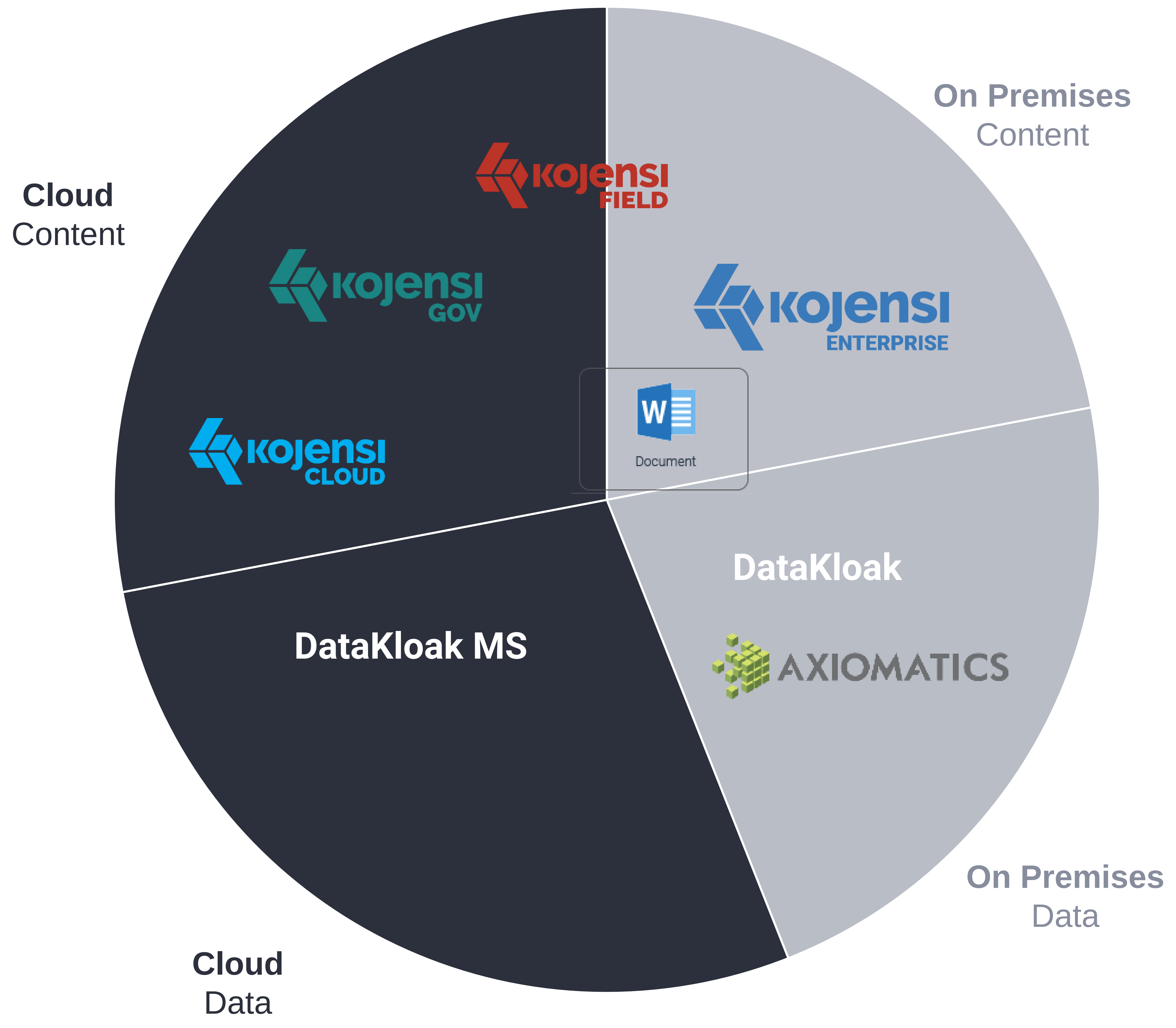
Risk dimensions and challenges of data collaboration	
Commercial risks	Companies are concerned about data rights, brand reputation, and disclosing proprietary or commercially sensitive information.
Regulatory risks	Fragmented legal and regulatory frameworks create uncertainty with the exchange of data across sectors and sovereign borders. Lack of clarity on privacy and data-protection regulations exposes data holders to significant compliance risks and liabilities.
Security risks	A litany of security risks and vulnerabilities surround the data infrastructure. The lack of robust security expertise, processes, and infrastructure by many public-sector entities amplifies concerns about public-private collaboration.
Privacy and ethical risks	Stakeholders face shared concerns about their ability to preserve the privacy of data subjects during collaborative efforts. In addition, there are concerns about protecting vulnerable populations from discrimination and denial of human rights through the use of nonpersonal but demographically identifiable data.

