

ASX: PRO

PROPHECY INTERNATIONAL HOLDINGS LTD

INVESTOR PRESENTATION
ANNUAL GENERAL MEETING

NOVEMBER 2024



Access to the Computershare Online Voting Platform



Website: <https://meetnow.global/MV96PZV>

Enter your Holder Identification Number (with an “I” or “X” prefix)

Enter the postcode of your holding for Australian holders or select the country for non-Australian holders

Accept the Terms and Conditions and click “Continue”

Online Voting Process



Click the “Vote” icon

Select one of the voting options (as shown in the below example)

| | | | |
|--|---|---|---|
|  |  |  |  |
| Broadcast | Vote | Q & A | Documents |
| Items of Business | | | |
| 2A Re-elect Mr John Brown as a Director | | | |
| FOR | AGAINST | ABSTAIN | |
| 2B Re-elect Mr Peter Nolan as a Director | | | |
| FOR | AGAINST | ABSTAIN | |

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.

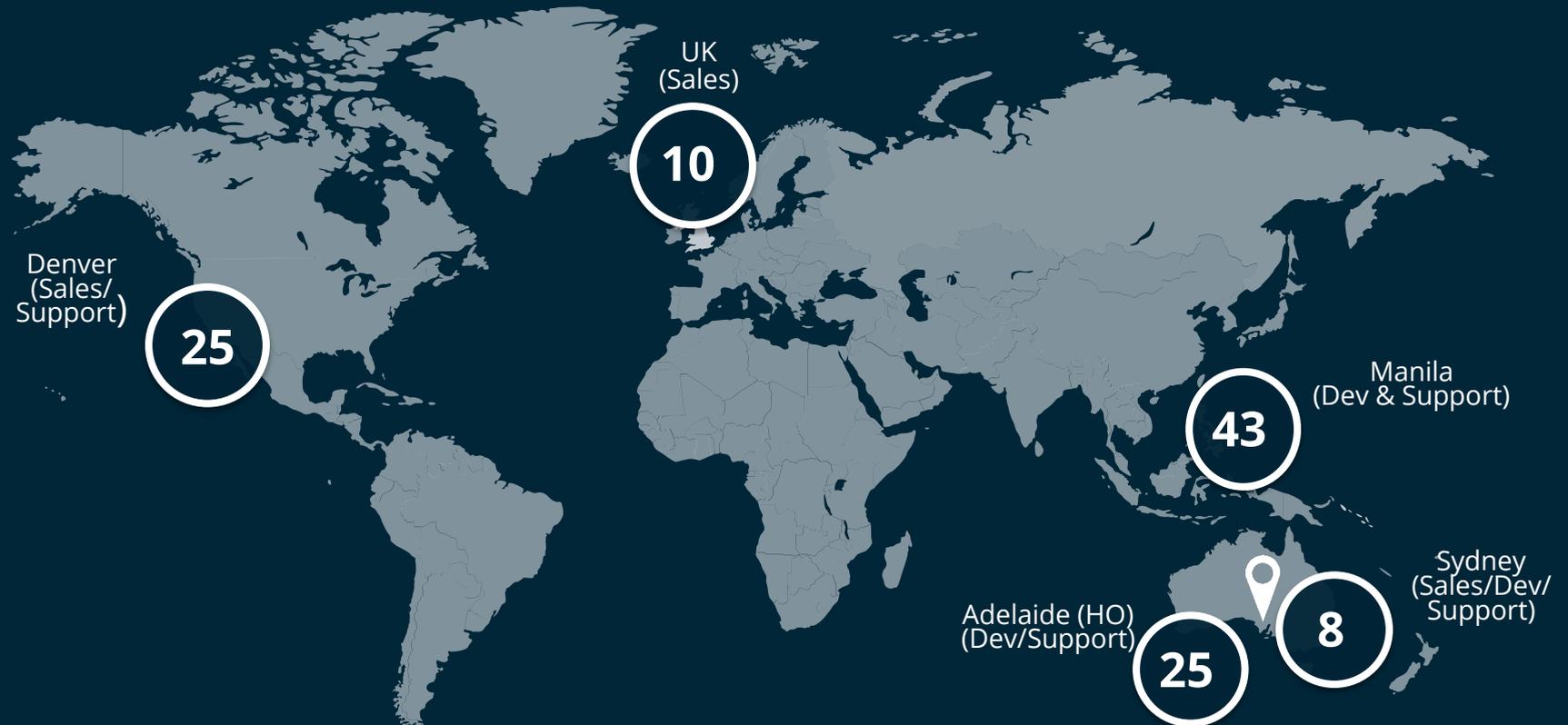


We are trusted by a broad spread of blue-chip clients across the banking, healthcare, government, defence, utilities, transport, manufacturing, retail and energy sectors.



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 FY24 revenue from international markets

Corporate Snapshot

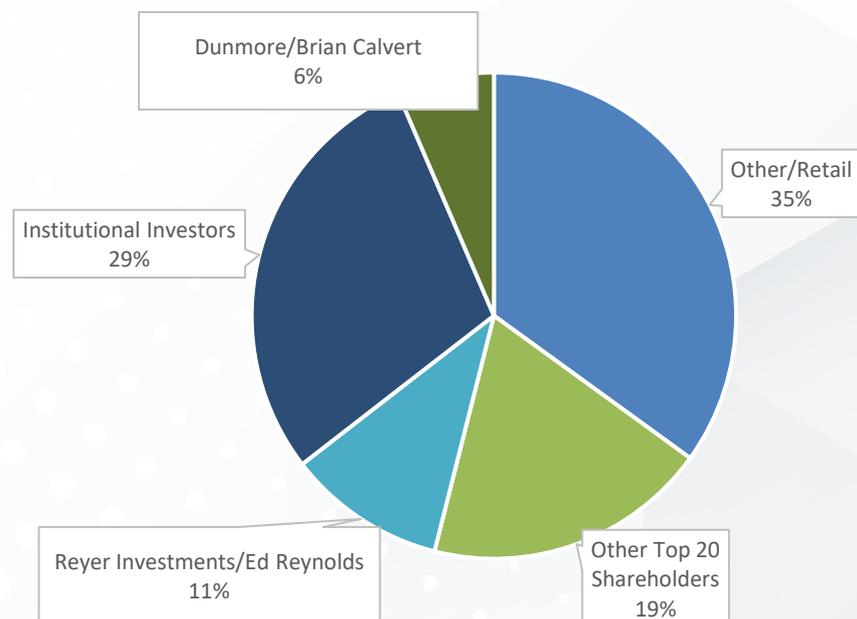
Key Statistics

| | |
|----------------------------------|---------|
| ASX Stock Code | PRO |
| FY24 Revenue | \$22.9M |
| Cash Balance (30 September 2024) | \$7.8M |
| Debt | Zero |
| Share Price (26 November 2024) | \$0.535 |
| Shares on Issue | 73.6M |
| Fully Diluted Market Cap | \$39.4M |

