

ersonal use only



Prophecy

Investor Presentation
2020 AGM

Prophecy International (ASX: PRO)



We are a leading Australian designer and developer of innovative business software, 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.

>4,000 clients | 5 offices | 79 employees



Directors and key management



Ed Reynolds
Non-Executive
Chairman

Ed joined Prophecy as GM in 1987 and was appointed Chairman in 2006. Passion for technology and growing businesses with wide-ranging experience within the IT industry.

Ed is the largest individual shareholder at 12.1%.



Matt Michalewicz
Non-Executive
Director

Expert in entrepreneurship, innovation and success psychology. Matt co-founded and grew SolveIT Software from zero to almost 180 employees and \$20 million in revenue before selling to Schneider Electric in 2012. Limited Partner at early-stage VC firm Blackbird Ventures.



Grant Miles
Non-Executive Director
& Company Secretary

MD of Moore Stephens SA, a Chartered Accountant with 25+ years experience in the finance and business advisory sectors. Joined in 2013 as Company Secretary and appointed Non-Executive Director in 2015.



Leanne Challans
Non-Executive
Director

Appointed Director in 2006 and has held several executive roles within the group over the past 25 years in general management, software development, partner support and marketing.



Brad Thomas OAM
Chief Executive
Officer

20+ years growing high tech businesses. 3-time Paralympian, experienced in strategy, sales, service delivery, business optimisation and marketing leadership. Ex-Microsoft, Novell, Lenovo, Telstra and Canon.

FY20 Key Achievements

Continued revenue growth



- Revenue +13.5% to \$13.7m
- Profitable: EBITDA \$295K
- eMite ARR now \$4.3M

New client acquisition



- 192 active eMite customers
- 4,000 active Snare customers
- Snare Growth 16%

New product launches



- eMite for Amazon Connect & Avaya Launched
- Snare Central V8 Launched

Increased sales resources



- New eMite sales in UK
- New Snare sales in USA
- 24x7 support

Cash & Debt



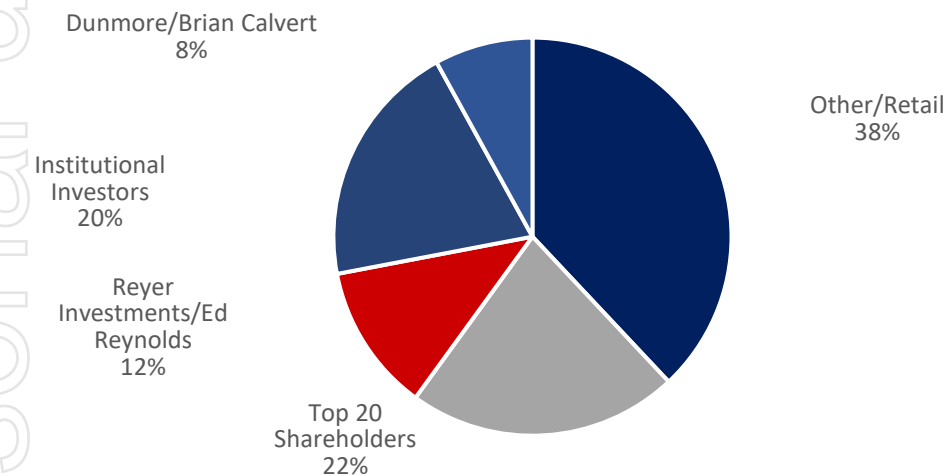
- \$4.3M Cash at Bank
- \$1.15M Cash Flow
- + no debt

Corporate Snapshot

Key Statistics

ASX Stock Code	PRO
FY20 Revenue	\$13.6M
Cash Balance (30 Jun 20)	\$4.4M
Debt	Nil
Share Price (11 Nov 20)	\$0.50
Shares on Issue	64.1M
Fully Diluted Market Cap	A\$32M

Shareholder Analysis (as at 11 Nov 20)