World Economic Forum – Data Collaboration for the Common Good. April 2019

archTIS applies its proprietary access controls to:

- Solve trust challenges in sharing of information
- Demonstrate adherence to **compliance** requirements
- Remove **security risks**
- Protect intellectual property

The Size Information Sharing Market



- The Content and Collaboration Market is valued at US$4.8 billion in 2017 and expected to grow to US$7 billion by 2023

  Markets and Markets Research 2018
- The Big Data Market is estimated at 23.56 billion in 2015 and is expected to grow to 118.52 Billion in 2022 Market Watch Aug 31, 2018

Segmentation

- The Market is split between Cloud (56%) and On Premises Solutions (44%)
- The On Premises market is mainly enterprise clients including Governments

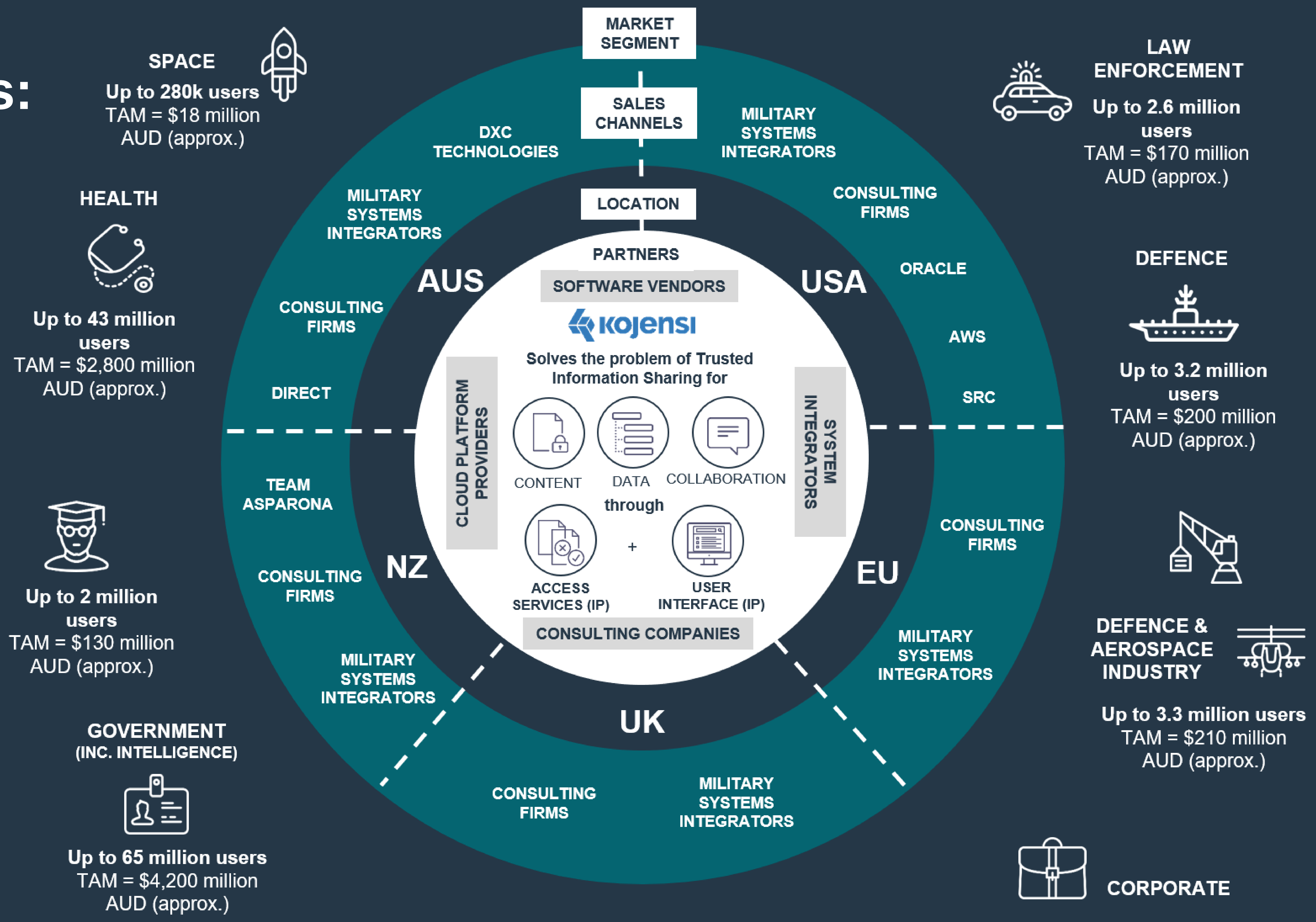
What this means?

