Company Announcement – 16 May 2019

Investor Roadshow Presentation & Introduction

Prophecy CEO Brad Thomas is undertaking a series of briefings with fund managers and is presenting the attached slides.

Prophecy International Holdings Ltd
Investor Roadshow Presentation & Introduction

Prophecy

ASX : PRO

Prophecy
vision

- We are a decisions business – we help you make better decisions, faster in IT Security and Customer Experience
- We are a globally relevant & significant software company in monitoring, measuring and managing operations in IT Ops, CX and Cyber Security
- Organic growth focused & delivering capital growth for our shareholders
- Transitioning to SaaS and subscription/annuity revenue across our product portfolio

Company Profile

Key Statistics

Ordinary shares	64.01M
Market Cap (Undiluted)	A$15.36M
12 month low/high	A$0.24/A$0.65

Company Financials

Cash	A$2.3M
Debt	Nil

Price Chart – 1 year

Board & Management

Ed Reynolds	Chairman
Brad Thomas	Chief Executive Officer
Stuart Geros	Chief Product Officer
Steve Challans	Chief Information Security Officer
Stephen Irecki	Director of Customer Operations
Peter Barzen	SVP Sales NAM/EMEA

Shareholders

Dunmore/Brian Calvert 8%
Institutional Investors 13%
Reyer Investments/Ed Reynolds 12%
Top 20 Shareholders 22%
Other/Retail 45%
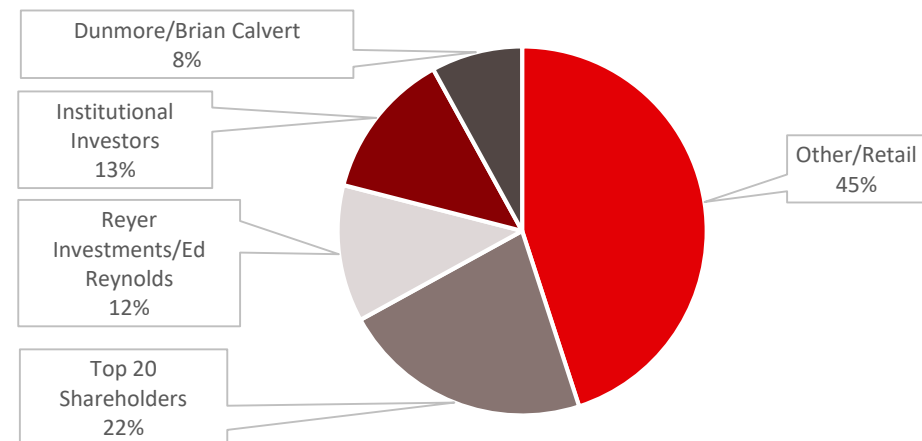
The Board

Ed Reynolds
Chairman
Ed joined Prophecy as GM in 1987.
Passion for technology and growing businesses. Ed is the largest individual shareholder.

Matt Michalewicz
Non Executive Director
Matthew is an international IT entrepreneur who co-founded SolveIT Software, a supply chain optimisation business. He grew SolveIT from zero to almost 180 employees and $20 million in revenue before selling the business to Schneider Electric. MD of Complexica. On multiple ASX company boards.

Grant Miles
Company Secretary
MD of Moore Stephens SA, a Chartered Accountant with 25+ years experience in the Finance and Business Advisory Sector, joined Prophecy in 2013 as Company Secretary. Moving into a Company Director role in 2015.

Leanne Challans
Non Executive Director
Previous MD at Prophecy. 25 years with the company background in software development and general management

Management

Brad Thomas
OAM MAICD
Chief Executive Officer
20 plus years growing high tech business. 3 time Paralympian. Strategy, Sales & Marketing leadership. Service Delivery and Business optimisation.
Ex Microsoft, Novell, Lenovo, Telstra & Canon

Steve Challans
CISM, CISA, CISSP, CRISC, PCIP
Chief Information Security Officer
Cyber Industry leader. Cyber Security, Threat Intelligence, SIEM and Log Management, Forensics, Compliance and Auditing, Risk Management and Assessment, Solution design.

Stuart Geros
Chief Product Officer
Tech evangelist, innovator and Entrepreneur. Founder of eMite. Leads product strategy, innovation and development.

Stephen Irecki
BSC (Hons)
Director of Customer Operations
Tech evangelist, Thought Leader, Public Speaker. 15+ years in global software companies. Ex Genesys and Interactive Intelligence.
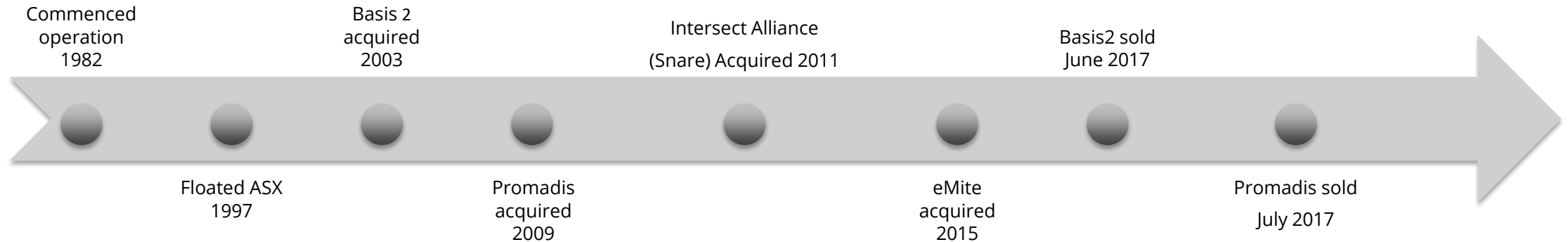
Peter Barzen
EVP Americas
30+ years with PRO Sales Leader, Tech Evangelist, Solution Sales Specialist. General Management of NAM Operations across Snare and eMite.