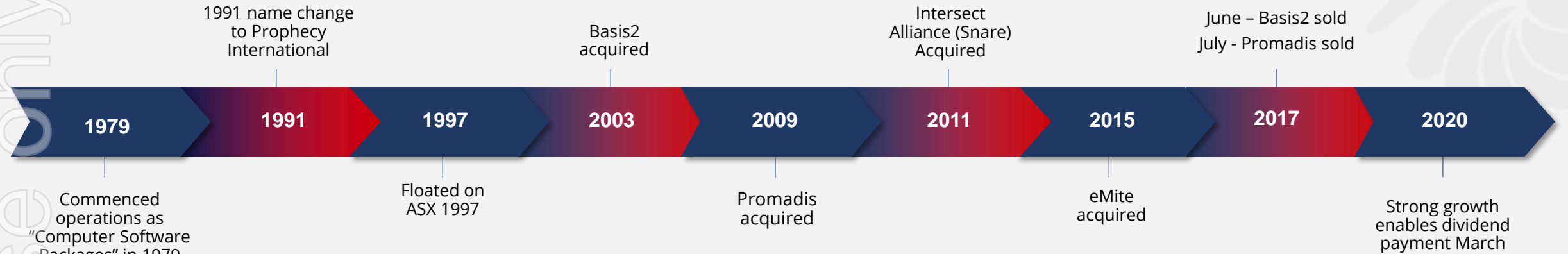
Key Management Personnel

Brad Thomas	Chief Executive Officer
Stuart Geros	VP Sales APAC
Steve Challans	Chief Information Security Officer
Stephen Irecki	VP of Customer Operations
Peter Barzen	VP Global Alliances
John Pappas	VP Sales Americas
Jamie Lind	VP Sales EMEA

12-Month Share Price History and Volume



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



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 niche 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% 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 Contact Centre Analytics solution that combines advanced analytics, data correlation, KPI management and threshold alerting into a single, out-of-the-box browser-based 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 190 active customers, generating **\$4.3 million in annualised recurring revenue (ARR)** along with upfront setup fee revenue.



"Before eMite, in operations, they were doing all the occupancy codes manually. We replicated the dashboard and now they've taken it up another level with trending and charts, spreadsheets and formulas. It's been a lifesaver for data polls and supporting our reports."

– Director, Workforce Management, American Pharmaceutical Company

eMite Progress and Growth Opportunities

We have continuously improved eMite's functionality as large enterprise and government have embraced cloud services. This positions us well to increase sales in FY21 through several growth drivers:

Customer Acquisition

- Grow Genesys and Amazon new customer acquisition
- Leverage partnerships with major vendors
- Establish and expand relationships with key deployment/reseller partners

Organic

- Retain and fully deploy all existing customer to maximise ARR

New Partnerships

- Establish vendor partnerships with other enterprise vendors – eg Twilio, Avaya, Cisco
- Launch existing Avaya as a stand alone offer in FY21

Cloud Migrations

- Migrations and multi-platform customers
- Running analytics, reporting and alerting across multiple systems or migrate from legacy to cloud
- Genesys to Genesys Cloud, Legacy On Premise to Amazon Connect or Genesys Cloud, running multiple cloud platforms

Upsell

- Upsell existing customers to multiple data sources
- Salesforce, Service Desk, Survey, Sentiment analysis etc

*New sales contracts
+19% YoY to \$2.8M*

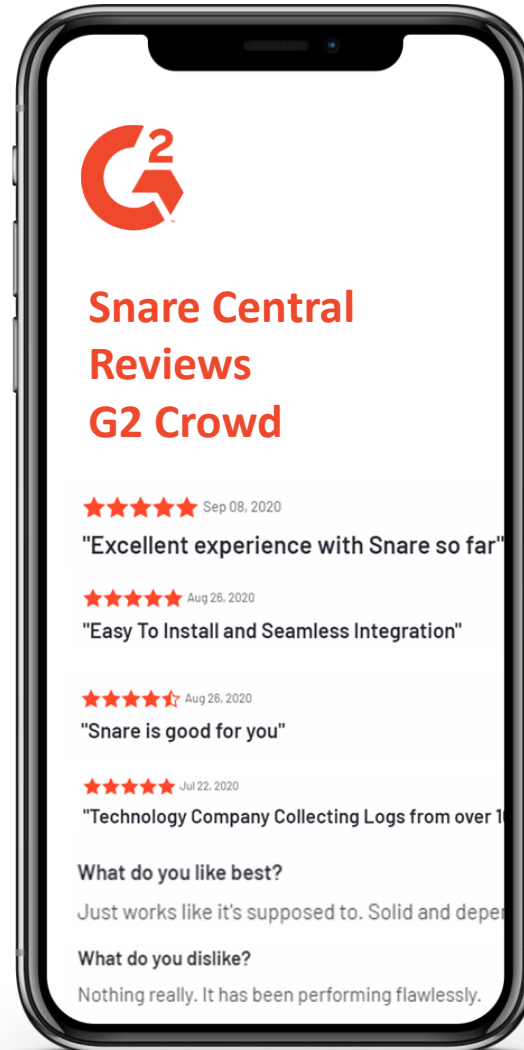
*Sales into 11 countries, split Americas 55%,
APAC 25% and EMEA 20%*