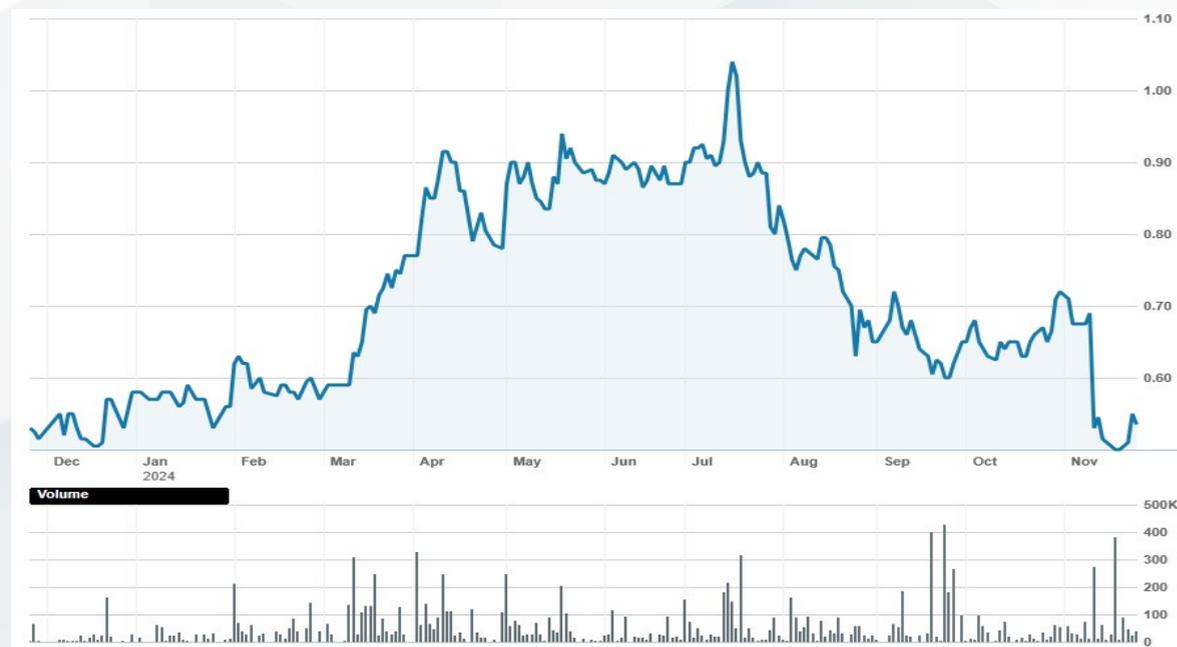
Key Management Personnel

| | |
|-----------------|------------------------------------|
| Brad Thomas | Chief Executive Officer |
| Steve Challans | Chief Information Security Officer |
| Stephen Irecki | Chief Operations Officer |
| David Russell | VP Sales EMEA |
| Stuart Geros | VP Sales APAC |
| Suzanne Laycock | Chief People Officer |

