



Prophecy International Holdings Ltd

(ASX:PRO)

Level 1, 76 Waymouth St
Adelaide SA 5000 Australia
Phone: + 61 8 8213 1200
info@prophecyinternational.com

Updated Investor Presentation

Authorised by: Brad Thomas, CEO

Investor and Media Contact:

Brad Thomas, CEO

M +61 419 697 359

E: bthomas@prophecyinternational.com

For more details visit

prophecyinternational.com
intersectalliance.com
eMite.com

Contact: info@prophecyinternational.com
or call +61 (08) 8213 1200

ASX: PRO

PROPHECY INTERNATIONAL HOLDINGS LTD
FY23 RESULTS INVESTOR PRESENTATION
AUGUST 2023



Prophecy International (ASX: PRO)



We are a leading Australian designer and developer of innovative business software and SaaS solutions (B2B and B2G), with global operations and expertise in cybersecurity and big data analytics.



We have developed a 40-year track record helping customers to secure the enterprise, repel cyber threats and deliver valuable business insights. We help companies make better decisions faster to protect and improve their operations.

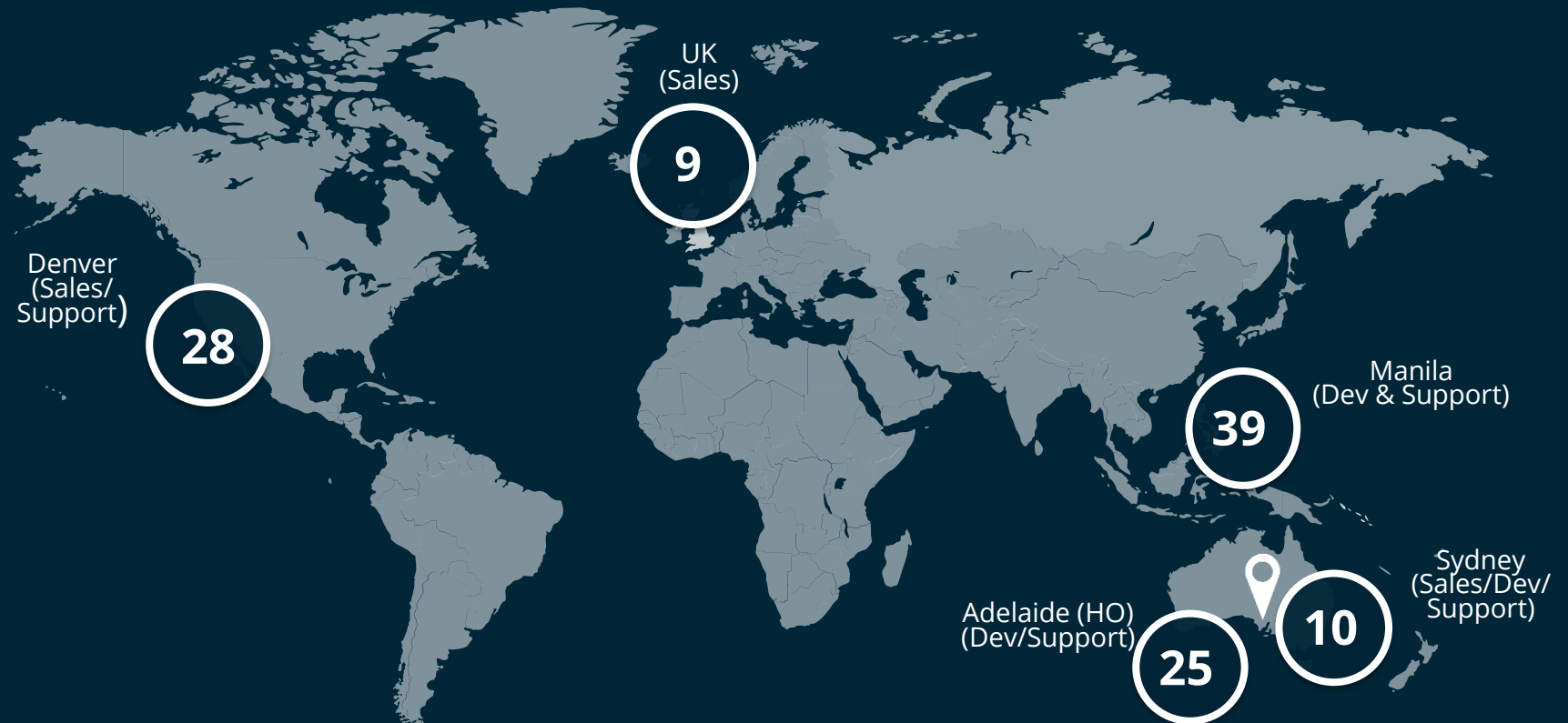


We are trusted by a broad spread of blue-chip clients across the banking, healthcare, government, defence, utilities, transport, manufacturing, retail and energy sectors.