- To address the market we need products that can address both content and data
- We need platform that can be used both as a cloud service and on premises

Our Market Opportunity is:

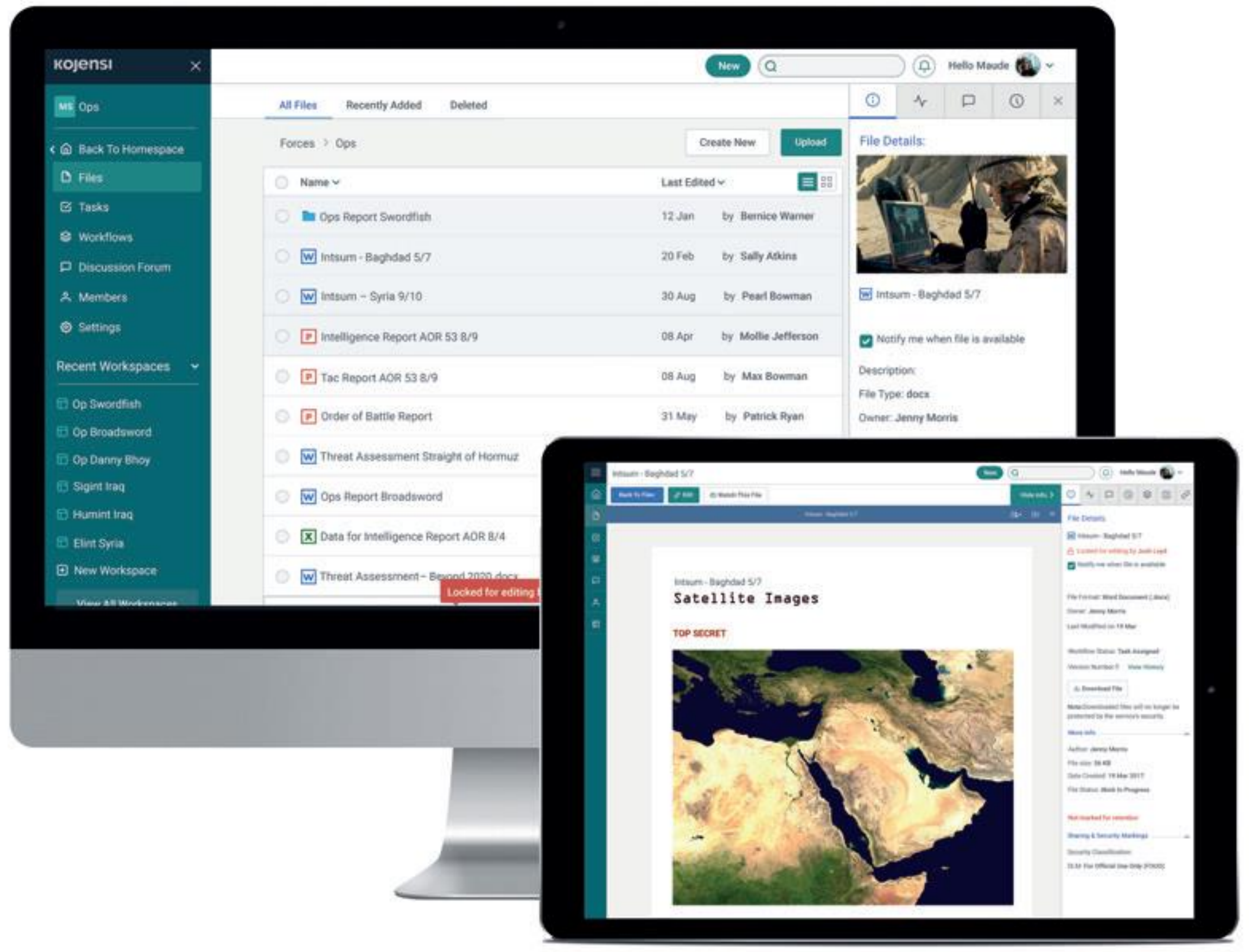
- Global
- Massive
- Growing
- Compliance driven
- Under increasing cyber threats