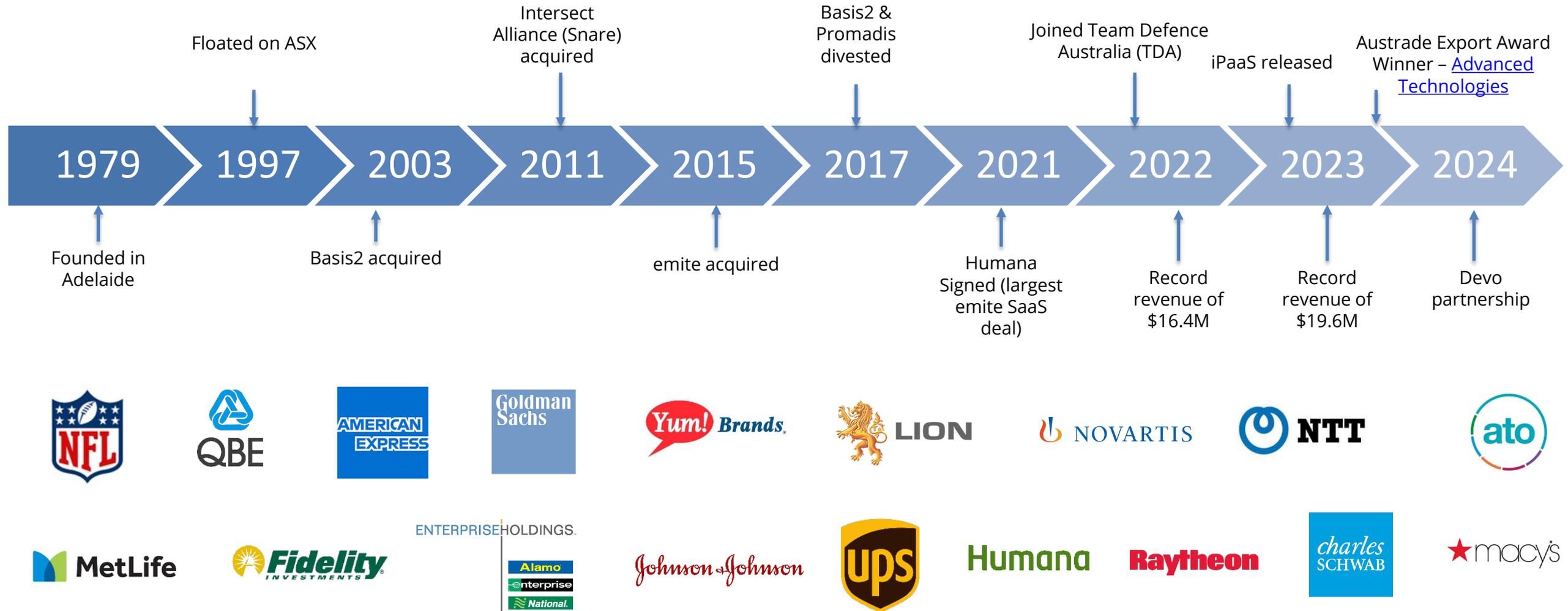
Shareholder Analysis



12-Month Share Price and Volume



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



FY24 Performance

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



FY24 emite revenue of \$13.9M (+28% on PCP), with growth supported by 6-year, \$10.7M contract with Services Australia via MSA with Optus

\$5.9M in new eMite sales (1st year contract value), +42% on PCP

eMite contracted ARR \$15.4M, +33% on PCP

\$7.7M in Snare subscription revenue

\$5.7 million in new Snare sales (subscription and perpetual license) across a range of global regulated and critical industries

DEVO
New contracted ARR of \$1.6M through strategic partnership with Devo

Group contracted ARR growth of 30% to \$25.0M

Efficient conversion of revenue into cash receipts, invoicing \$26.1M in FY24 (+15% on PCP)

Cash flow breakeven for FY24 with positive cash in H2; debt-free with cash of \$11.7M as at 30 June 2024

Growth in recurring revenue for emite and Snare is expected to continue in FY25

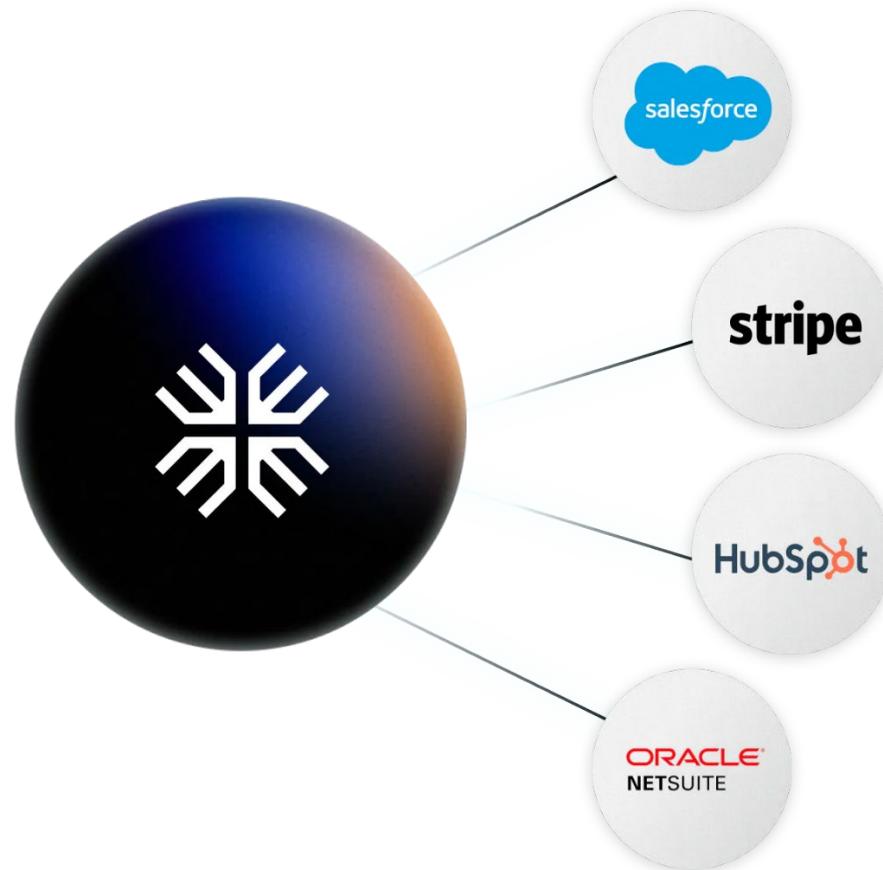
Robust FY25 pipeline as at November 2024:

