ASX: PRO
INVESTOR PRESENTATION

PROPHECY ANNUAL GENERAL MEETING
NOVEMBER 2022

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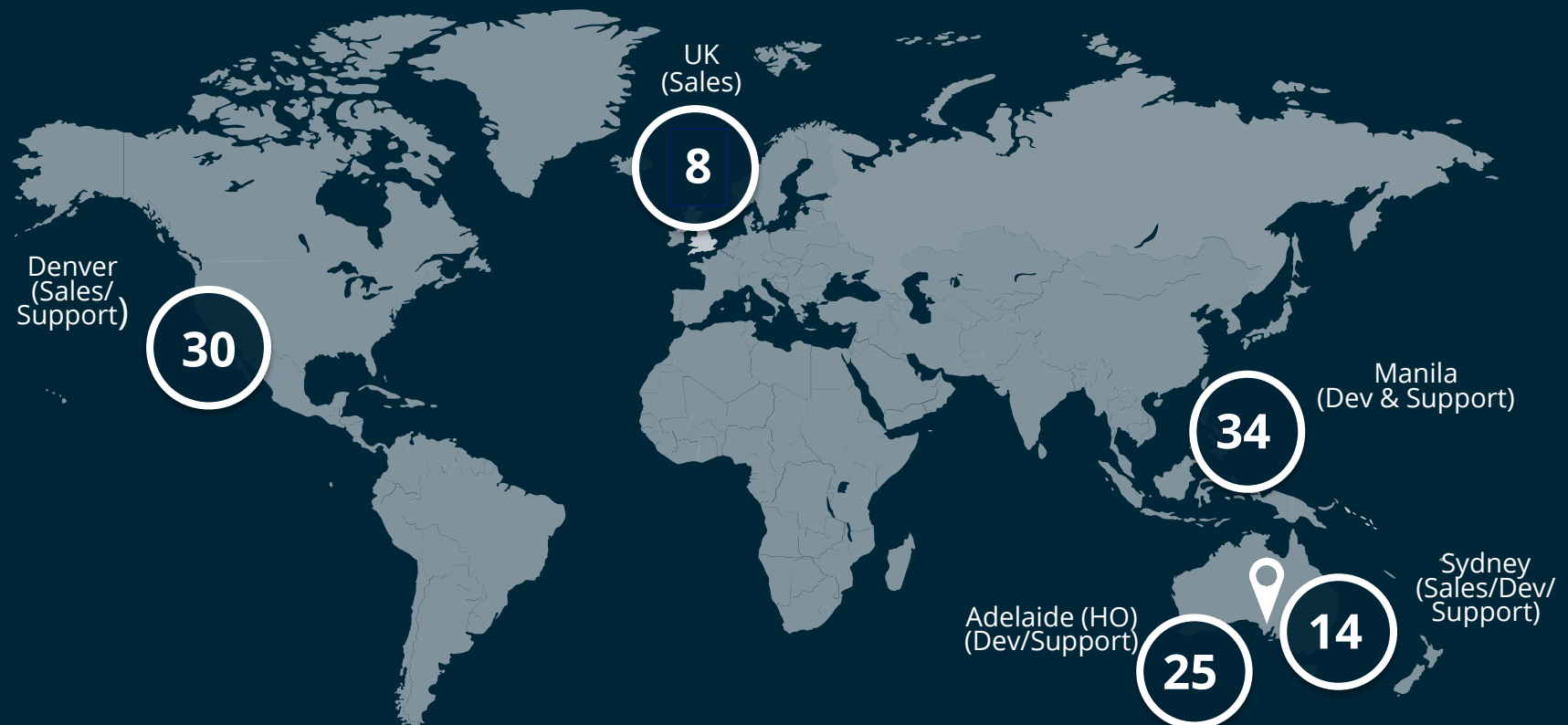
We are trusted by a broad spread of blue-chip clients across the banking, healthcare, government, defence, utilities, transport, manufacturing, retail and energy sectors.

Our software products, eMite and Snare, are deployed at more than 4,000 sites globally, with a customer base including some of the world's most powerful brands.