The Prophecy Story

2 primary product lines after divestment of legacy businesses in 2017

Commenced operation 1982

Basis 2 acquired 2003

Intersect Alliance (Snare) Acquired 2011

Basis2 sold June 2017

Floated ASX 1997

Promadis acquired 2009

eMite acquired 2015

Promadis sold July 2017

eMite
REAL-TIME INSIGHT

Big data/analytics & business value dashboards (BVD)

snare

Cyber Threat Detection, SIEM & Centralised Log Management (CLM)

FY19 Highlights
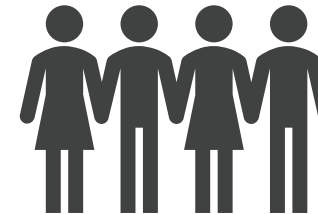
Continued revenue growth	New client acquisition	New product launches	Increased sales resources	No debt and cashflow positive
H1 revenue up 29.2% vs last year	• 80 new eMite customers • 580 new Snare customers	• Snare Analytics • eMite for Amazon Connect	• eMite sales in UK • Snare sales in USA	cash + receivables increased
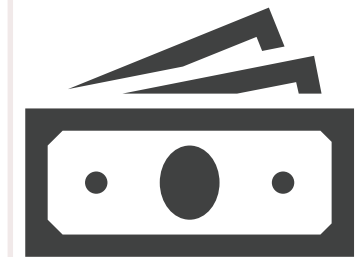
Financial Overview

$	FY18	1H18	1H19
Sales Revenue	10,676,203	5,886,484	6,120,791
EBITDA	517,256	1,047,899	65,285
NPAT	(793,837)	76,831	(659,806)
NPATA	(161,836)	392,831	(379,806)
Dividend Declared	-	-	-
Cash	2,599,684	2,303,646	2,272,602
Debt	-	-	-

Revenue trend

ANNUAL SALES REVENUE

■ Legacy   ■ Snare   ■ eMite

	2015	2016	2017	2018
Total	$9,956,354	$12,333,897	$9,188,005	$10,676,203
eMite	0	3,952,746	2,058,023	3,267,269
Snare	5,982,960	7,621,694	6,459,282	6,740,940
Legacy	3,973,394	759,786	670,700	667,994

Sales Revenue up 16.2%

eMite revenue up 58.8%

Snare revenue up 4.4%

Legacy revenue flat
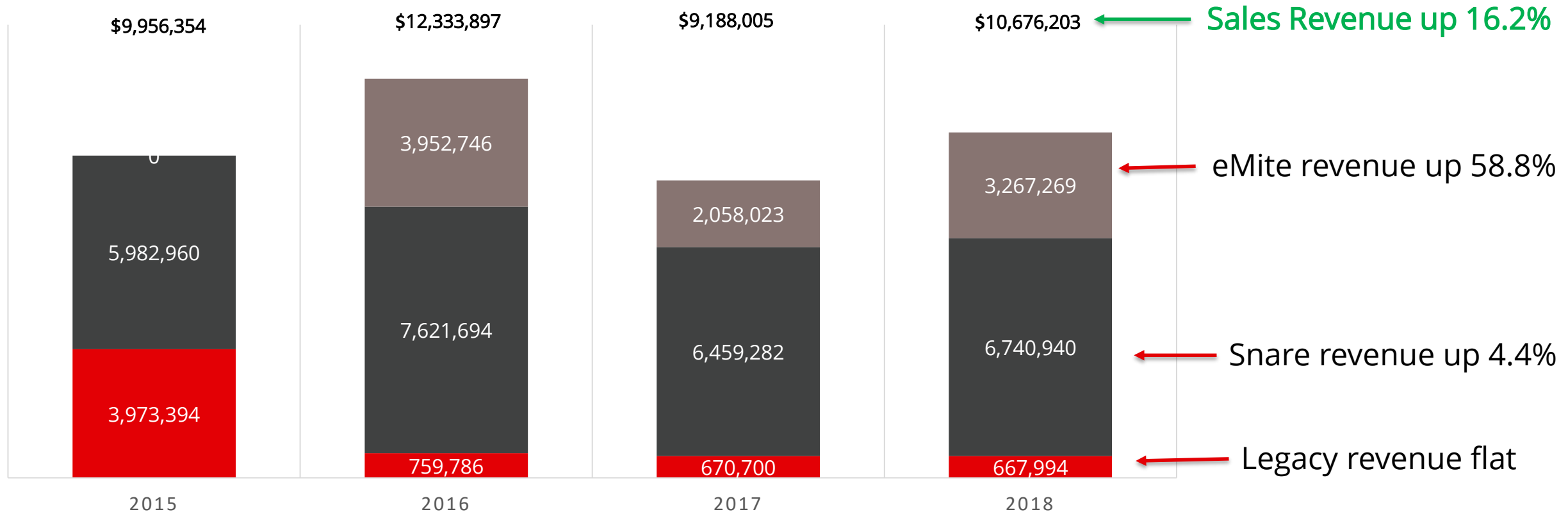
FY18 Regional Revenue