TCV +8% to \$4.2M



Snare: Flexible Cybersecurity and Compliance

- Snare is our cybersecurity software product line, through which we provide 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.
- The rising financial and reputational consequences of data breaches, malware and ransomware was already driving rapid growth in the market for cybersecurity solutions prior to COVID-19. The rise of working from home has accelerated these trends.
- Modular products that work well with others; perpetual license model with revenue increasingly generated through partners including Verizon, NTT, Secureworks and ATOS.



Over 4,000 enterprise customers
worldwide trust Snare to:



Protect Systems

Protect your systems from attacks, whether these be of a malicious, fraudulent or vandalistic nature



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

Defense & Military

- Existing footprint with US Military and Defense Prime Contractors
- Significant new opportunities in US and globally
- Opportunity to grow annual revenue in this segment from US\$1M to US\$5M over the next 2 years
- Investment in new sales resources to address this opportunity

Managed Service Providers/MSSP

- Existing footprint with global MSSPs (NTT, Secureworks, Verizon, ATOS, Fujitsu, etc)
- Expand existing relationships
- Establish new MSSP partnerships (both global and regional)
- Penetrate the top 100 MSSPs (we have 6 of the top 20 today as partners)

Upsell

- Only 450 of the ~4,000 Snare customers have taken up Snare Central, our new product released in April 2020 with enhance usability and functionality
- 3,000 addressable customers of Snare Central @AU\$10K per server = AU\$30M revenue opportunity

Opensource

- Convert the large legacy base of Snare opensource customers to Enterprise

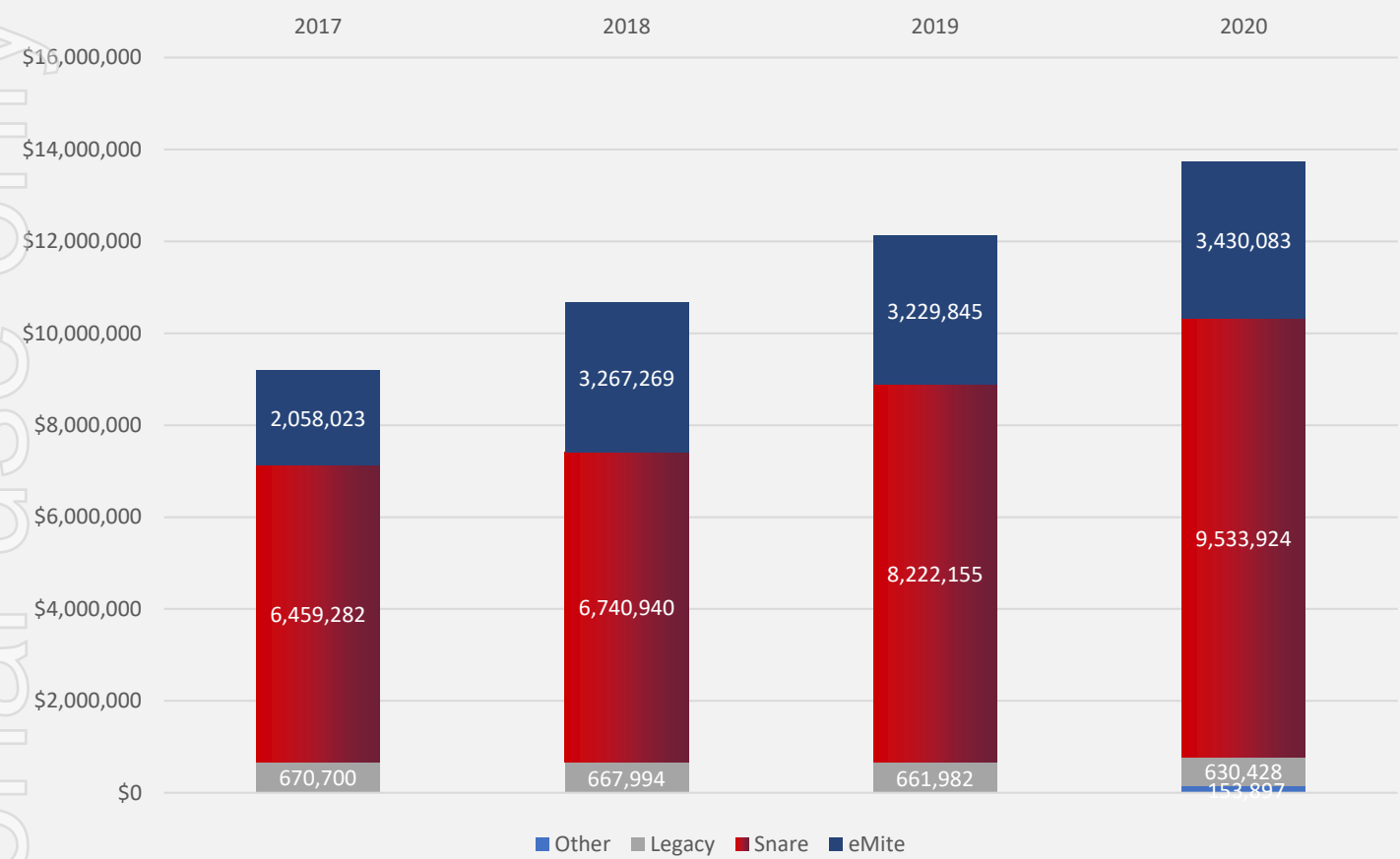
*New sales contracts
+13% YoY to \$6.8M*