Our software products, eMite and Snare, are deployed at more than 4,200 sites globally, with a customer base including some of the world's most powerful brands.

>4,200 client sites | 5 offices | 110+ employees & growing



>80% of FY23 revenue from international markets

Corporate Snapshot

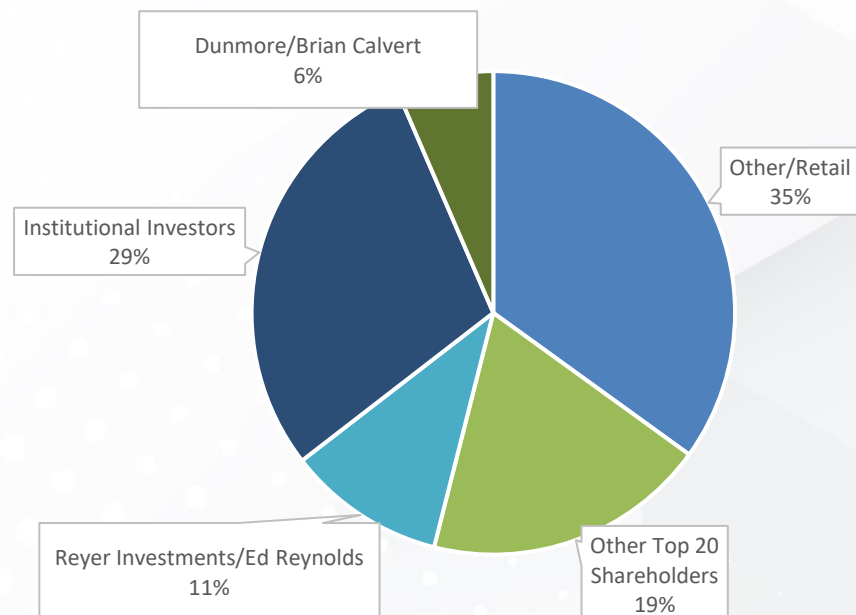
Key Statistics

ASX Stock Code	PRO
FY23 Revenue	\$19.6M
Cash Balance (30 June 2023)	\$11.8M
Debt	Zero
Share Price (29 August 2023)	\$0.60
Shares on Issue	73.6M
Fully Diluted Market Cap	\$44.2M

Key Management Personnel

Brad Thomas	Chief Executive Officer
Steve Challans	Chief Information Security Officer
Stephen Irecki	Chief Operations Officer
Peter Barzen	VP Sales Americas
Jamie Lind	VP Sales EMEA
Stuart Geros	VP Sales APAC