Revenue by Geography

US Revenue ↑ 24.4%

	Australia	USA	Europe	Asia	Total
2017	2,472,732	5,782,975	879,017	53,281	9,188,005
2018	2,472,192	7,192,793	905,388	105,830	10,676,203
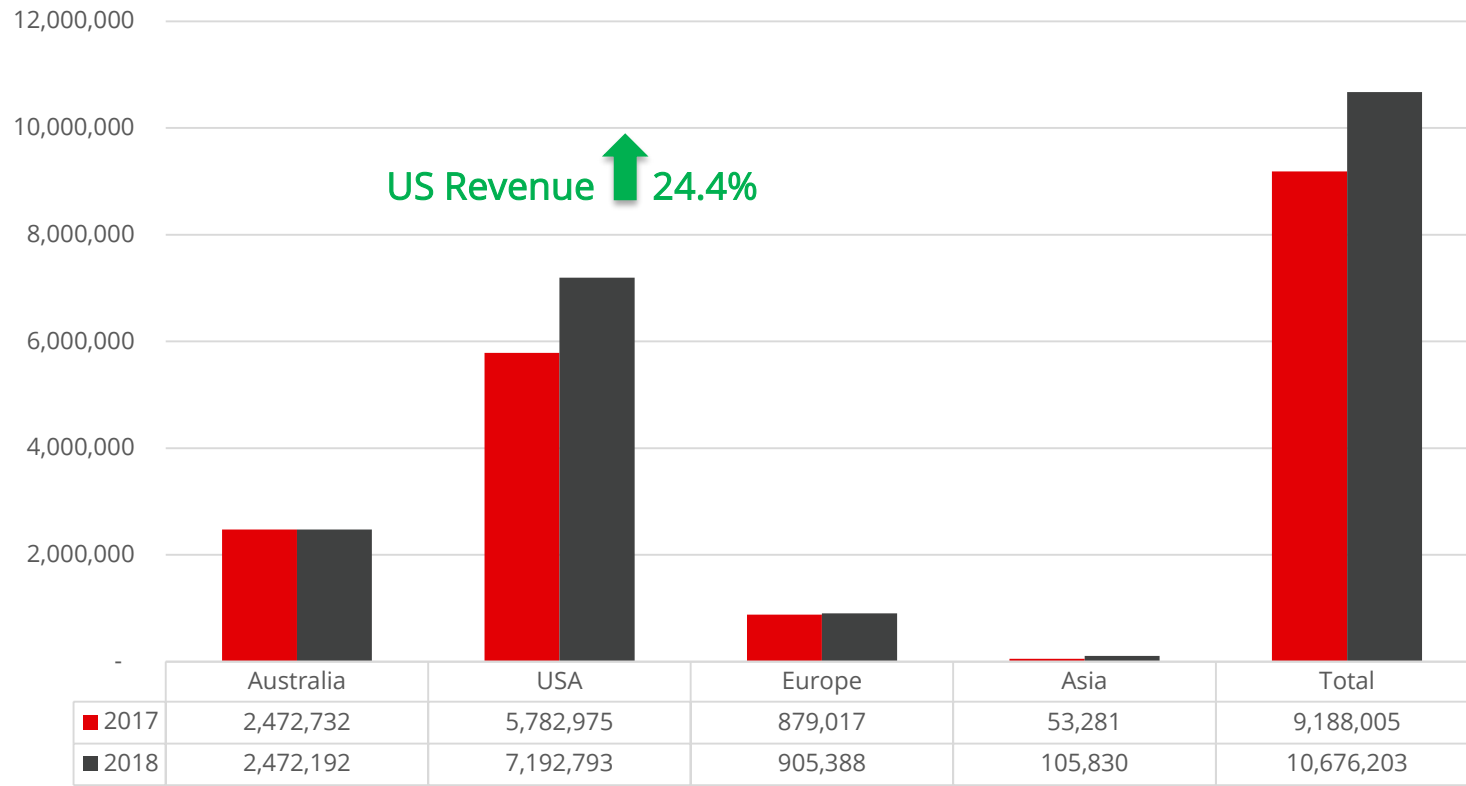
■ 2017 ■ 2018

Revenue by region

- ■ Australia
- ■ USA
- ■ Europe
- ■ Asia

23.2%
8.5%
1.0%
67.4%

Our Locations

Canada
(Sales)

UK
(Sales)

Denver
(Sales/
Support)

Indianapolis
(Sales)

Manilla
(Support)

Brasil
(Sales/Dev)

Sydney
(Sales/dev/
support)

