**INNOVATIVE
SOFTWARE THROUGH
GLOBAL CHANNELS**

PROPHECY

Update on FY2026 Business Performance

**ASX: PRO
Market Announcement**

Sydney — 8 September 2025 —Prophecy International Holdings Ltd (**Prophecy** or **the Company**) advises that it has undertaken a review of the Company's business performance and outlook in light of recent business developments in the early part of the 2026 financial year (**FY2026**).

This review has primarily focused on Snare, for which the Company has recently observed higher churn than it has historically, coupled with a softness in current sales activity, primarily in the US. The Company is implementing a strict focus on reducing the churn factor along with the promotion of the latest Snare releases which it is expected will allow for a return to improved sales pipeline conversion.

The developments in Snare churn and sales activity have however prompted the Company to assume a temporarily more conservative position for pipeline conversion for Snare in FY2026.

Accordingly, the Board and management now expect the Company's revenue growth and financial performance to be impacted in FY2026, which will result in operational cash outflows persisting for longer than the Company had previously anticipated.
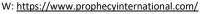
Efficiency Initiatives

In addition to addressing Snare's performance, the Prophecy Board has determined that further operating cost efficiency measures are warranted, principally in personnel, which it estimates will save the Company approximately $3.2 million per annum.

These cost savings are in addition to the previously announced re-architecting project of the emite application that will further reduce COGS once this project is completed and customers have been migrated to the new platform. The expected impact of the new emite architecture drives savings of approximately $1.7 million annualised, none of which has been realised as at the end of FY2025.

Snare Channel and Product Developments

The channel partnerships acquired by the Snare team, including Securonix, hold significant future revenue potential. The Company is also exploring additional partnerships at various stages of the sales process, and the long-term prospects for Snare and the market in which it operates remain strong.

emite
A PROPHECY SOLUTION

snare
A PROPHECY SOLUTION

To this end, the global observability tools and platforms market (which includes software for monitoring, logging, tracing and AIOPs) is forecast to grow from US$2.4 billion in 2023 to US$4.1 billion by 2028, at a compound annual growth rate (CAGR) of 11.7%.[1]

The Company has also recently released new versions of Snare Central[2], and new versions of the Snare agent are in the final stages of quality assurance prior to release. Both of these releases increase the value of Snare to partners, including Managed Security Service Providers (MSSPs) and this remains the go to market focus for Snare in FY2026.

Merger with Complexica

On 7 August 2025, Prophecy announced that it had agreed to acquire Complexica Pty Ltd in an all-scrip merger (**Proposed Merger**).

Prophecy is currently in the process of assessing if there are any implications relating to the matters outlined in this business update under the transaction documents for the Proposed Merger and will further update the market as the process progresses.

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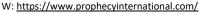E: tim@nwrcommunications.com.au

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 platform of 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.

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1 "Observability Tools and Platforms Market by Component, Deployment type, Vertical And Region - Global Forecast to 2028" - https://www.reportlinker.com/p06482913/?utm_source=GNW
2 Snare Central is the forensic-grade log collection platform that helps enterprises and MSSPs standardise, retain, and route critical log data, without being locked into expensive security information and event management (SIEM) storage or proprietary tools.

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