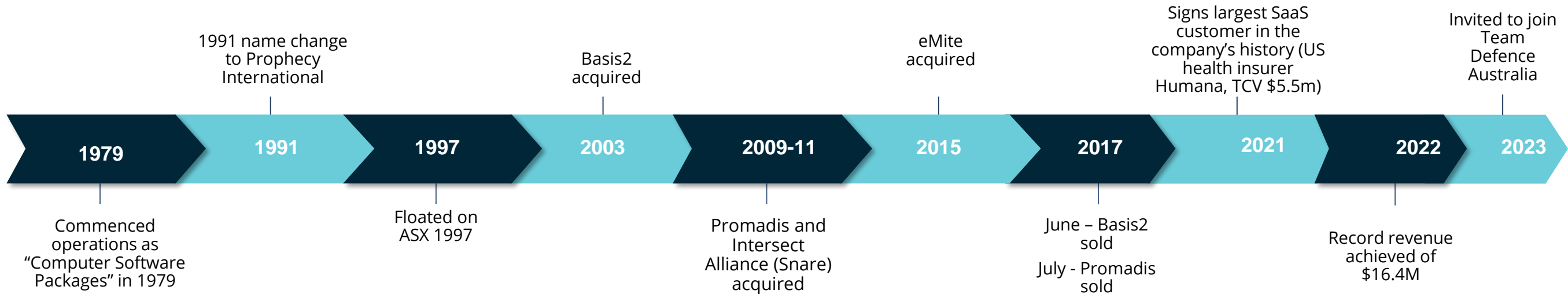
Shareholder Analysis



6-Month Share Price and Volume



Blue-Chip Repeat Customers, Attracted and Retained Over 40 Years

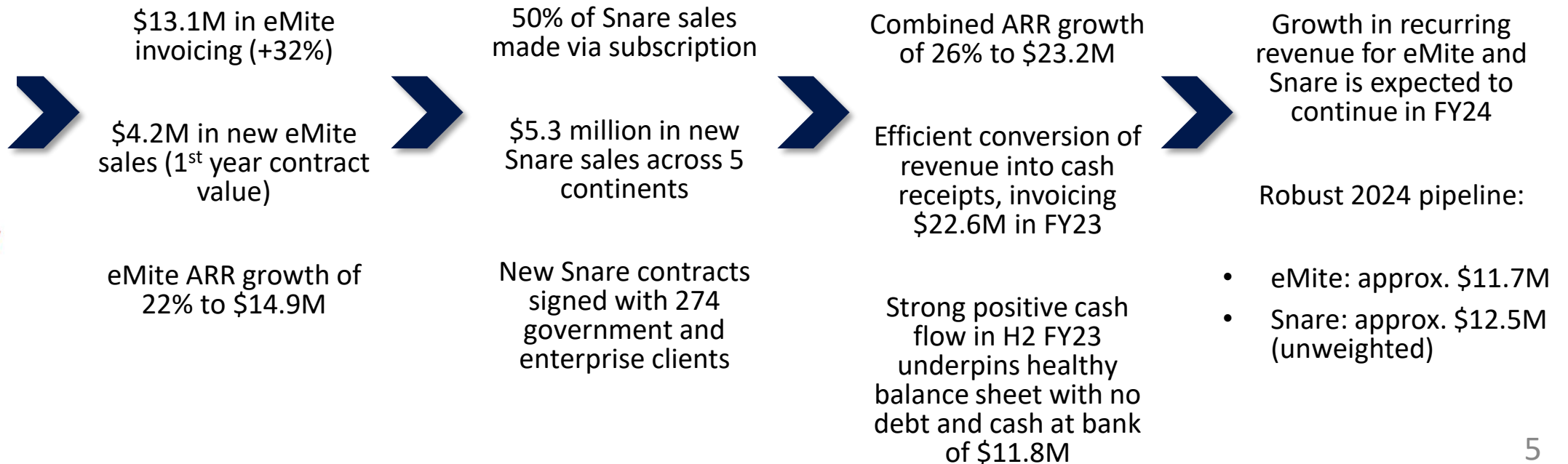


FY23 Performance

Strong growth with record levels of revenue and ARR, with a healthy FY24 pipeline across eMite and Snare



BAE SYSTEMS



FY23 Financial Highlights

Performance	FY23 Result	Prior period FY22	YoY change
Revenue	\$19.6M	\$16.4M	+19%
ARR	\$23.2M	\$18.4M	+26%
Invoicing	\$22.6M	\$20.9M	+8%
NPAT (Loss)	(\$2.5M)	(\$2.2M)	(\$0.3M)
Cash Flow	(\$1.1M)	\$2.9M	(\$4.0M)
Cash Balance	\$11.8M	\$13.0M	(\$1.2M)
Debt	Zero	zero	No change

- Robust growth in both recurring and total revenue
- Strong cash flow of \$2.0M in H2 FY23
- Hosting costs rose in H1 as more eMite customers were onboarded and Prophecy transitioned into the Oracle cloud environment
- Result reflects impact of transitioning Snare from a perpetual to recurring subscription licence model
- eMite is riding a significant growth trend, with hybrid and remote working set to accelerate cloud migration for the next several years
- Well funded and resourced to grasp growth opportunities

Focused Product Suite Serving Large Markets



*Advanced Data Analytics, Visualisations,
Correlation, KPI Management and Threshold Alerting*

Cloud-Based
Contact Centre
Market
USD\$10.3B
CAGR 22%¹

- Our segment within the Cloud Contact Centre market, Contact Centre Analytics, is projected to be worth \$2.9B by 2027 growing at a CAGR of 16.1%³



*Cyber Threat Detection, Security Information and
Event Management (SIEM) and Log Management*