>4,200 client sites | 5 offices | 100+ employees & growing

UK
(Sales)
8

Denver
(Sales/
Support)
30

Manila
(Dev & Support)
34

Adelaide (HO)
(Dev/Support)
25

Sydney
(Sales/Dev/
Support)
14

86% of FY22 revenue from international markets

Rebrand of Prophecy

Bringing the brands together

- Too many disconnected brands
- Brought together under a common theme
- Refreshed look and feel for Prophecy
- Positioning emite and snare as Prophecy solutions

PROPHECY | snare A PROPHECY SOLUTION | emite A PROPHECY SOLUTION

Establishment of Manila subsidiary

Jeffrey Teehera Photography Studios

PROPHECY
Software Solutions Philippines Inc.

Kick-off Event
Holiday Inn Makati, Philippines
October 8, 2022

- Commenced September 2022
- 34 staff brought in house from our 3rd party outsourcer
- Increases in flexibility of operations
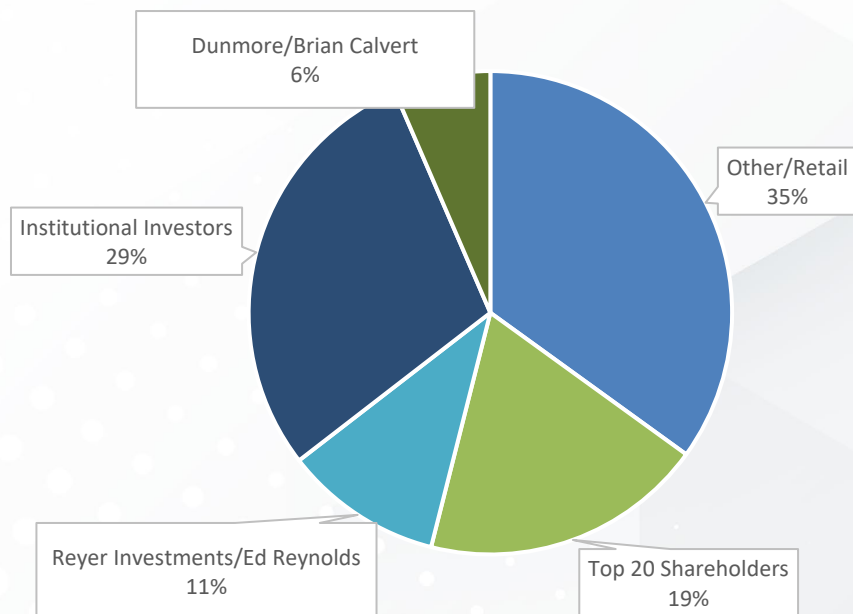- Decreased overhead costs

Corporate Snapshot

Key Statistics

ASX Stock Code	PRO
FY22 Revenue	$16.4M
Cash Balance	$12.9M
Debt	Nil
Share Price	$0.72
Shares on Issue	73.59M
Fully Diluted Market Cap	A$54.47M