Sales into 24 countries, with key USA wins including QBE Group, Raytheon, Metlife, Gemalto and Chicago Mercantile

*Average deal size
+26% to \$10.9k*



Consistent and Sustainable Revenue Growth



Total revenue up 13.5% YoY

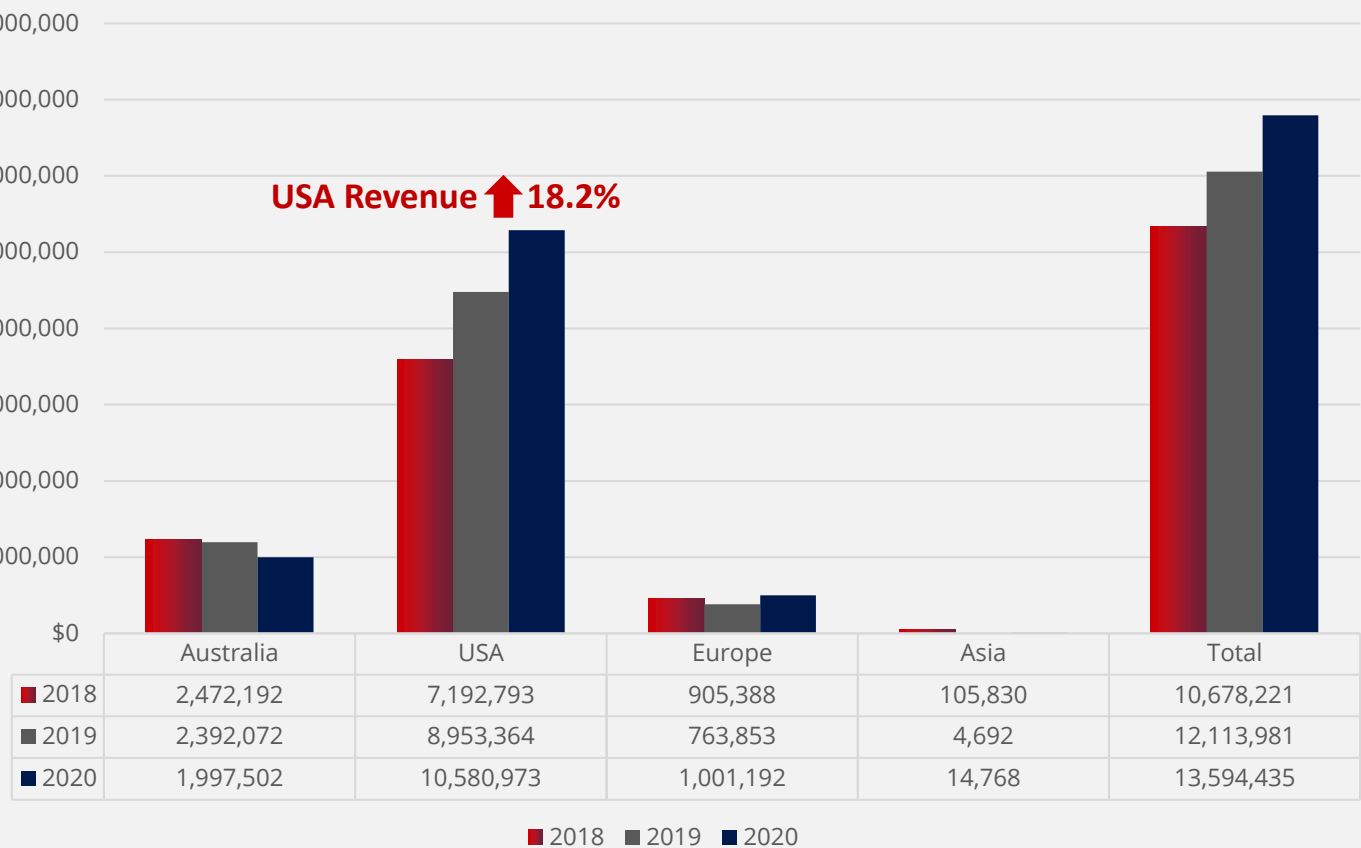
eMite revenue flat YoY amid transition to subscription-based model, promoting ARR growth