Cyber Security
USD\$170B
CAGR 12.6%²

- Security Analytics Market will reach USD\$18.1B by 2024 growing at an 18.2% CAGR⁴
- Log Management Market is growing to USD\$3.3B by 2025 at a CAGR of 11.2%⁵

1: researchandmarkets.com <https://www.researchandmarkets.com/reports/4804258/cloud-based-contact-center-global-market>

2. Cybersecurity ventures <https://cybersecurityventures.com/cybersecurity-market-report/>

3. Verified market research <https://www.verifiedmarketresearch.com/product/global-contact-center-analytics-market-size-and-forecast-to-2025>

4. marketsandmarkets <https://www.marketsandmarkets.com/Market-Reports/security-analytics-market-1026.html#:~:text=The%20security%20analytics%20market%20size,18.2%25%20during%20the%20forecast%20period.>

5. KBV Research <https://www.kbvresearch.com/log-management-market/>

Actionable Insights in Real Time



eMite is our Customer Experience Analytics platform that combines advanced analytics, **data collection & correlation**, KPI management and threshold alerting into a single, scalable and powerful solution.



Provides actionable insights that bring both real-time and historical data to life.



eMite onboards data from many processes and systems then visualises it in an easily configurable interface.



Our SaaS cloud-based / on-premise solution now has more than 200 active customers, generating **\$14.9 million in annualised recurring revenue (ARR) for eMite.**



Latest eMite sales activity includes household name customer wins in UK, Europe, USA and Australia, spanning retail, utilities, auto manufacturing, health care, financial services, electronics and government.