- eMite: approx. \$10.9M (1CV unweighted)
- Snare: approx. \$12.4M (unweighted)

Improvements to emite contracted ARR reporting

- As part of its deployment of new billing and contract management software, Prophecy's internal reviews recently revealed some historic data discrepancies in its unaudited, non-IFRS contracted ARR values.
- These discrepancies were restricted to the emite business and resulted from:
 - some contracts not attaining their initial contracted values,
 - some contracts having incorrect product codes categorising one-off fees as recurring, and
 - some contracts not being flagged as cancelled at the time that the contract ended.
 - Genesys agreements in particular can have a significant delay in 'ramp up' between the time that Prophecy secures a customer agreement (contracted ARR) and the time that the company invoices the full value of the committed annual amount (invoiced or actual ARR).
- Rectifying these discrepancies saw emite's contracted ARR position at end FY24 move to \$15.4M (vs \$18.2M previously reported), and at end FY23 \$11.6M (vs \$14.9M previously reported).
- The strong FY24 emite contracted ARR growth of 33% demonstrates the ongoing commercial success of emite.
- This change does not impact reported revenue, sales contract values, cash flow, cash balances or income in advance.

What we have done to improve ARR reporting



- Prophecy has signed an agreement to implement Maxio Metrics, the most comprehensive SaaS metric reporting platform for B2B SaaS companies.
- Maxio Metrics provides all the tools required for Prophecy to gain unbiased, objective insight into its SaaS metric improvement opportunities. It enables consistent and accurate metrics reporting while also handling complex use cases seamlessly, including contract changes, mid-month start dates and delays between booking and subscription start dates.
- The Company is pleased to secure a solution which provides a single point of truth for all revenue recognition, SaaS billing and financial operations needs as Maxio Metrics eliminates complexity, breaks down data silos and offers scalable support for the anticipated growth of emite and Snare.

FY24 Financial Highlights

| Performance | FY23 Result | FY24 Result | YoY change |
|------------------------|-------------|-------------|------------|
| Revenue | \$19.6M | \$22.9M | +17% |
| Contracted ARR | \$19.2M | \$25.0 M | +30% |
| Invoicing | \$22.6M | \$26.1M | +15% |
| Cash Flow | (\$1.3M) | \$0.0M | +\$1.3M |
| Cash Balance | \$11.7M | \$11.7M | Breakeven |
| NPAT (Loss) | (\$2.5M) | ~(\$4.2M) | -\$1.7M |
| Deferred Income | \$9.7M | \$11.4M | +17% |
| Debt | Zero | Zero | No change |

- Continued strong organic growth in both contracted recurring and total revenue
- Continued efficient conversion of revenue into cash: invoicing +15% on PCP
- Result reflects the impact of moving Snare to a primarily recurring subscription-based model, which is continuing to transition and resonate well with customers
- Increase in hosting was the primary contributor to the final COGS and Expense number. Set to be mitigated through investment in a new version of the emite application architecture to remove approximately \$700K/yr in costs
- Cash flow breakeven in FY24 with positive operating cash generated in H2 FY24
- Market tailwinds positive for continued expansion in Cloud Data Management, CX Analytics & Cyber Security

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.