archTIS is successfully executing our strategy to capture this opportunity



A classified information sharing platform

kojensi



- Multi-level security platform allowing government and industry to share and collaborate on highly classified information
- Patented security model, uses Attributed Based Access Control (ABAC) to define the rules of who access the information, and under what conditions
- Information is secured not only at the perimeter to the system but also within the system

Keep documents secure
Documents and file access are controlled by security classification, country and organisational releasibility.

TOP SECRET compliance
Kojensi is available on premise, in a private cloud, or as a field deployable appliance, with its security model accredited up to TOP SECRET/ SCI.

Increase productivity
Kojensi provides a suite of collaboration features, each designed to dramatically improve productivity.

Collaborate securely
Kojensi allows you to securely collaborate in real-time with your Defence, industry and allied partners.

One platform; Different implementations

kojensi GOV

- Government accredited (IRAP) cloud based solution
- Available through the DTA Marketplace via a PROTECTED cloud
- Turn key implementation
- $780 per user per annum
- One agency contracted for three year commitment [1]

[1] Agency has the right to break at each anniversary.

kojensi ENTERPRISE

- On premise solution customised for specific agency requirements
- Able to be accredited TOP SECRET
- Leverages track record of a system designed by archTIS, in use by the Australian Defence Force (Maintenance contract has been extended for FY20)
- Two tenders in review by Australian government agencies

kojensi FIELD

- Field deployable solution for use in conflict, remote or isolated areas
- Customised for unique challenges of the field and the specific customer requirements
- Deployed for use in APEC 2018 by the Papua New Guinea Government. ($606k revenue:FY19)

A Comprehensive Solution

	Attributes: Country	Attributes: Organisation	Attributes: Clearance	Security: PROTECTED	Security: SECRET	Security: TOP SECRET	File Sharing	Work Spaces	Chat	Real-time Co-Authoring	Tasks and Workflow	External Collaboration
kojensi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SIGBOX	✗	✗	✗	✓	✗	✗	✓	✗	✗	✗	✗	✗
Objective CONNECT	✗	✗	✗	✓	✗	✗	✓	✓	✓	✗	✓	✓
Office 365	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	✗
CommandHub securing sensitive information	✗	✗	✗	✓	✗	✗	✓	✗	✗	✗	✗	✓

We have strong differentiators for compliance, security and interoperability.
Target market is Government, Defence and Intelligence.

Our commercialisation journey

archTIS IS focused on transitioning from LAUNCH to SCALE AND OPTIMISE

Key Stages of Growth	Launch Platform	Scale and Optimise	Stabilise
Growth	• Validate Market need • Develop Platforms • Certify Platforms • Engage early adaptors • Manage risk	• Increase users per customer • Increase new customers • Upsell additional applications • Increase data utilisation • Convert network clients	• Customer growth • Revenue growth
Profitability	• Develop pricing models • Manage cost drivers • Manage margin drivers • Manage Cash flow	• Manage gross margins • Manage service margins • Manage Cash flow • Manage Research & development costs	• Manage costs • Manage margins • Manage Cash flow
Sustainability	• Sales Effectiveness • Retention drivers • User adoption drivers (Customer experience)	• Sales Effectiveness • Retention drivers • User adoption drivers (Customer experience)	• Retention drivers • User adoption drivers (Customer experience)

What is the current addressable market ?