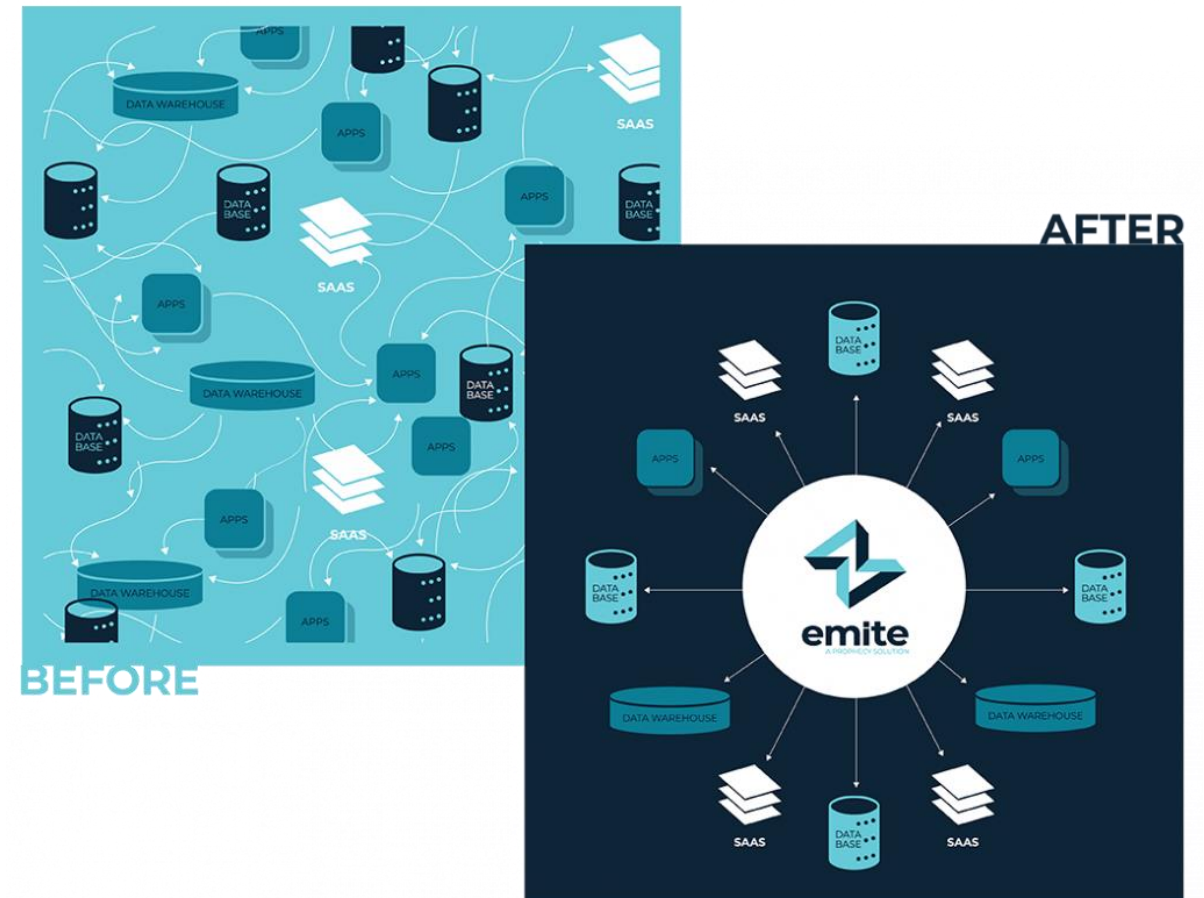


★★★★★ Jan 11, 2022 (Original Dec 28, 2021)

"eMite is greatness"

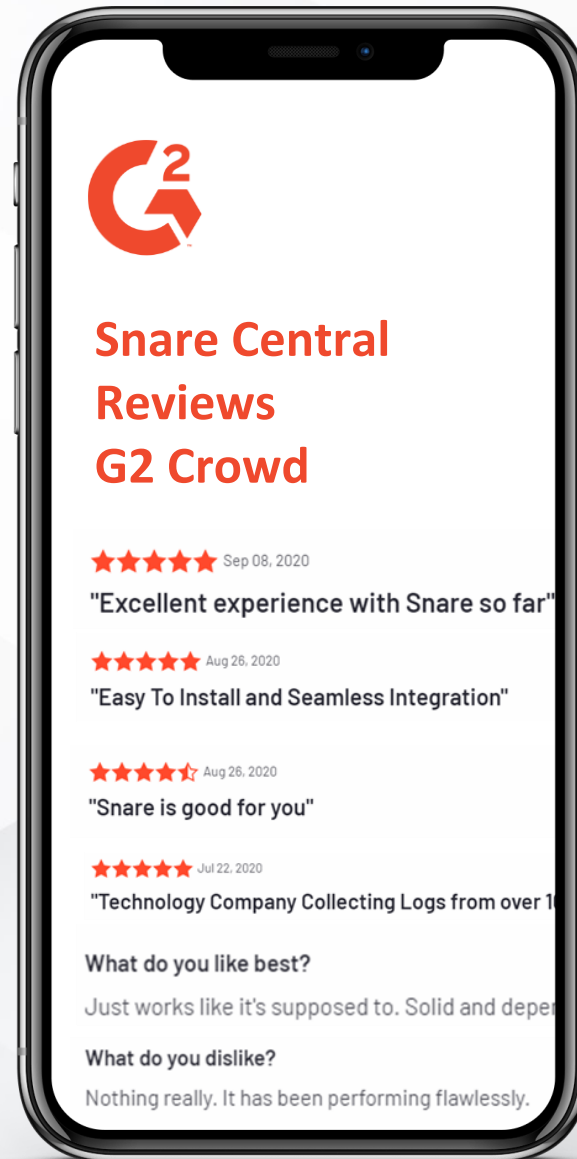
Expanding into adjacent data analytics markets through eMite iPaaS

- The data analytics landscape is evolving at a rapid pace, presenting a unique opportunity for growth. Generative AI, and increased understanding of the value data holds, is driving the need to integrate more sources in real time and continually adapt.
- Prophecy's release in June 2023 of an Integration Platform as a Service (iPaaS) solution for eMite enables the company to address more of the CX marketplace, include other vendor tools with Genesys and Amazon Connect and open our new integration capability to the entire CX ecosystem.
- eMite provides clear differentiation, enabling Prophecy to capitalise on this opportunity by seamlessly integrating with a broader range of data sources. This new data integration platform as a service enables us to provide our leading analytics capabilities to more Contact Center as a Service (cCaaS) solutions and expand into the wider data integration market.



Snare: Flexible Cybersecurity and Compliance

- Snare is our cybersecurity software product line, through which we provide **security monitoring, threat detection, security information and event management (SIEM)** and **centralised log management**. These are critical security controls recommended or mandated by various bodies including the Australian Government.
- Compliance, Forensics, Threat Hunting, Alerting, Reporting, Event Search
- Critical Infrastructure cyber reporting regulation in the USA, Australia and the UK driving demand for robust analytics , reporting and forensics capability.
- Modular products that work well with others; perpetual (capex) and subscription (opex) licensing models offered, with revenue generated through partners including Verizon, NTT, Secureworks and ATOS and more.
- Meet global compliance mandate like SOX, PCI DSS, NIST800-172, ISO27001, HIPAA, NERC and more.



