

Q4 FY24 Business Growth Update

ASX: PRO
Market Announcement

Highlights:

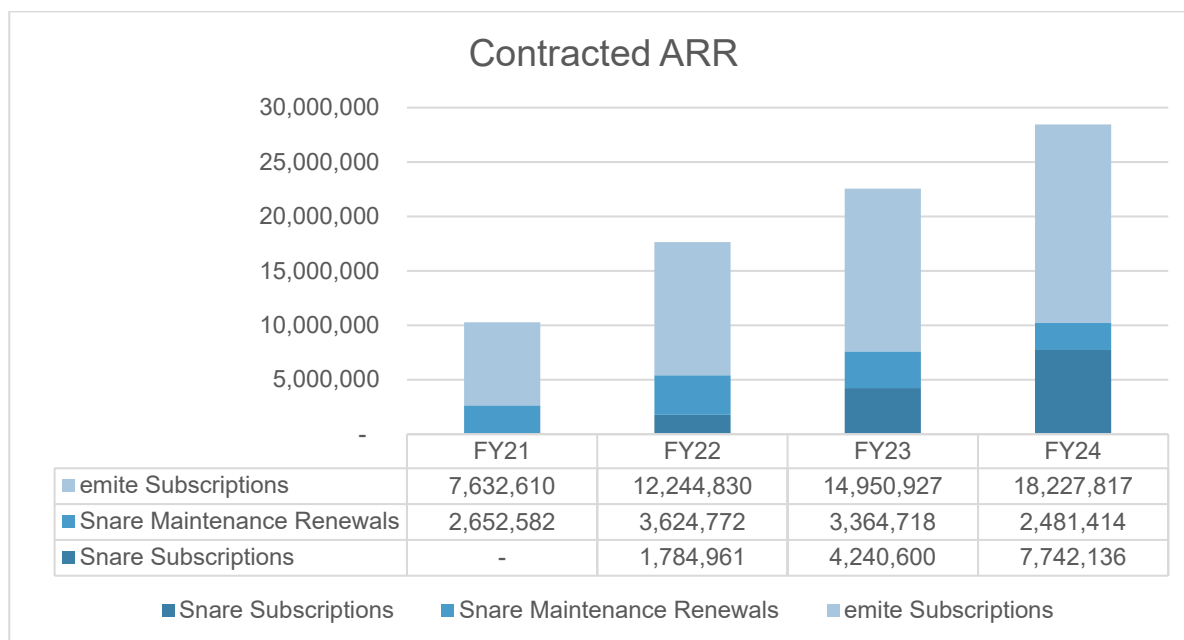
- **Revenue (unaudited and preliminary) up 18.3% YoY to \$23.2M**
- **Contracted ARR +26.1% year-on-year (YoY) to \$28.4M (excluding Legacy)**
- **FY24 invoicing +15.2% YoY to \$26.1M**
- **Neutral to positive cash flow expected in FY24**
- **Strong progress and positive outlook for strategic partnership with Devo Technology, adding approximately \$1.6M of new contracted ARR to the end of FY24. All new Devo customers are now being provided with Snare, and successful migration of all of Devo's existing customers to Snare would result in a potential increase in contracted ARR of \$5M**
- **Cash of \$11.8M at 30 June 2024 (up from \$10.9M at 31 December, cash flow neutral during FY24 and positive in H2 FY24) with zero debt**

Sydney — 18 July 2024 — Business software developer Prophecy International Holdings Ltd (ASX: PRO, "Prophecy" or "the Company") is pleased to advise of continued financial and operational progress across its business units in Q4 FY24.

Business Momentum

Steady growth in sales continues to underpin expansion in the Company's base of contracted annualised recurring revenue ("ARR"). As at 30 June 2024, the Company's base of contracted ARR accelerated to \$28.4M, up 26.1% year-on-year ("YoY"). This was materially grown by customers generated through the Devo Technology ("Devo") partnership first announced on 24 January 2024, and also boosted by incremental growth in emite sales to Services Australia.