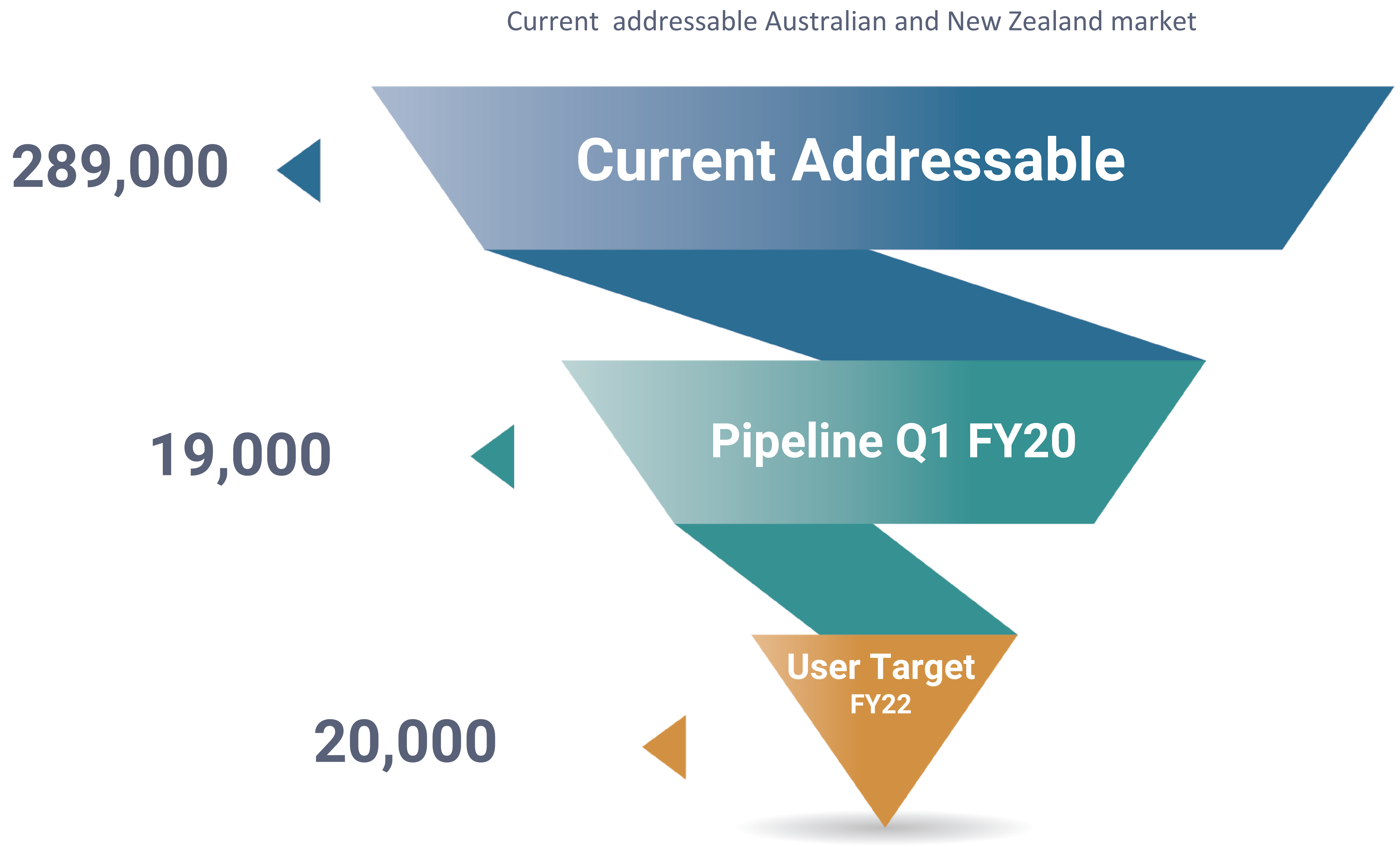
CURRENT ADDRESSABLE MARKET IS DEFINED BY OUR DIFFERENTIATORS, MATURITY AND GEOGRAPHY

Differentiators

- Sensitive/Classified information
- Government & Industry that supports it
- Collaboration
- Trusted by government
- Unique skill based resources

Current Addressable Market

- Australian and New Zealand
- Clients that provide a network effect
- Clients that have strong dependence on commercial supply chain
- Clients that work in high compliance environments
- Clients where a breach of trust or security risks reputational harm