Over 4,000 enterprise customers worldwide trust Snare to:



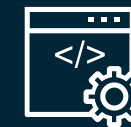
Protect Systems

Protect your systems from attacks, whether these be of a malicious, fraudulent or human error



Meet Requirements

Meet your organisation's own audit requirements for data protection



Achieve Compliance

Comply with demands from stakeholders, investors, gov't entities, customers or suppliers



Adhere to Standards

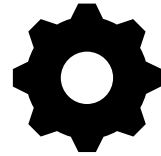
Adhere to all security standards

Snare Portfolio of Solutions



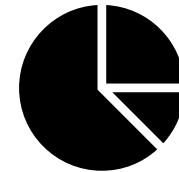
• End Point Data collection

- Event Logging, including:
 - Unix, Windows Server & Desktops, OSX, Linux
- Audit Controls
- Data Enrichment
- File changes – FIM & FAM
- Registry changes – RIM & RAM
- USB Monitoring
- Application Logs
- System Telemetry
- Database Activity Monitoring



• Enterprise Tools

- Snare agent management (Assets)
- End point security policy management
- Log format parser
 - 400+ formats
- Reflector
 - Simultaneous multicast
 - Enrichment
 - Noise Reduction



• Security Analytics & Centralised Log Management

- Cloud or On-Prem
- Air Gapped environments
- Industry leading Storage (~50:1 Compression)
- Real time Alerting
- Forensics & Analytics
- Report / Query Builder
 - Compliance Packs
- High Availability
- Cloud Logging (Azure/O365)
- Central management of Snare Centrals

New capabilities developed in FY23:

- **Snare Management Centre** - ability to monitor and manage multiple remote Snare Central servers
- **Cyber Network Map** – comprehensive analytics capability inside Snare Central to enhance threat detection
- **Cloud Log Collection** - enabling customers to collect logs from physical devices and cloud services (eg. Office 365, Azure Cloud)



Snare Progress and Growth Opportunities

Government, Defense & Military

- Strong and growing footprint with Military and Defense Prime Contractors
- Significant new opportunities in US and Europe
- Critical Infrastructure regulation increasing demand for Snare capability
- M21-31 logging standards for US Government



Managed Service Providers/MSSP & System Integrators

- Expand footprint with global MSSPs (currently NTT, Verizon, ATOS, Fujitsu, Cap Gemini, Vambrace etc)
- Establish and leverage partnerships in new countries and geographies, e.g. JTC in Japan

Upsell

- Penetration of existing account base with Snare Central and additional Agents
- New functionality driving higher value sales opportunities

Subscription Revenue

- Drive larger deals by selling the whole solution
- Average deal size continues to increase, despite moving to the subscription pricing model, to \$18K
- Managed transition of the Snare business to recurring subscription-based licensing will continue

>50% of new sales have moved to subscription licensing, delivering FY23 ARR of \$4.2M, +138%

Establishing & expanding new partnerships with Optus, Novacoast, Fujitsu ANZ, IBM