Prophecy continues to deliver consistent growth in cash receipts, increasing invoicing 15.2% YoY to \$26.1M in FY24. The Company expects to be cash flow neutral in FY24 and continues to expect an EBITDA loss for the period, targeting positive EBITDA in FY25. The Company's cash position at 30 June 2024 was \$11.8M, with zero debt and receivables of \$3.0M.



emite Performance

Prophecy's focus on marketing through both the Genesys and Amazon Connect contact centre technology ecosystems continues to deliver growth in contracted sales for emite, the Company's SaaS-based customer experience and contact (call) centre analytics platform.

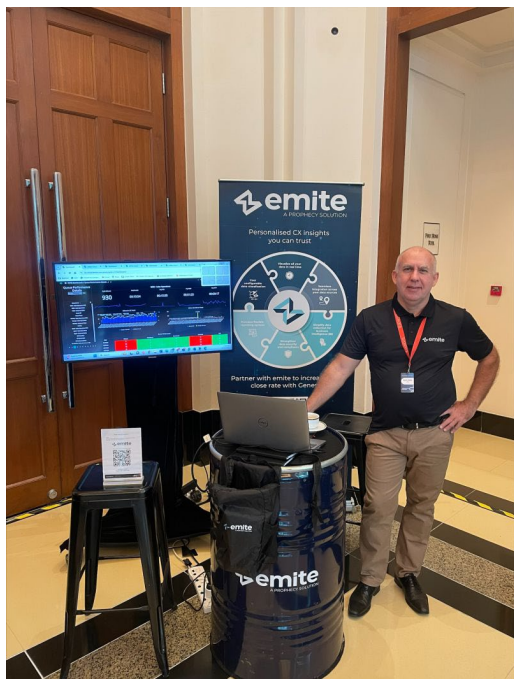
New emite customer contracts signed during the quarter are expected to push emite revenue to record levels. This included a 6-year, \$10.7 million contract during the quarter to provide emite to Optus Networks Pty Ltd ("Optus") for Services Australia as part of Services Australia's migration from its legacy on-premise contact centre to a new cloud-based CXOne platform.

This agreement will represent a net increase of approximately \$1.1M in ARR to emite once deployed.

Prophecy's ongoing contract to provide emite to the Australian Tax Office also supported revenue growth.

Prophecy's release in June 2023 of an Integration Platform as a Service ("iPaaS") solution for emite has enabled the Company to address more of the CX (Customer Experience) marketplace and include other vendor tools with Genesys and Amazon Connect. iPaaS opens the Company's new integration capability to the entire CX ecosystem, addressing opportunities such as ZenDesk, TalkDesk and others, including CXOne as demonstrated with Optus/Services Australia. This data iPaaS also enables Prophecy to provide its leading analytics capabilities alongside more Contact Center as a Service (cCaaS) solutions and expand into the wider data integration market.

During the quarter, Prophecy commenced a re-architecture of emite to enable greater scale for large customers and to improve efficiency and reduce COGS, thus increasing future gross margins. This activity will be capitalised on the balance sheet.



Stuart Geros , VP Sales APAC at Genesys Partner Conference in Thailand

In May, the Company attended a key emite customer events including Genesys Xperience, in Denver, as well as the Amazon Connect User Group event in London and the Genesys Partner Conference in Asia which provided an ideal opportunity to market the iPaaS solution and grow sales.

With a 12-month emite potential sales pipeline (unweighted) valued by the Company at \$7.6M, Prophecy holds a positive view for continued growth in this segment as a broader set of customers recognise emite's ability to help businesses manage their data in the cloud and visualise and understand their customer's journey.

Snare Performance

Through Snare, the Company's cybersecurity software product, Prophecy provides critical government recommended or mandated security controls, including cyber threat detection, security information and event management ("SIEM") and a comprehensive security data engine. In Q4 FY24, the Company continued to deliver Snare to its contracted government and enterprise customers across multiple geographies, while continuing to build on its momentum in the Middle East and building out its strategic partnership with Devo. The partnership has seen Devo adopt Snare as its new endpoint technology to enhance data collection and increase visibility through the Devo Security Data Platform. The ingestion-based pricing model for Snare does not require any selling effort from Prophecy and continues to ramp up as the Company penetrates Devo's customer base. Devo and Prophecy intend to migrate all of Devo's existing and new customers to Snare, with the majority of customers expected to be migrated by the end of FY25.