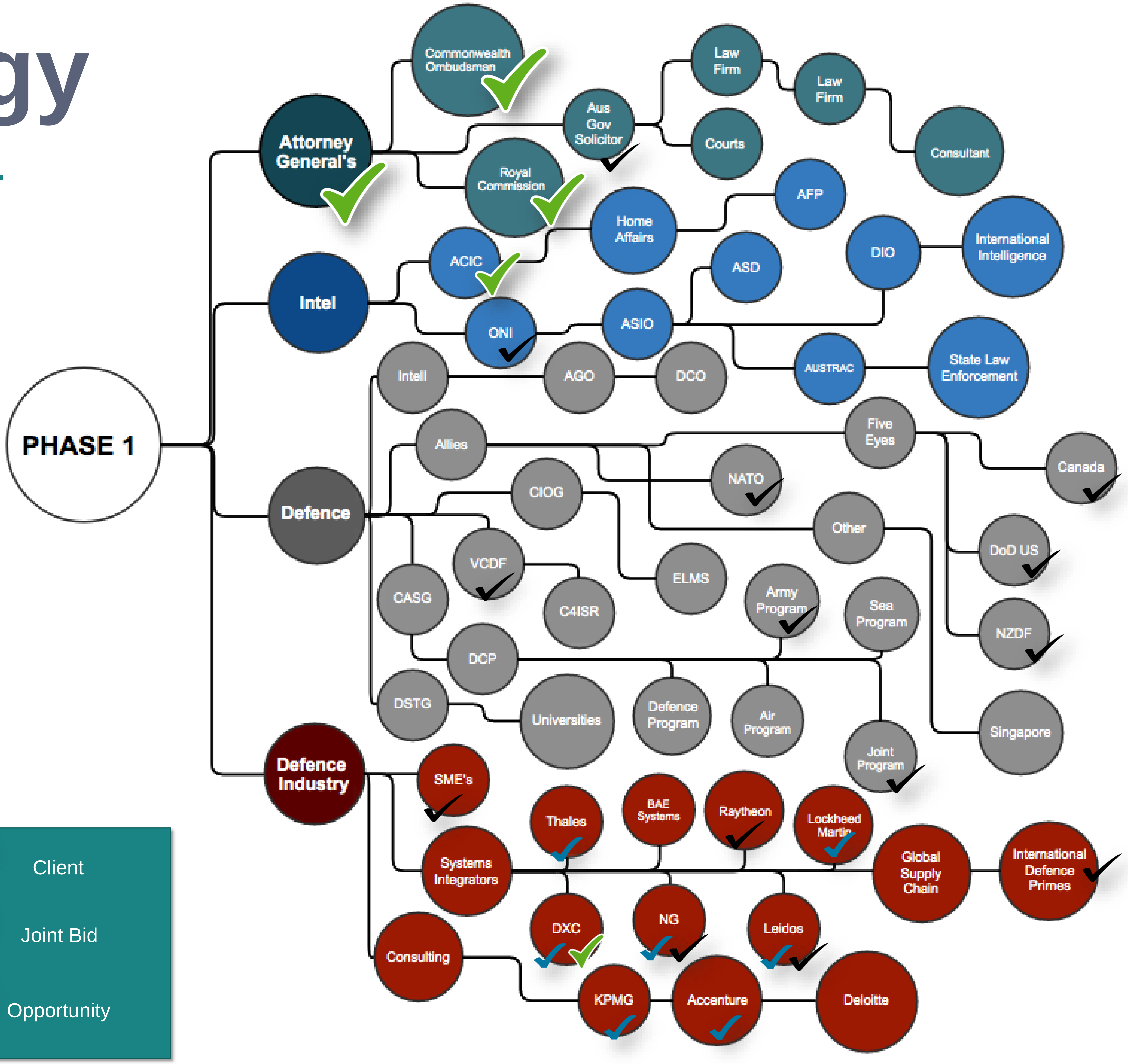
Sales Pipeline of Interest

Deal		Market	Route to Market	Status	Opportunity
1	Law Enforcement Community	Police Intelligence	Direct	Closed	Initial 10 agencies. Growth to 30 agencies with expanded collaboration capability
2	Defence project – Joint Command and Control.	Defence	Partner	Down-selected to seven global MSI bids. Currently in four bids, positioning for another 2.	ADF Defence Collaboration platform.
3	US Defence Prime (Trade Compliance team)	Defence Industry	Direct	Trial starting in July	Global Trade compliance - ITARS/EARS
4	MLS/CDS Multi-Domain	Defence	Direct	Proposal delivered. Awaiting feedback	Accreditable Multi-domain Pilot
5	Australian Intelligence Agency	National Intelligence	Partner	Bids due May, In 2 of 3 shortlisted tender consortiums, Decision Dec	National Intelligence Secret/Top Secret Collaboration Platform
6	European Defence Prime (Trade Compliance team)	Defence Industry	Direct	NDA requested, then trial	Global ITARS platform and Supply Chain Cloud Service
7	Defence Enterprise Information Management	Defence	Partner	Bids shortlisted to 3 Global Consulting firms	Defence-wide Information Sharing platform