Adelaide (HO)
(dev/support)
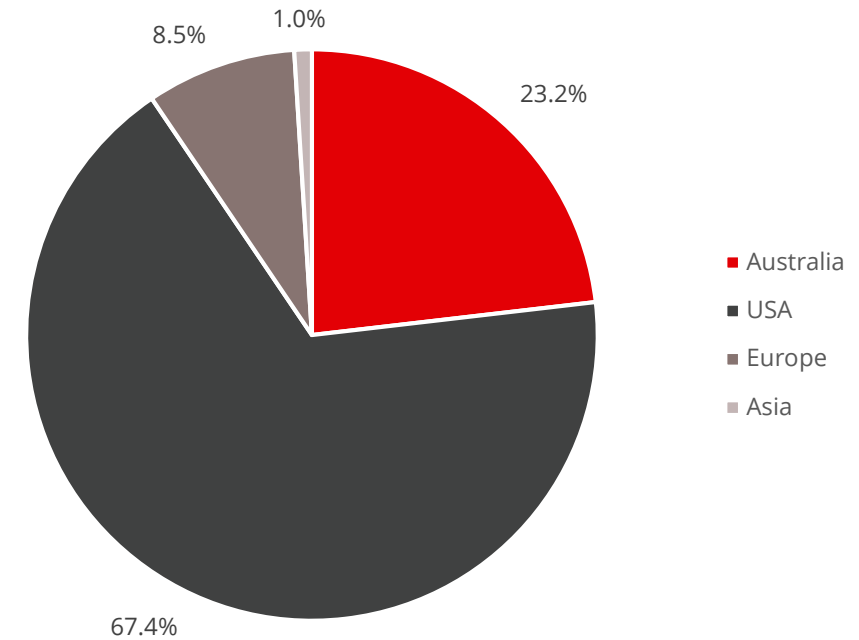
>60 staff across 5 main locations

Markets

Cloud Contact Centre Market USD$19.5B

Cyber Security USD$90.0B

Global Contact Centre marketplace
- Contact Centre software growing to USD$47.77B by 2025
- Cloud contact centre market growing at >25% CAGR
- Growing to USD$21B by 2022
- Contact Centre Analytics Market to grow to USD$1.483B by 2022

Global Cyber Security & compliance marketplace
Built on Snare logging >1.2M downloads
- Next gen SIEM Market growing to USD$6.75B growing at CAGR of 12%
- Log Mgmt Market USD$1.2B and growing at 12.1%
- Security Analytics Market growing to USD$6.534B by 2022 at 30.14% CAGR

The CX problem

- It's almost impossible to identify the true cause of poor sales or service results.
  - Companies increasingly rely on multiple systems and technologies to try to deliver great customer experiences.
  - Multi-channel contact centre software leveraging voice, chat, email and social, CRM, Service Desk, Speech Analytics, Customer Surveys and many others are used to deliver a great experience to customers, unfortunately trying to make sense of the data from multiple and isolated systems to get an meaningful view of your customer interaction across those systems is often incredibly difficult or impossible.
- CX Intelligence by eMite makes this possible and easy

eMite Product Vision

BECOME THE DE-FACTO STANDARD ANALYTICS PLATFORM FOR CONTACT CENTERS GLOBALLY

TO BE THE CX INTELLIGENCE LEADER GLOBALLY

EXPAND OUR OFFERING TO COVER THE MAJOR CLOUD CONTACT CENTRE PLAYERS

eMite CX Intelligence platform

- Wide range of pre-built templates
- Real time visualisations
- Analytical reports
- KPI's and Additional Measures
- Wallboards
- Additional data Feeds
- Gamification
- Dashboard sharing
- Scheduled Reports
- Security Managed Reports

"the folks in Australia were truly a class act". We are seeing a decrease in Avg speed to answer since we implemented the dashboards since we have more real time visibility."

"Previous reports showed overall results with no ability to drill down into individual values. With eMite, we can see exactly who's doing what and how long it's taking them."
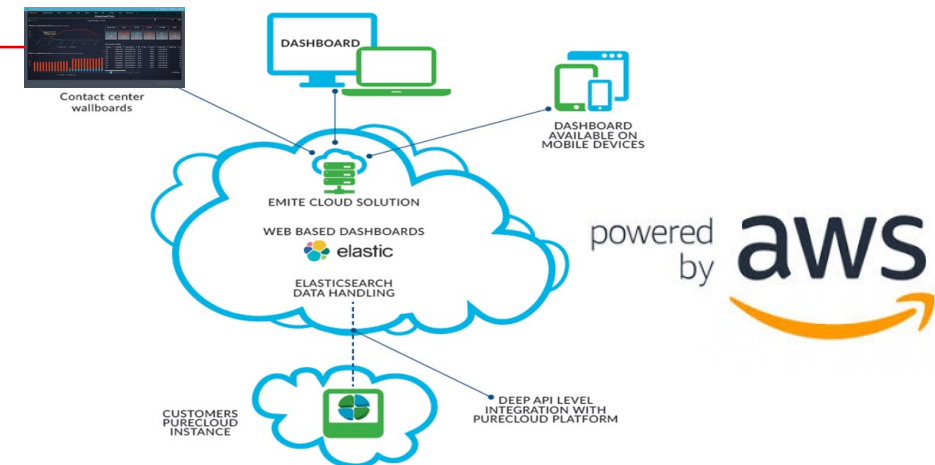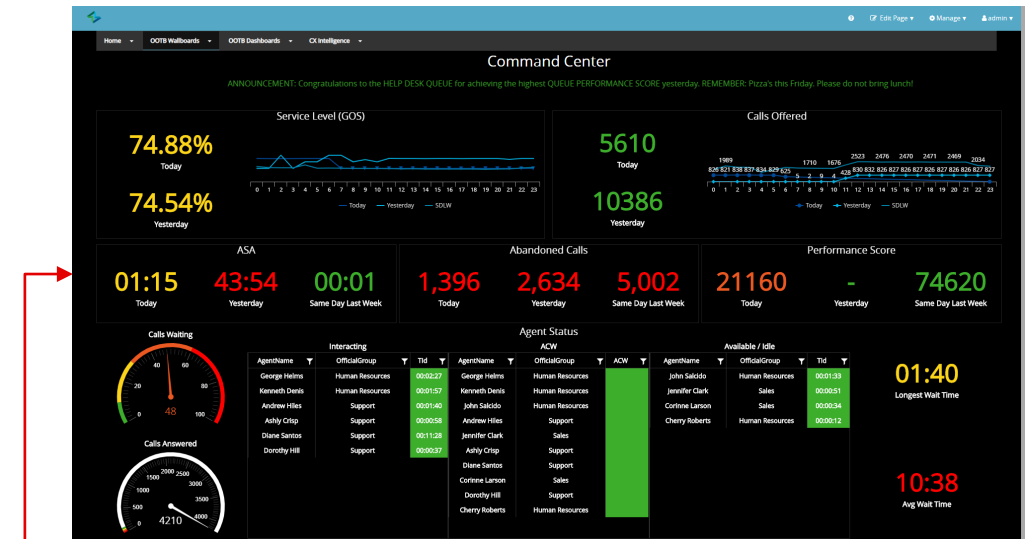
eMite Genesys Partnership