Key Management Personnel

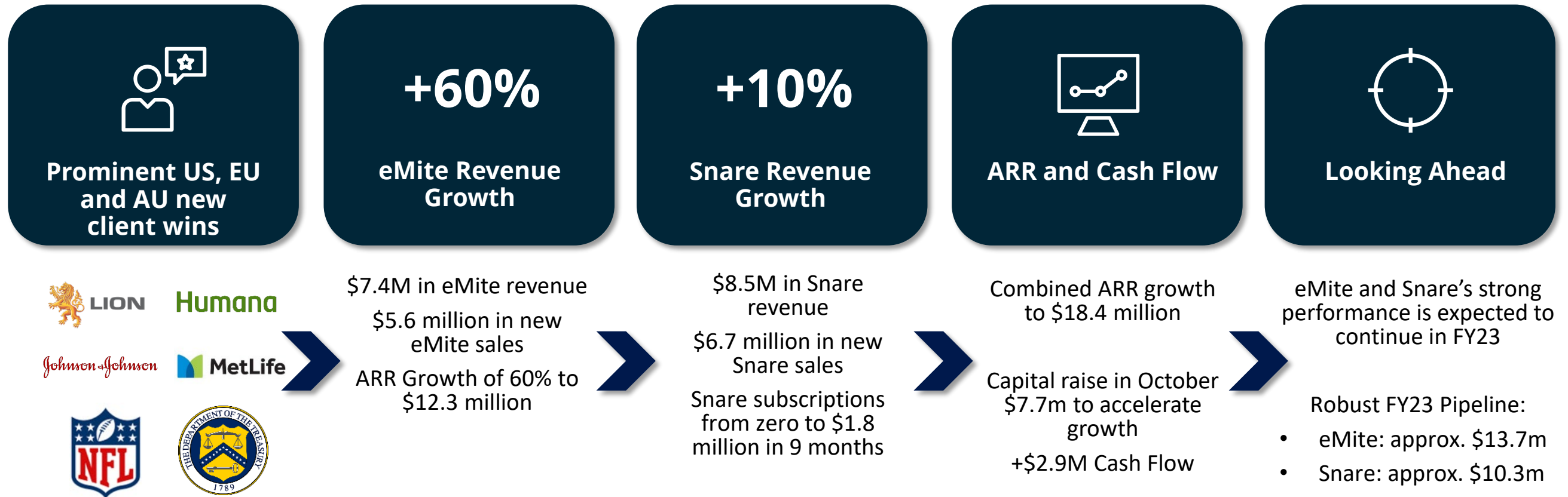|	
Brad Thomas	Chief Executive Officer
Steve Challans	Chief Information Security Officer
Stephen Irecki	Chief Operations Officer
Paige Montgomery	Global Marketing Director
Peter Barzen	VP Sales Americas
Jamie Lind	VP Sales EMEA
Stuart Geros	VP Sales APAC

Shareholder Analysis

Dunmore/Brian Calvert 6%
Other/Retail 35%
Institutional Investors 29%
Reyer Investments/Ed Reynolds 11%
Top 20 Shareholders 19%

12-Month Share Price History and Volume

1.57
1.22
0.88
0.53

FY22 Performance

Sales & revenue growth has accelerated in FY22, with a strong pipeline across eMite and Snare

Prominent US, EU and AU new client wins	+60% eMite Revenue Growth	+10% Snare Revenue Growth	ARR and Cash Flow	Looking Ahead

LION Humana

Johnson&Johnson MetLife

NFL THE DEPARTMENT OF THE TREASURY 1789

$7.4M in eMite revenue

$5.6 million in new eMite sales

ARR Growth of 60% to $12.3 million

$8.5M in Snare revenue

$6.7 million in new Snare sales

Snare subscriptions from zero to $1.8 million in 9 months

Combined ARR growth to $18.4 million

Capital raise in October $7.7m to accelerate growth

+$2.9M Cash Flow

eMite and Snare's strong performance is expected to continue in FY23

Robust FY23 Pipeline:
- eMite: approx. $13.7m
- Snare: approx. $10.3m

FY22 Highlights

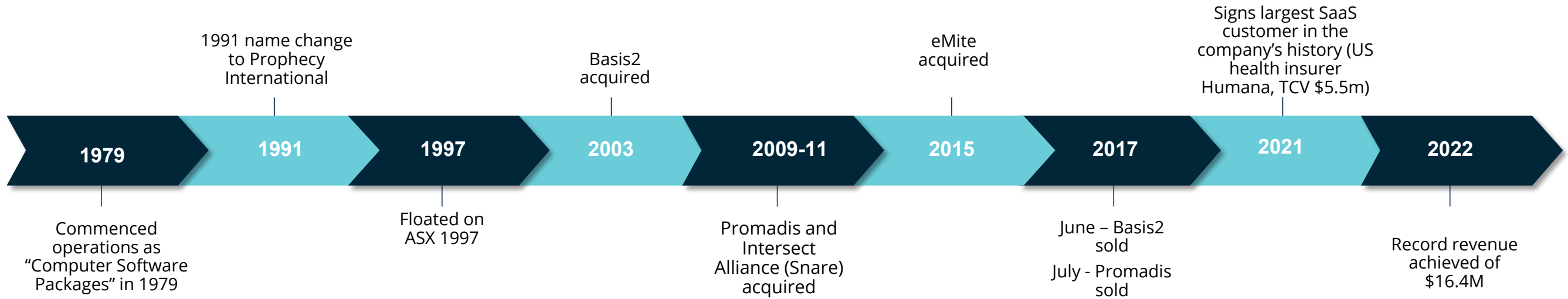| **+89%**	**~$3.3M**	**Legacy**	**+71%**	**+54%**	**Profitability**	**Balance Sheet**
Income in advance	**Cashflow improvement**		**ARR**	**Invoicing**		
Annual and multi-year contracts paid annually in advance contributing to cash collection and income in advance	Annual contracts paid in advance contributes to strong positive cash flow of $2.9 million	Legacy revenue of $544k for the period	Strong growth in recurring revenue, boosting across both Snare and eMite	Strong growth in invoicing (turnover), up 54% YoY to $20.8 million	Profitably stable at ($0.2M) EBITDA or ($1.7M) NPAT	Healthy balance sheet with no debt and cash at bank of $13.1 million, plus advance/deferred income of $8.2 million