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.



Our SaaS cloud-based / on-premise solution now has more than 200 active customers, generating **\$15.7 million in contracted annualised recurring revenue (ARR) for eMite.**



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

"eMite is greatness"

Expanding into data analytics through eMite iPaaS

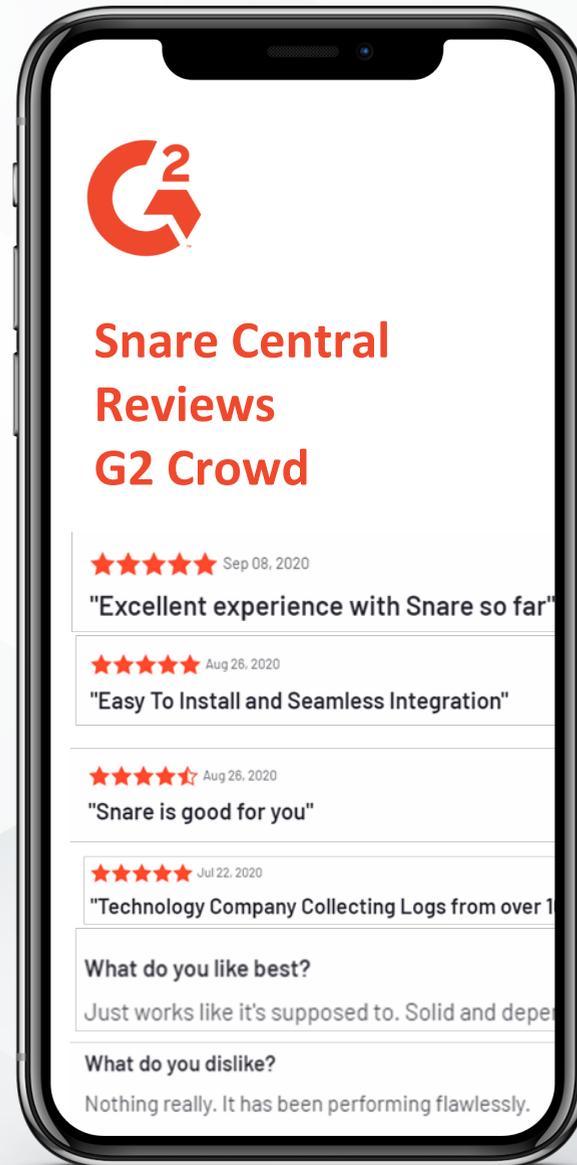
- The data analytics landscape is evolving at a rapid pace, presenting a unique opportunity for growth. Generative AI, and increased understanding of the value data holds, is driving the need to integrate more sources in real time and continually adapt.
- Prophecy's release at the beginning of FY24 of an Integration Platform as a Service (iPaaS) solution for emite empowers users to customise their data integration workflows to fit their exact requirements. This ensures that customers can seamlessly integrate their data from various sources and adapt the system to their unique business needs.
- iPaaS enables Prophecy to include other vendor tools with Genesys and Amazon Connect to address more of the CX marketplace and provide its leading analytics capabilities to more Contact Center as a Service (cCaaS) solutions, allowing expansion into the wider data integration market.
- First iPaaS customer signed in December 2023: Just Eat Takeaway.com N.V., streamlining everyday customer interaction across all channels for Menulog, Grubhub, Just Eat and Takeaway.com

Emite iPaaS explained – [click here](#) to view 1 minute video



Snare: Flexible Cybersecurity and Compliance

- Snare provides best-in-class **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:



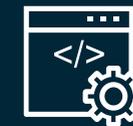
Protect Systems

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 Progress and Growth Opportunities