Genesys is the market leader in Contact Centre Infrastructure and outright leader in Gartner Magic Quadrant

eMite has a strategic alliance and is a Premium Application Technology Partner of Genesys
- ❑ PureCloud – SMB/Mid Market cloud solution
- ❑ PureConnect – Mid Market On premise solutions
- ❑ PureEngage – Tier 1 Enterprise & Government Solutions

Genesys
> 10,000 customers globally
> 1,000 reseller partners
> 500 direct sales representatives
✓ eMite dashboards & analytics fully integrated into Genesys solutions delivering real time operational insight.
✓ Sold through Genesys and their partners on Genesys contracts.

Winner
AppFoundry
Partner of the year
PureCloud 2018

eMite Telstra partnership

Telstra is the largest telecommunications company in Australia and a key provider of contract centre solutions to Commercial and Government customers

eMite has a strategic alliance and is a Technology Partner of Telstra for PureCloud and PureEngage by Genesys
- ❑ PureCloud – SMB/Mid Market cloud solution
- ❑ PureEngage – Tier 1 Enterprise & Government Solutions

Telstra
> 20,000 contact centre seats under management
- ✓ Hosted Contact Centre Service Provider of the Year 2009 to 2014 by Frost and Sullivan
- ✓ eMite dashboards & analytics fully integrated into Telstra hosted solution delivering real time operational insight.
- ✓ Telstra has migrating 70+ customers off Oracle to PureCloud and eMite is a compulsory component of their default offering

Telstra dominates the Australian hosted contact centre market, holding a *65 per cent plus market share in Australia.*

eMite Deal attributes

GENESYS™
MARKETPLACE

Advanced Analytics for PureCloud
- Average of sale 65 seat
- USD$10.5 per seat per month (AUD$14.50)
- USD$3,600 set up fee
- Average deal size $11,790 year 1 (AUD$16,375)
- 12, 24 or 36 month contracts

Advanced Analytics for PureConnect
- Average sale of 250 seats
- USD$10.5 per seat per month (AUD$14.50)
- USD$9,000 set up fee
- Average deal size $40,500 year 1 (AUD$56,250)
- 12, 24 or 36 month contracts

Advanced Analytics for PureEngage
- Average sale of 500 seats
- USD$10.5 per seat per month (AUD$14.50)
- $20,000 set up fee
- Average deal size $83,000 year 1 (AUD$115,278)
- 12, 24 or 36 month contracts

- Genesys install base of 1,200 accounts
- Growing at 100% YoY

- Genesys install base of 4,000 accounts

- Genesys install base of 5,000 accounts

- Hosted on AWS
- SaaS subscription licensing
- 80 New customers this FY
- Averaging 8 deals per month
- Average 1CV of AUD$16,473 (1st year contract value)
- Average contract term 19.6 months
- Total pipeline of $11.3M/57,000+ agents

eMite for Amazon Connect

Amazon Connect is a self-service, cloud-based contact center service that makes it easy for any business to deliver better customer service at lower cost. Amazon Connect is based on the same contact center technology used by Amazon customer service associates around the world to power millions of customer conversations.
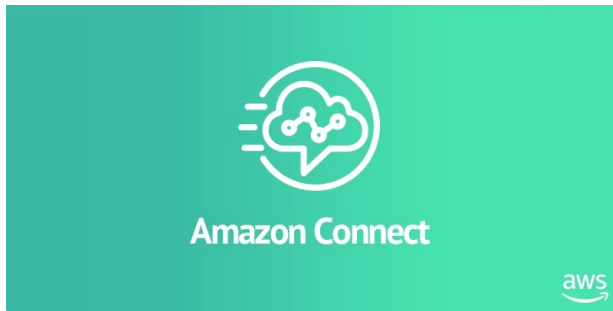
Signed 2 partners in Australia
- VoiceFoundry
- Cloudwave