FY22 Financial Highlights

Performance	FY22 Result	Prior period FY21	Change
Revenue	**$16.432M**	**$12.841M**	**Up 28%**
NPAT (Loss)	**($2.178M)**	**($2.043M)**	**Up 7%**
Cash Flow	**$2.938M**	**($0.376M)**	**Up ~$3.3M**
Cash Balance	**$12.987M**	**$3.127M**	**Up 239%**
Invoicing	**$20.884M**	**$13.581M**	**Up 54%**
Income in Advance	**$8.198M**	**$4.338M**	**Up 89%**
Debt	**zero**	**zero**	**No change**

- Strong growth in both recurring and total revenue
- Positive net cash from operations
- Well funded and resourced to grasp growth opportunities

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

1979 — Commenced operations as "Computer Software Packages" in 1979

1991 — 1991 name change to Prophecy International

1997 — Floated on ASX 1997

2003 — Basis2 acquired

2009-11 — Promadis and Intersect Alliance (Snare) acquired

2015 — eMite acquired

2017 — June – Basis2 sold; July - Promadis sold

2021 — Signs largest SaaS customer in the company's history (US health insurer Humana, TCV $5.5m)

2022 — Record revenue achieved of $16.4M

Focused Product Suite Serving Large Markets

emite
A PROPHECY SOLUTION

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]

snare
A PROPHECY SOLUTION

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% CAGR [4]
- 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/

emite: 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 **$13.3 million in annualised recurring revenue (ARR) for eMite** as at 30 September 2022, along with upfront setup fee revenue.

When we had to make the change to a remote agent workforce in the middle of the pandemic, we were completely overwhelmed. eMite's team helped us get up and running with complete contact center reporting in no-time, which helped me and my team focus on agent training and staffing right away.

Large US Healthcare Provider
North America

emite Progress and Growth Opportunities

We have continuously improved emite's functionality as large enterprise and government have embraced cloud services. We forecast emite's market penetration and revenue to grow further in FY23.

Customer Acquisition

- Continue to grow eMite sales to large Enterprise customers through both Genesys and Amazon Connect
- Leverage partnerships with major vendors
- Establish and expand relationships with key deployment/reseller partners

Organic

- Retain and fully deploy all existing customers to maximise ARR
- Genesys AppFoundry and Amazon Marketplace
- Expand Sales resourcing to meet market opportunity

New Partnerships

- Establish vendor partnerships with other enterprise vendors – Talkdesk, Twilio, InContact etc.
- Increase reseller coverage and capacity

Cloud Migrations

- Migrations and multi-platform customers
- Running analytics, reporting and alerting across multiple systems or migrate from legacy to cloud
- Genesys announced end of development for Engage (legacy on premise)

Product Innovation

- Increase revenue streams by expanding into new adjacent markets with new product capability.
- Focussed on integrations and extending emite's footprint into Enterprise data