Government, Defense & Military

- Strong and growing footprint with Military and Defense Prime Contractors
- Critical Infrastructure regulation increasing demand for Snare capability in US, Europe and elsewhere



INVESTCORP



Managed Service Providers/MSSP & System Integrators

- Expand footprint with global MSSPs & SIEM/XDR vendors
- Establish and leverage partnerships in new countries and geographies
- Leverage Devo to acquire other vendor partnerships and MSSP's

Upsell

- Penetration of existing account base with Snare Central, Agent Management and Reflector
- New functionality driving higher value sales opportunities

Subscription Revenue

- Drive larger deals by selling the whole solution
- Continue managed transition of Snare to recurring subscription-based licensing
- New data ingestion-based pricing model successfully introduced

>80% of new Snare sales have moved to subscription licensing, delivering FY24 contracted ARR of \$7.7M, +83% on PCP

Establishing & expanding new partnerships with Devo, Optus, Novacoast, Fujitsu, Commitsolutions

Significant opportunities with Government in Australia, UK, Singapore and USA

\$12.4M in FY25 Snare pipeline (unweighted), primarily subscription licensing opportunities



Partner-Led Growth

New revenue-generating partnerships secured in FY24.

An increasing amount of Prophecy's new business is now driven by previously announced Snare channel partners, including Fujitsu UK, NTT globally, Verizon and Novacoast in the US and Jupiter Technology Corp in Japan.



- Partnership with US-based cloud security analytics platform provider, Devo Technology, sees Prophecy supply Snare logging software to Devo for all of their customers.
- \$1.6M in contracted ARR added since partnering in January 2024 (ahead of plan), reflecting data volume ingestion for existing Devo customers, plus newly added customers, as well as upgrades sold to incorporate additional Snare modules.
- Devo intends to migrate all existing and new customers to Snare, with most customers to be migrated by the end of FY25. Existing Devo customers = \$5M contracted ARR opportunity.



- Oracle has commenced promoting Snare and emite to its customers and partners through its Global Co-Sell Program, having chosen Prophecy as one of only five APAC-based independent software vendors.
- The partnership provides privileged access to more than 430,000 Oracle customers and has begun to accelerate Prophecy's global business development.