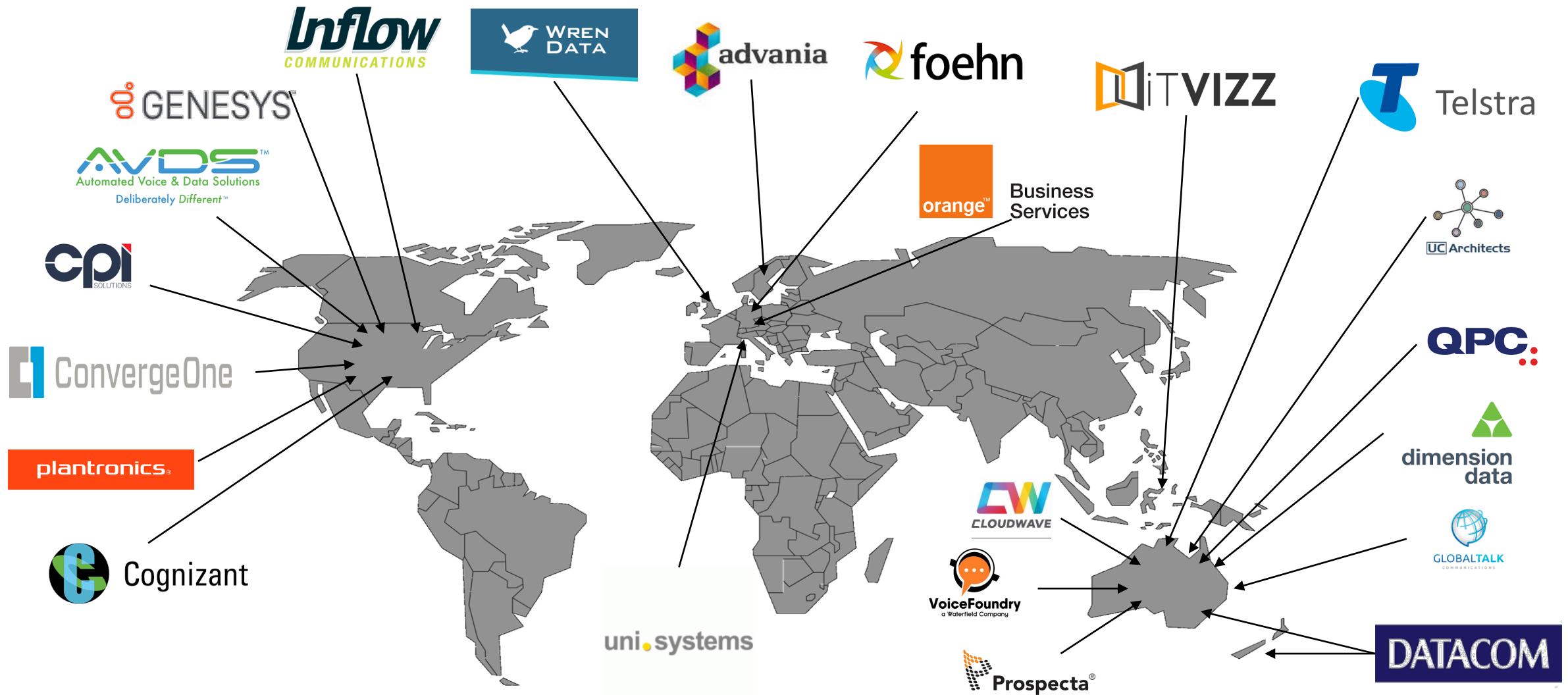21 other major global partners to target
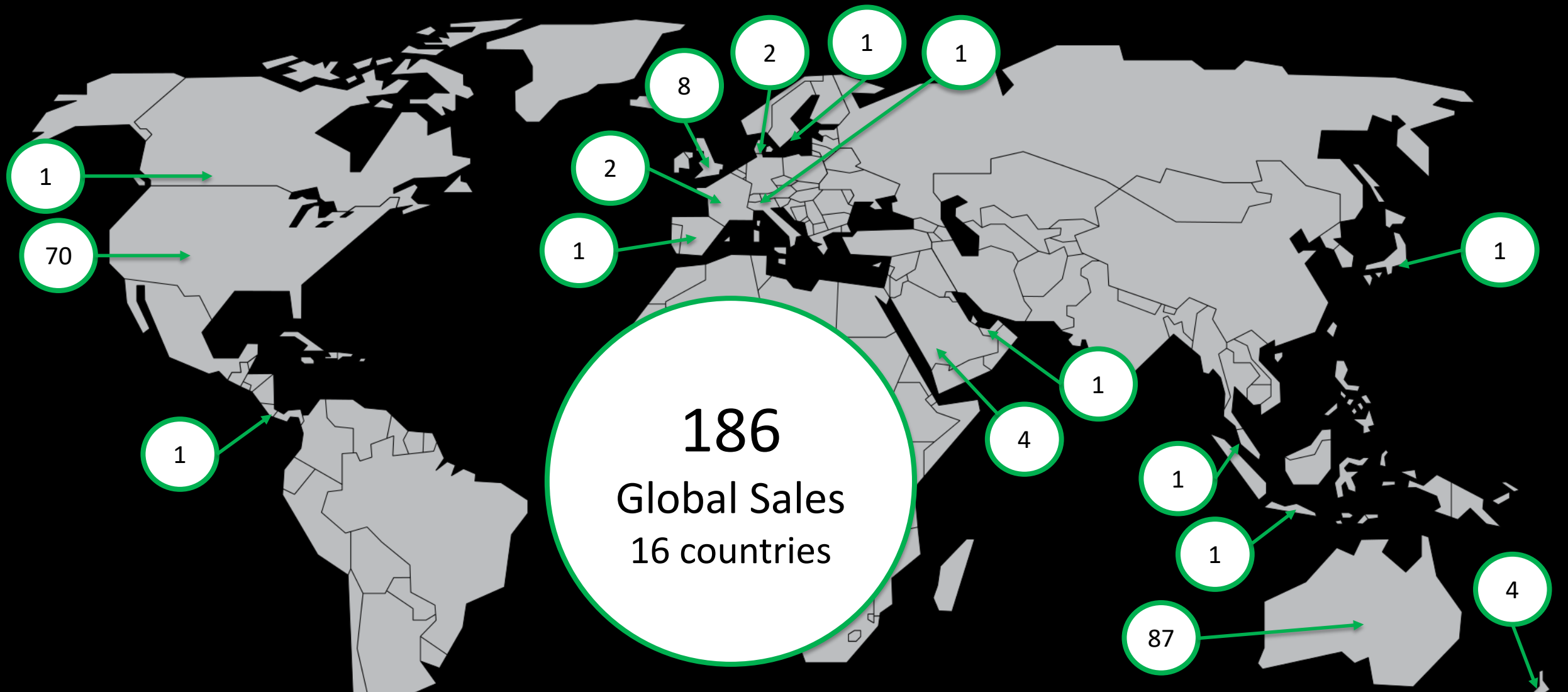
Signed 3 customers in Australia
- Wilson Parking
- A large telco

