



Q1 FY2027 Quarterly Report

Quarter ended 30 September 2026

ASX:AR9 | OTCQB:ARHLF

Daniel Lai, CEO and Managing Director

Kurt Mueffelmann, Chief Strategy Officer and U.S. President

Q1 FY27 at a Glance

Quarter ended 30 September 2026: a leaner, higher-margin business after the Spirion integration

FINANCIAL

\$13.3M

ARR

3.3x PCP

\$3.6M

Revenue

+140% on PCP

79%

Gross margin

Q1 FY26: 75%

\$4.4M

Operating expenses

-17% QoQ

\$5.3M

Customer receipts

Record quarter

(\$0.03M)

Operating cash flow

Q4 FY26: (\$3.8M)

OPERATIONAL

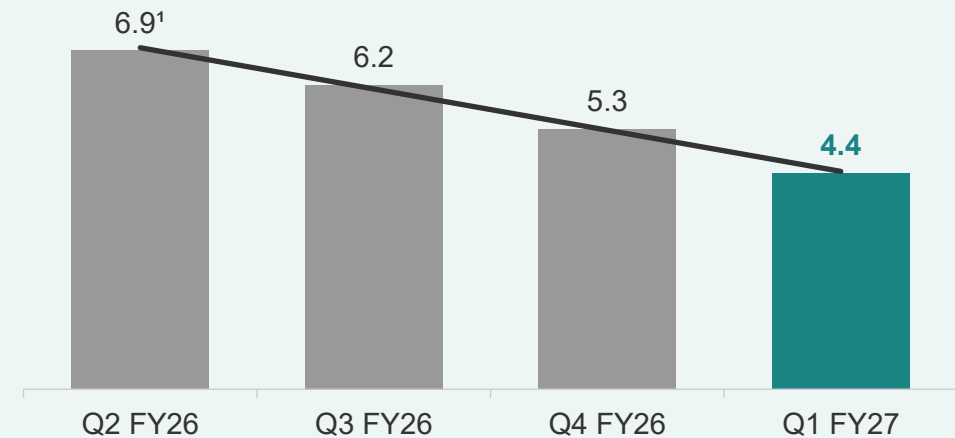
- **U.S. DoD:** A\$315K services contract;
- **Australian Defence:** \$3.2M Kojensi renewal & services
- **US/EU alliance:** NC Protect on-time deployment continued
- **Pexip:** TDI clearance-based access for secure video
- **FIPS 140-3** validation achieved
- **Awards:** Cyber Business of the Year; Data Security Innovation of the Year
- **CBA Extension:** \$4M tranche moved from 30 October to 30 April

Figures unaudited, A\$. PCP = Q1 FY26 (stand-alone archTIS before Spirion consolidation). Receipts benefited from seasonal annual renewals.

Financial Summary (Unaudited)

A\$M	Q1 FY27	vs PCP
Annual recurring revenue	13.3	3.3x
Revenue	3.6	+140%
Gross margin	79%	+4 pts
Operating expenses	4.4	–17% QoQ
Customer receipts	5.3	+579%
Net operating cash flow	(0.03)	+\$2.5M
Cash at quarter end	2.2	

OPERATING EXPENSES SINCE SPIRION, A\$M



- **Third consecutive reduction:** down 17% on Q4 FY26
- **Integration savings:** staff costs paid –46% since Dec 2025
- **Higher margin:** 79% gross margin on a lower cost base

PCP = Q1 FY26, stand-alone archTIS before Spirion consolidation. Cash flows per Appendix 4C. Chart shows opex as reported, incl. one-off costs; ¹ ~\$5.9M underlying + ~\$1.0M one-off integration costs.

Progress Since the Spirion Acquisition

December 2025 quarter (first full quarter combined) vs September 2026 quarter

Customer receipts	Operating payments	Staff costs paid	Operating expenses	Gross margin
Dec 2025 \$1.6M	Dec 2025 \$7.3M	Dec 2025 \$5.7M	Dec 2025 \$5.9M ¹	Dec 2025 76%
Sep 2026 \$5.3M	Sep 2026 \$5.2M	Sep 2026 \$3.1M	Sep 2026 \$4.4M	Sep 2026 79%
+236%	-29%	-46%	-25%	+3 pts

¹ Excludes ~\$1.0M one-off integration costs. Receipts, operating payments and staff costs per Appendix 4C.