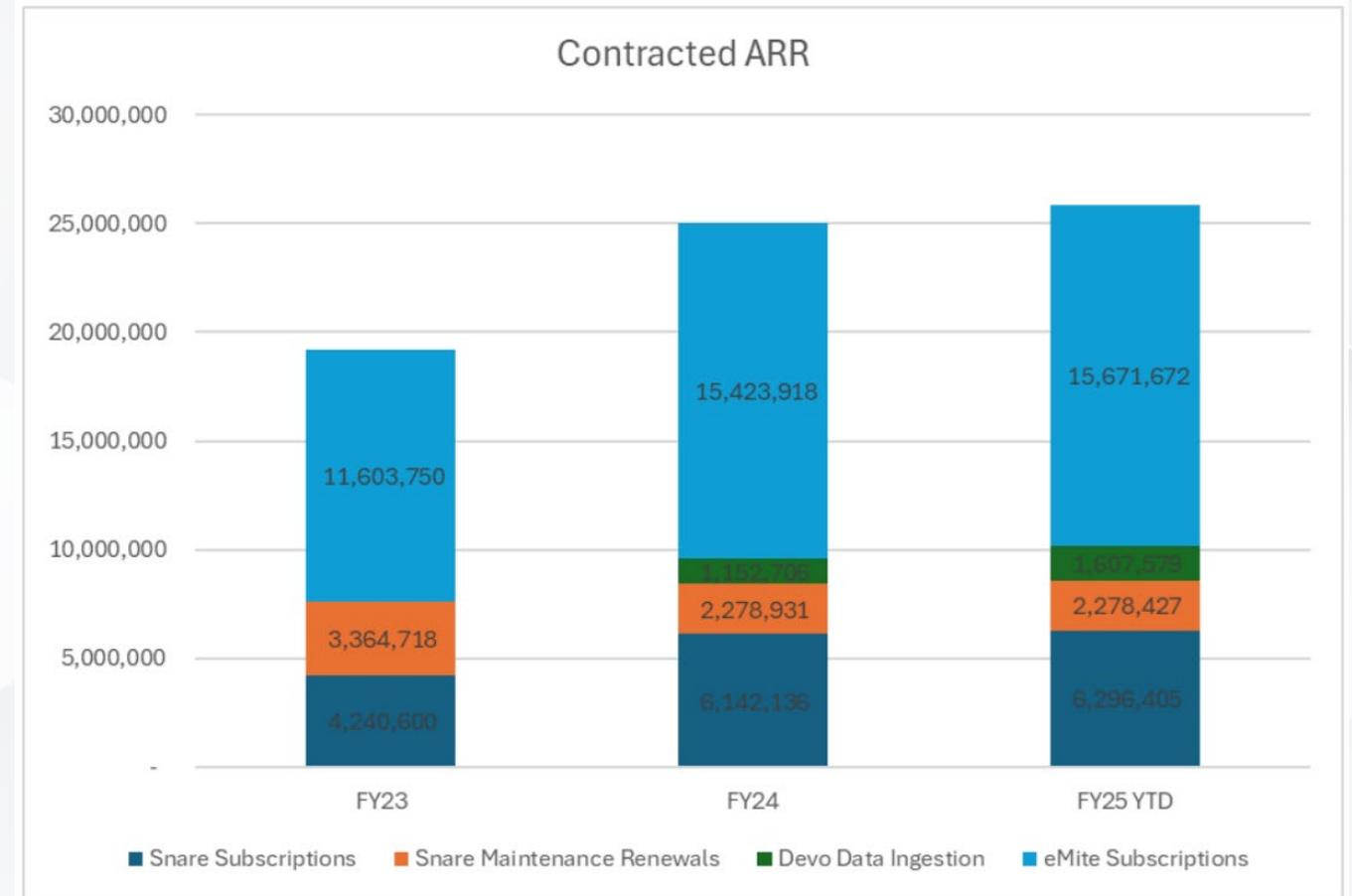
- Distribution partnership signed with Carahsoft Technology Corp, Prophecy's first distributor in the US with a focus on Government & Defense.
- Carahsoft is a trusted US and Canadian Government IT solutions provider, supporting public sector organisations through hundreds of contracts across Federal, State and Local Government agencies and the Education and Healthcare markets.
- Prophecy has transacted business through Carahsoft throughout FY24, boosting sales growth for both Snare and emite.



- The AWS ISV Accelerate Program is a co-sell program for organizations that provide software solutions that run on or integrate with AWS. The program helps you drive new business and accelerate sales cycles by connecting participating independent software vendors (ISVs) with the AWS Sales organization.
- The ISVA program will help Prophecy to drive new business for emite by directly connecting the company with the AWS sales organisation for co-selling opportunities to meet customer needs through collaboration with AWS field sellers globally

Delivering Long Term Growth

- Contracted annualised recurring revenue (ARR) grew by 30% in FY24 and on to \$25.8 million as at 30 September 2024
- Conversion of revenue into cash remains robust and continues to improve
- Sales partnerships recently established 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 \$7.8M as at 30 September 2024, plus receivables of \$2.1M. Cash flow is seasonal as a majority of annual company expenses fall into Q1 and the majority of large receivables fall into H2



High-profile recent customer and partner wins across the business:



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

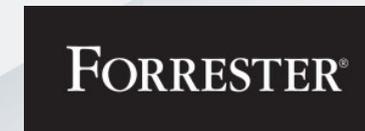
Pursuing opportunities to accelerate growth and increase capability, capacity and coverage

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

Featured in:



THANK YOU

FOR MORE INFORMATION, PLEASE CONTACT:

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