Pipeline of over 10,000 seats & $1M in Australia alone

Other eMite Partners

186
Global Sales
16 countries

eMite
REAL-TIME INSIGHT

CX Intelligence sales by country

Detecting Cyber Threats

- Threat prevention will fail or be breached
- Financial and reputational consequences of breaches and threats continue to increase
- The number, sophistication and complexity of threats continues to rise
- Regulatory compliance regimes continue to increase and be strengthened globally
- Threat management and response systems like SIEM are often expensive and complex to implement and maintain.
- Snare was designed for managing compliance, simplicity to install and maintain and cost effectiveness.

snar

Snare Product Suite

snare

Multiple Data Sources
Advanced Threat Detection
Real Time Analytics

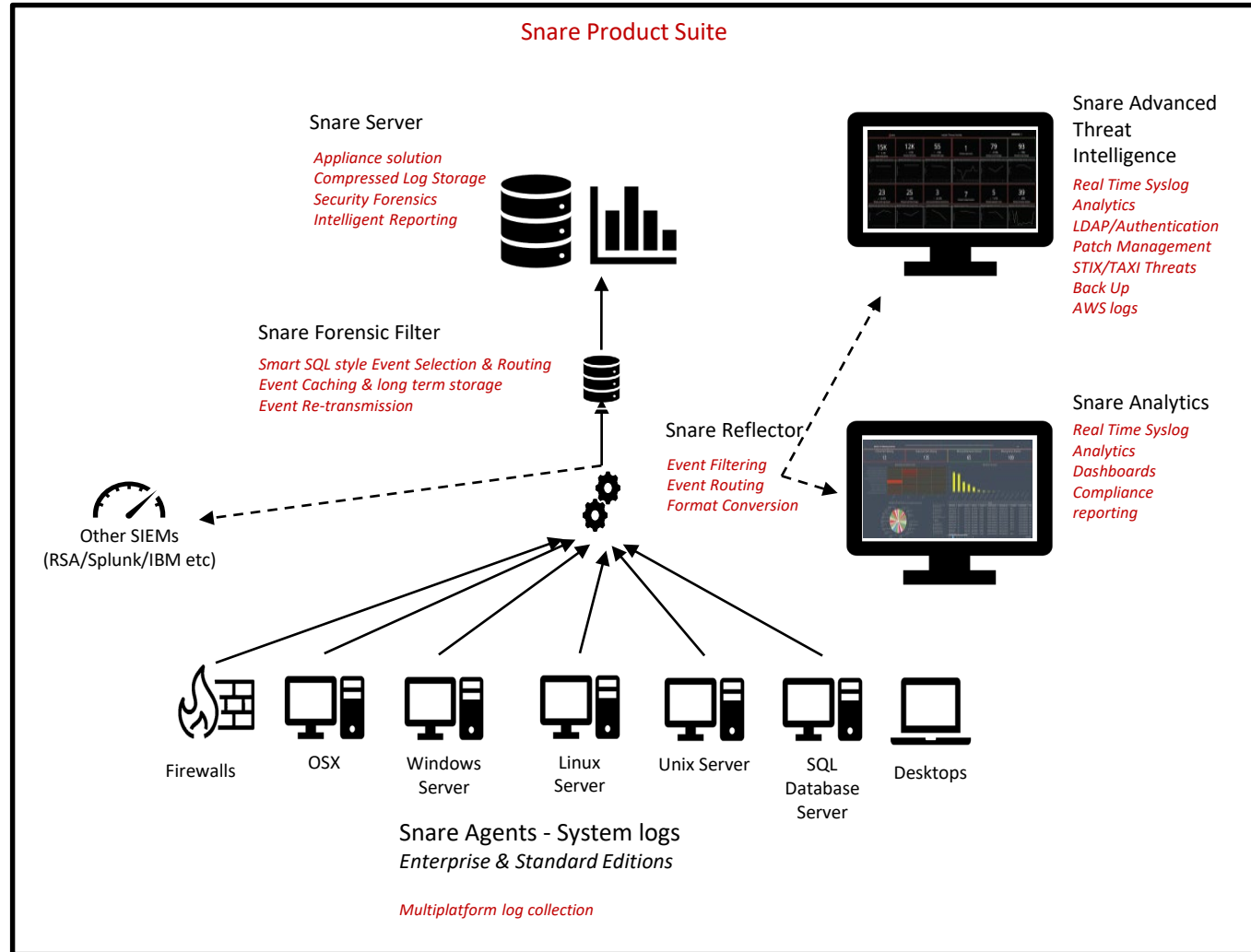**Snare Advanced Threat Intelligence**

Advanced Logging Analytics
Just Syslog data

Snare Analytics

Advanced Functionality
FIM/WEC
### Compliance

Snare Agents – Enterprise

Open source entry level
Log Transport

Snare Agents

Snare Product Suite

Snare Server

Appliance solution
Compressed Log Storage
Security Forensics
Intelligent Reporting

Snare Advanced Threat Intelligence

Real Time Syslog Analytics
LDAP/Authentication
Patch Management
STIX/TAXI Threats
Back Up
AWS logs

Snare Forensic Filter

Smart SQL style Event Selection & Routing
Event Caching & long term storage
Event Re-transmission

Snare Reflector

Event Filtering
Event Routing
Format Conversion

Snare Analytics

Real Time Syslog Analytics
Dashboards
Compliance reporting

Other SIEMs (RSA/Splunk/IBM etc)

Firewalls   OSX   Windows Server   Linux Server   Unix Server   SQL Database Server   Desktops

Snare Agents - System logs
Enterprise & Standard Editions

Multiplatform log collection

Snare Analytics & Advanced Threat Intelligence

A new threat detection & management solution combining eMite and Snare functionality into a new platform