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FY22 ARR +60% YoY to $12.3M

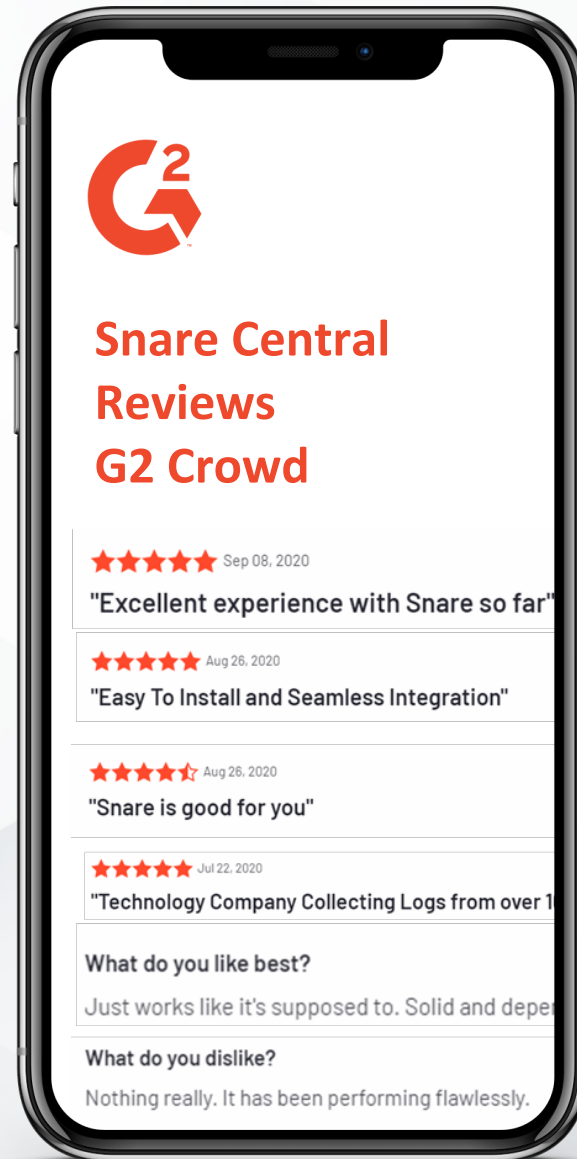*Sales into 13 countries, split Americas 55%, APAC 25% and EMEA 20%*

New customers with 1st year contract value (1CV) of $1.45 Million signed in Q1 FY23, +87% YoY

$13.8M emite pipeline for FY23

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 and subscription licensing models with revenue increasingly 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.

G2

Snare Central Reviews G2 Crowd

★★★★★ Sep 08, 2020
"Excellent experience with Snare so far"

★★★★★ Aug 26, 2020
"Easy To Install and Seamless Integration"

★★★★½ Aug 26, 2020
"Snare is good for you"

★★★★★ Jul 22, 2020
"Technology Company Collecting Logs from over 1

What do you like best?
Just works like it's supposed to. Solid and depen

What do you dislike?
Nothing really. It has been performing flawlessly.

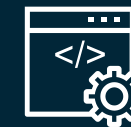**Over 4,000 enterprise customers worldwide trust Snare to:**

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
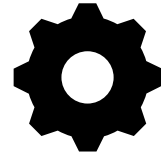
Adhere to Standards
Adhere to all security standards

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
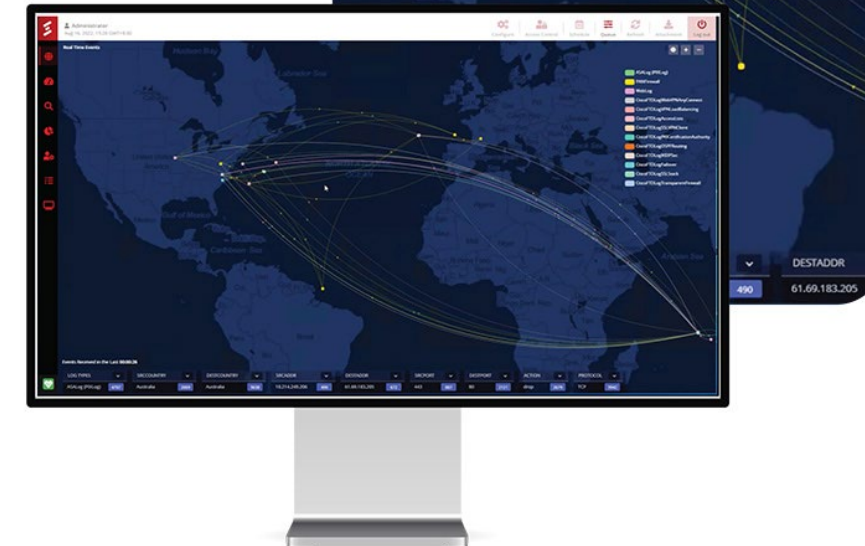
Database Activity Monitoring