Allied Defence Momentum

NC PROTECT

U.S. Department of Defense

- **A\$315K** services contract (Oct 2026), the second DoD-funded development award
- **60/60** Warfighter Command production test cases passed
- **Enterprise licence** across classified and unclassified M365

KOJENSI

Australian Department of Defence

- **\$3.2M** 12-month renewal from 1 July 2026 (incl. GST)
- **\$1.0M** recurring licences; \$2.2M development and support
- **Options** for two further 12-month periods

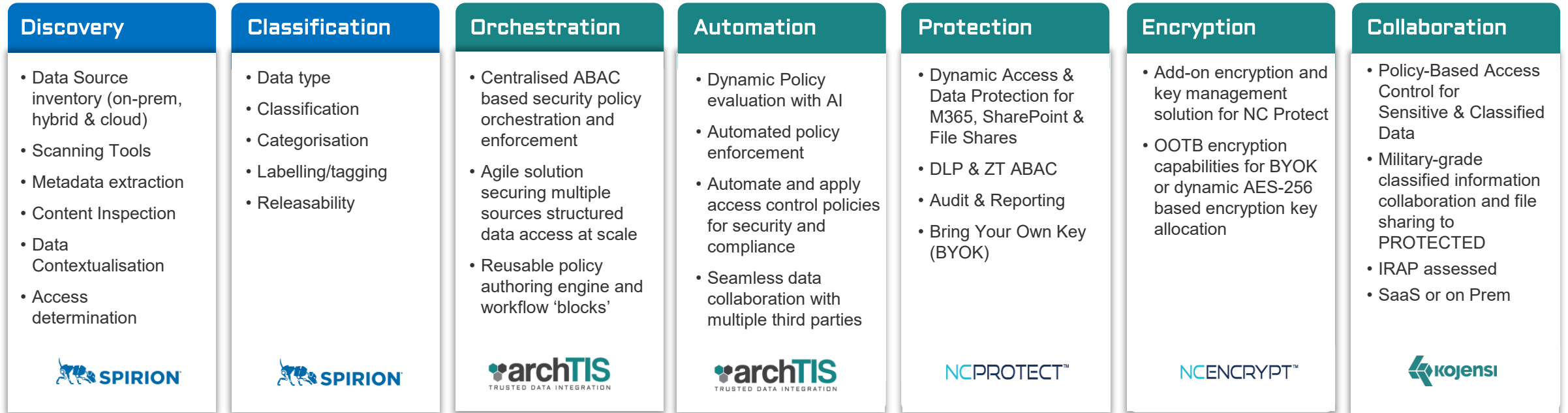
NC PROTECT

US/EU Military Alliance

- **~A\$416K** initial award for CY2026
- **~A\$805K** across two option years
- **Deployment** continued through the quarter

No binding DoD enterprise licence has been executed; timing depends on delivery arrangements between Copper River and the prime systems integrator.

From Best of Breed to DSPO Control Plane



A comprehensive product suite for seamless data security from discovery to protection

DSPM Informs you. DSPO Enforces it.

Data Security Policy Orchestration

archTIS DSPO ENTERPRISE EDITION

One policy authority across every data source, platform, identity and AI agent.
Four modules plus Compliance Assurance

COMPLIANCE ASSURANCE

Everything the modules already record, plus framework mappings, evidence packs, per-framework reporting and extended retention.

Data Centric Security

Know what you hold, and control who reaches it.

Discovery and classification made enforceable — labels drive live access decisions at row, column and object level.



Secure Collaboration

Share more, expose less — across teams and nations.

Need-to-know and need-to-share enforced together, per user and per object, inside M365 and sovereign platforms.



AI Guardrails

Let AI in — without letting your data out.

Prompts constrained, retrieval clearance-filtered, every tool call re-authorised, outputs classified.



Integration Services

The custom path.

Workflow builder, SDK and sandbox. Leverage your own APIs and connectors on the same TDI Core policy model. Used for large bespoke projects as well as ISV/OEM relationships.



TRUSTED DATA INTEGRATION — “TDI CORE”

One policy model. Every decision.