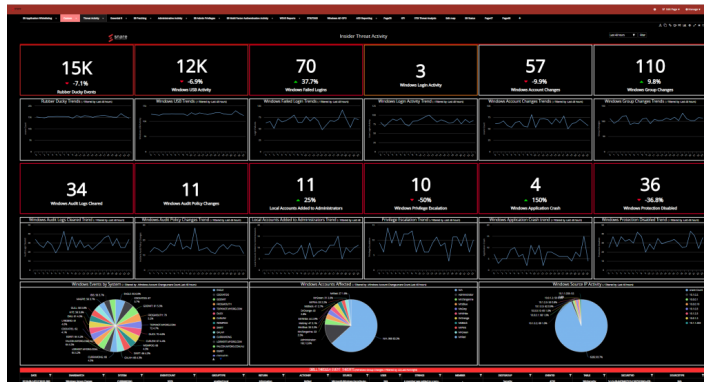
- New $1M+ Pipeline
- Average deal size of >$70K
- Upsell into Snare installed base

- Multiple data collectors
- Prebuild dashboards & reports
- Real time analytics
- On Premise, Hosted or SaaS versions available
- Perpetual of Subscription Licensing
- Works across all log sources, including cloud logs from AWS and O365 etc

Initial customer wins

Snare Partners

Achievements

Achievements

- >2,800 global cyber security customers

- >180 contact centre customers

- Global partnerships with Amazon Connect, Genesys and Telstra in CX

- Global partnerships with Verizon, SecureWorks, NTT in Security

- >65% of revenue from offshore

- True global presence

- Customer list of "names you know".

- Solutions available in English, Spanish, Chinese and Japanese

- On premise, cloud, SaaS or hybrid deployments

- Perpetual or Subscription licensing

Outlook

- Cloud contact centre market growing at >25% CAGR

- >10,000 customers in Genesys installed base

- Amazon Connect growing exponentially

- Additional CC vendors to pursue
- (Cisco/Avaya/Twilio etc)

- Cyber Security USD$1Trillion market over next 5 years

- Launch of new unique threat detection & management & security analytics platform completed!

- Strong and increasing compliance drivers – GDPR, Mandatory Data Breach, SOX, PCI, ISO27001 etc

- Strong product innovation pipeline

Why buy Prophecy?

- Global presence and customer base

- Increased momentum in customer acquisition

- Rapidly expanding markets

- Leverages drivers of IT spend in cloud, security and big data/analytics

- Global partnerships with major industry players

- Growing network of new partners

- Proven NEW management team

- Expanding sales coverage

- Growing revenues with no debt

- Multiple revenue streams and markets

- Subscription software model

Q&A

Thank you