Prophecy has now generated additional Snare contracted ARR of \$1.6 million through this partnership. This includes data volumes ingested for existing Devo customers, plus all newly added customers, as well as upgrades sold to incorporate additional Snare modules. The Company expects most revenue to commence in FY25 and thus it will have little impact on the Company's FY24 results. Prophecy continues to expect Devo to increase the Company's growth rate of contracted ARR, with new Snare revenue anticipated to track Devo's total revenue growth rate once fully deployed. Following the successful start to its partnership with Devo, the Company has identified the potential to establish similar OEM relationships with Security

Analytics and SIEM vendors and managed security service providers. The Devo relationship complements other recently signed Snare distribution partnerships, like Carahsoft Technology Corp, Prophecy's first Snare distributor in the US with a focus on government and defense.

The Company is pleased with progress to date under its partnership with Oracle to co-sell Snare, as well as emite. As one of only five independent software vendors from the APAC region chosen for Oracle's Global Co-Sell Program, Prophecy is able to benefit from Oracle financially incentivising its sellers and partners to



Prophecy CEO Brad Thomas at RSA Conference in San Francisco

promote Snare and emite to their own customers and partners.

The Company attended key Snare customer events in Q4 FY24 – RSA in San Francisco in May with AusTrade as part of Team Defence Australia, followed by Infosec Europe in London in June – with both providing opportunities to market the Company's capabilities and recent successes.

Prophecy has identified a 12-month Snare potential sales pipeline (unweighted) valued at \$15.2M of both

perpetual and subscription sales opportunities. Beyond this pipeline, Snare remains a member of various consortia in a number of large bids for US Federal Government and defence contracts that are yet to be awarded. Prophecy maintains a positive view for continued growth in Snare's business as the market for flexible cybersecurity and compliance solutions continues to expand.



Snare EMEA Team at Infosec UK in London

Legacy customer agreements have been finalised and there will be no further legacy revenue after the close of the FY24 financial year.

FY25 Business Priorities

Prophecy's key focus areas for FY25 include the following priorities:

- Continue to expand sales and marketing to address growth opportunities in global markets
- Increase emite sales to large enterprise customers through both Genesys and Amazon Connect, whilst also expanding into the broader CX market space outside of Genesys and Amazon
- Increase penetration of Snare products with new and existing customers, focusing on opportunities for Snare in Federal Government and defence in the US

- Increase Snare partner revenue from security services partners including SIEM Vendors (“OEM”) System Integrators, MSSPs (“Managed Security Service Provider”), Security Operation Centre (“SOC”) providers and Extended Detection and Response (“XDR”) platform providers
- Deliver the strong pipeline of product innovation already in progress for both Snare and emite
- Continue the managed transition of the Snare business to recurring subscription-based licensing

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[About Prophecy International Holdings Limited](#)

Prophecy International Holdings Limited (ASX: PRO) is a leading Australian designer and developer of innovative business software. Through its two products, Snare and emite, Prophecy serves the large and growing global markets of Cloud Data Management, Contact Centre Analytics and Cyber Security.

Emite provides a SaaS-based real time and historical analytics platform for customer experience in contact centre environments. It provides fast, accurate visibility into operational metrics that drive contact centre performance outcomes and superior customer service without adding pressure to busy business intelligence (“BI”) and management information (“MI”) teams.

The Snare product suite is a highly scalable Security Data Engine including Centralised Log Management and Security Analytics products designed to enable customers to detect and manage cyber threats in real time and maintain regulatory compliance. It empowers customers to seamlessly detect threats as they emerge and review past events that may have led to system misuse.

Prophecy operates globally from Adelaide and Sydney in Australia, Manila in the Philippines, London in the United Kingdom and in Denver, USA.