Execution strategy

LEVERAGE THE NETWORK EFFECT OF COLLABORATION

- archTIS continues to successfully execute our strategy of targeting clients in our addressable market
- This has provided two strong central agencies that provide a network effect for growth
- archTIS Is now focused on other clients that will lead to industry verticals such as Defence and the Defence Industry



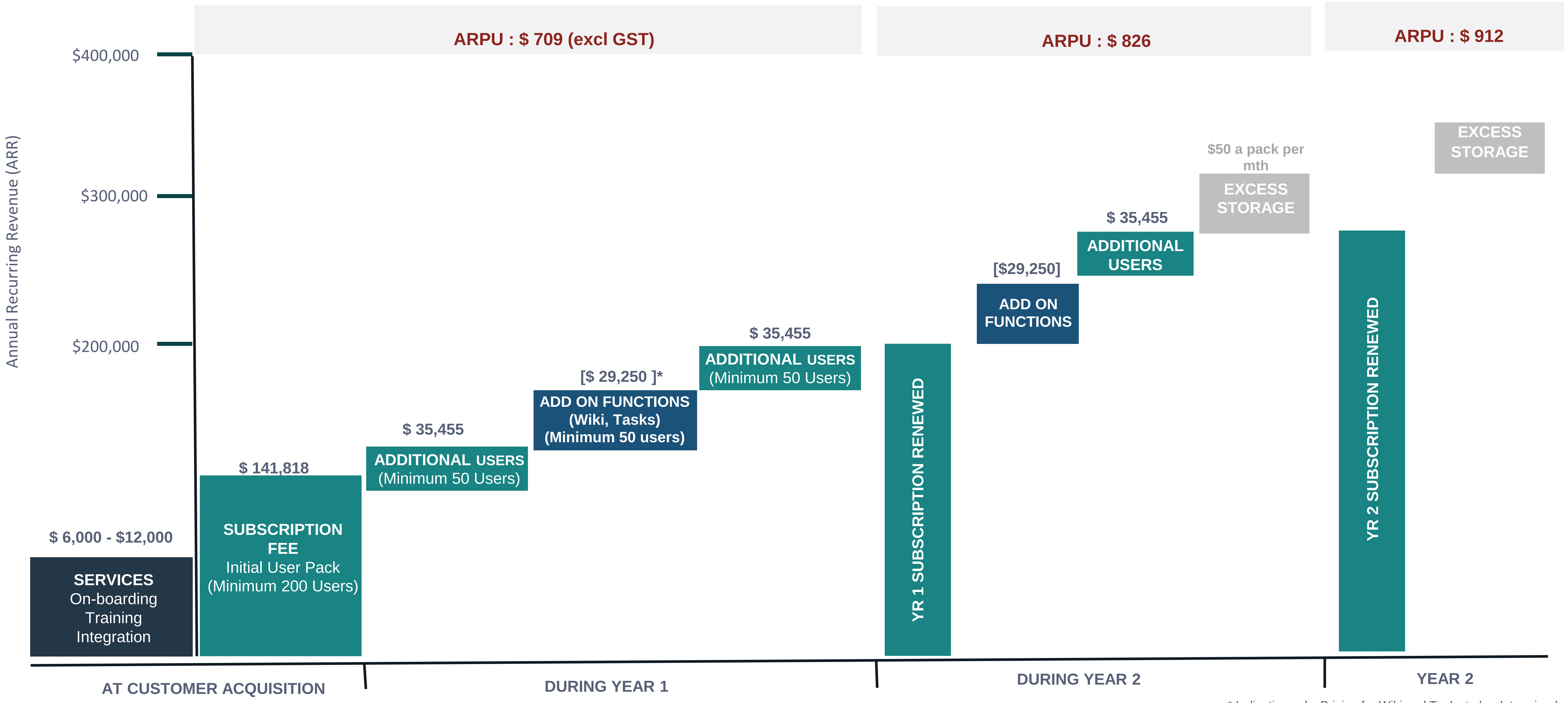
Key

Client

Joint Bid

Opportunity

How do we make money?



* Indicative only. Pricing for Wiki and Tasks to be determined

Summary

- Successful launch and sales of Kojensi Gov
- Market demand is strong and growing
- Transitioning from Launch to Scale and Optimisation
- Pathway to international growth
- Strong team executing our strategy

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