Policy decision point (ABAC)

Classification & attribute layer

Connectors: M365, cloud, apps, AI

Immutable decision log

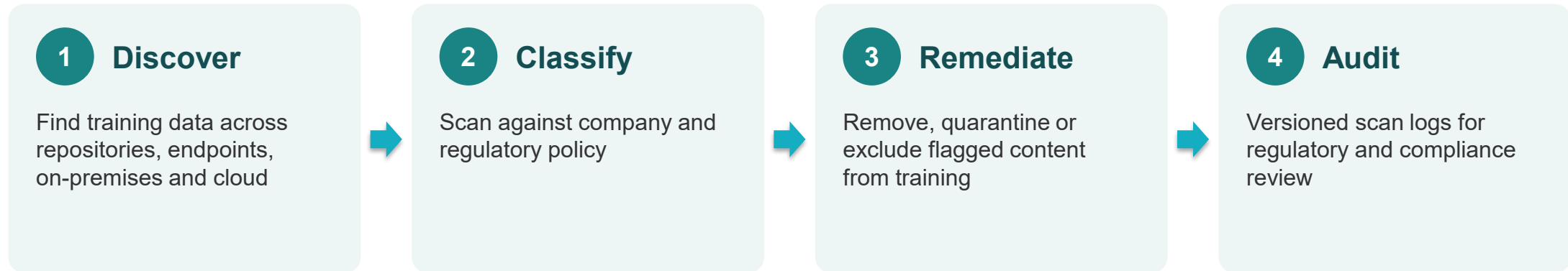
Spirion AI Guardrails

AWARD – OCTOBER 2026

Data Security Innovation
of the Year



Governing the data that trains enterprise AI, before it reaches the model



WHAT IT DETECTS

PII and PHI

Financial and PCI data

Legal and privileged

Toxic or biased content

Source code and IP

Credentials

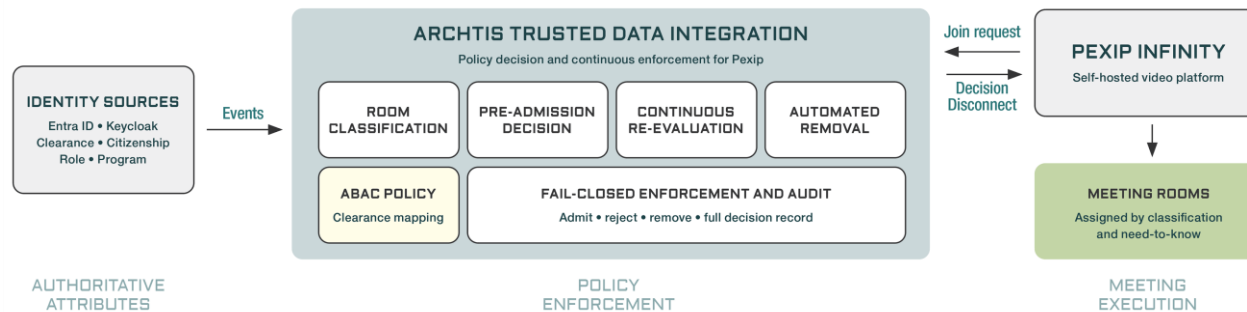
Other Confidential

Extends the Spirion Sensitive Data Platform into AI governance, a cross-sell motion across the existing Spirion enterprise customer base.

Extending Reach Through Partners

TRUSTED DATA INTEGRATION + PEXIP

Clearance-based access control for secure video (Oct 2026)



Available now from both companies; proofs of concept discussions underway with several allied government customers. Mattermost technical partnership extends the same policy approach to secure messaging.

CERTIFICATION

NIST FIPS 140-3

Validated Sept 2026 (CMVP #5251), a requirement for U.S. federal and defence procurement

RECENT PARTNER

- **Mattermost**
- **Pexip**

FY27 Priorities

THE FOUNDATION ENTERING FY27

79%

Gross margin, up from 75% a year ago

-29%

Operating payments since the December 2025 quarter

150+

Recurring enterprise, government and defence customers

Deployed with the U.S. Department of Defense, the Australian Department of Defence and a US/EU military alliance

Where we are focused

- **Close the DoD enterprise licence** expected in the December 2026 quarter
- **ARR growth** through U.S., Australian, UK and European defence and government licensing. Non-defence Enterprise opportunities
- **Scale TDI through partners** including Pexip and Mattermost
- **Expand Spirion** through new, cross-sell and upsell
- **Sustained operating cash flow by fiscal year-end**

Funding:

CBA \$4.0M facility extended to 30 April 2027



Q&A

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