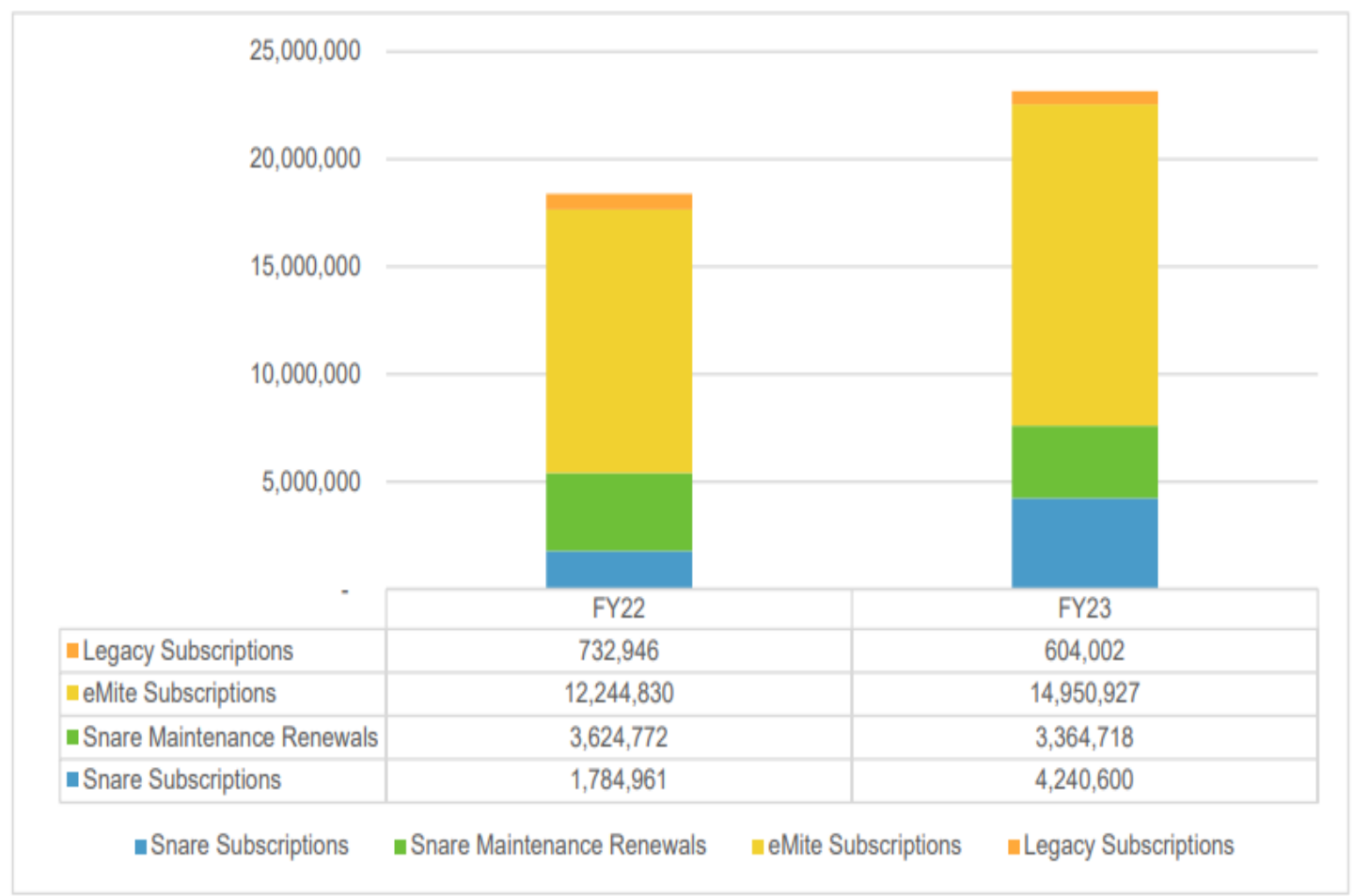
Significant opportunities with Government in Australia, UK and USA

\$12.5M in 2024 Snare pipeline, primarily subscription



Delivering Long Term Growth

- Annualised recurring revenue (ARR) grew to \$23.2 million as at 30 June 2023
- Invoicing of \$22.6M achieved in FY23, with \$2.0M of positive cash flow generated in H2
- New logo accounts acquired in FY23 through diverse new client wins, including the Australian Tax Office, BAE Systems, Northrop Grumman and Macy's
- Sales partnerships established earlier in FY23 with JTC, Optus, Fujitsu and Novacoast are beginning to yield customer wins and expand Prophecy's pipeline opportunities locally and in global markets
- Market tailwinds remain positive for continued expansion in both CX data integration & analytics and Cyber Security
- Debt-free balance sheet with cash of \$11.8M, sufficient to fund continued growth in FY24



Investment Highlights

Diverse revenue streams providing cloud and on-premise enterprise solutions, with a focus on essential service segments (cybersecurity and cloud contact centres)

Large addressable target markets with clear strategy to boost penetration through new and existing customers across all industries

Pursuing opportunities to accelerate growth and increase capability, capacity and coverage

A global book of sticky business with a broad spread of blue-chip clients with rising revenue & ARR growth

Targeting **scalable growth and margin expansion** through continued focus on subscription-based SaaS licensing revenue

Snare and eMite both benefit from **strong market positions** and multi-year industry tailwinds

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LANDSCAPE REVIEW



THANK YOU

FOR MORE INFORMATION, PLEASE CONTACT:

BRAD THOMAS, CEO

E: BTTHOMAS@PROPHECYINTERNATIONAL.COM

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