- **Enterprise Tools**
  - Snare agent management (Assets)
  - End point security policy management
  - Log format parser
    - 400+ formats
  - Reflector
    - Simultaneous multicast
    - Enrichment
    - Noise Reduction
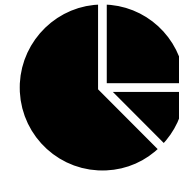
- **Security Analytics & Centralised Log Management**
  - Cloud or On-Prem
  - Air Gapped environments
  - Industry leading Storage (~50:1 Compression)
  - Real time Alerting
  - Forensics & Analytics
  - Report / Query Builder
    - Compliance Packs
  - High Availability
  - Cloud Logging (Azure/O365)
  - Central management of Snare Centrals

Capex and Opex (subscription licensing) available.
New pipeline is >80% subscription
Strong value proposition in reducing security costs

ASALog (PIXLog)
PANFirewall
Weblog
CiscoFTDLogWebVPNAnyConnect
CiscoFTDLogVPNLoadBalancing
CiscoFTDLogAccessLists
CiscoFTDLogSSLVPNClient
CiscoFTDLogPKICertificationAuthority
CiscoFTDLogOSPFRouting
CiscoFTDLogIKEIPSec
CiscoFTDLogFailover
CiscoFTDLogSSLStack
CiscoFTDLogTransparentFirewall

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 partnerships in new countries and geographies – JTC Japan

Upsell

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

Subscription Revenue

- Driver larger deals by selling the whole solution
- Continue the managed transition of the Snare business to recurring subscription-based licensing

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>80% of new sales have moved to subscriptions licensing

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

Significant opportunities in Government in Australia, UK and USA

$10.3M in FY23 snare pipeline

Operational and Strategic Outlook

In cloud migration, eMite is riding a significant growth trend. We expect that Hybrid & remote working accelerate cloud migration for the next several years

We will continue to deliver new capabilities, accelerating both Snare and eMite product roadmaps as we develop new revenue streams to complement existing products.

Continue our transition towards SaaS & subscription s as we focus on driving organic growth through renewal, retention, upsell and cross sell, while proactively scanning the Australian market for potential M&A opportunities.

eMite continues to evolve and is now vendor-agnostic, allowing us to gain scale through indirect channels. We will add vendor partnerships similar to Genesys and Amazon. For Snare, focus on expanding MSSP partnerships beyond the US to EMEA & APAC.

- Increase R&D for Snare & eMite in Australia & Manila
- Increase sales & marketing for eMite in US, Australia and EMEA
- Increase support to meet increased customer numbers

Investment Highlights

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

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

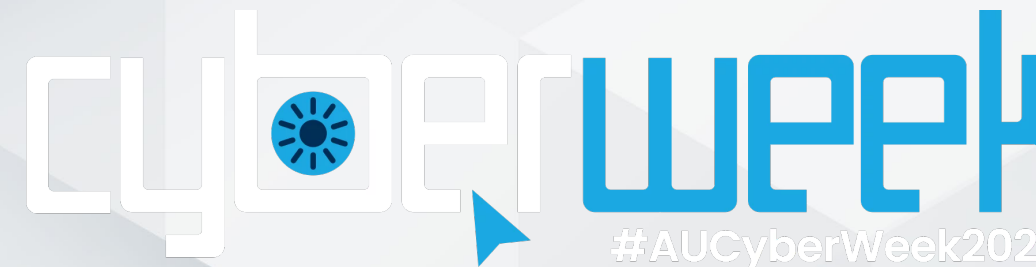**Large addressable target markets** with clear strategy to boost penetration through new and existing customers across all industries

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

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

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

Featured in

FORRESTER

FORRESTER 2022 SECURITY ANALYTICS LANDSCAPE REVIEW

Certified System
Information Security
ISO 27001
SAI GLOBAL

VERACODE
VERIFIED STANDARD

OCA | OPEN CYBERSECURITY ALLIANCE

cyberweek
#AUCyberWeek202

THANK YOU

FOR YOUR TIME, PATIENCE, AND ATTENTION