Snare revenue up 16%

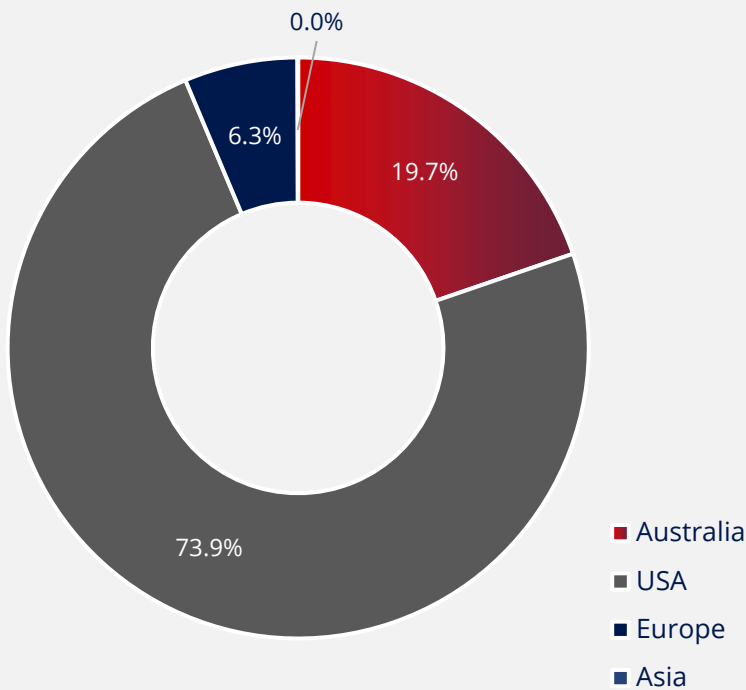
Legacy revenue flat

Strong start to FY21: revenue +14.8% in Q1 FY21 vs Q1 FY20

USA Market a Key Growth Driver



FY20 Revenue % by Region



Strategic Outlook

In FY21, Prophecy plans to deliver growth by focusing on:



Sales & Marketing Optimisation

Organic growth
Coverage, capacity and capability
Content, campaigns and collateral
Scale through indirect channels



Product Innovation

Delivering new product capability
Solve more customer problems
Upsell & cross sell
Transition to SaaS



Customer Experience

24 x 7 Support
Invoicing
Renewal & Retention



Operational Efficiency

"One Company"
Reduce duplication
Modernise & automate



Potential M&A

Australian technology
Cyber focus
Focus on product & market synergies

Operational Outlook



In cloud migration, eMite is riding a significant growth trend. We expect that COVID-19 will accelerate cloud migration for the next several years as enterprise customers seek to enable working from home.

Our initial experience with Amazon Connect customers indicates that large enterprise are adopting the platform, and as a result the deal sizes can be very large.

eMite continues to evolve and will become vendor-agnostic in the next few months. We expect to add at least one additional vendor partnership similar to Genesys and Amazon in H1 FY21.

Focus on expanding Snare's MSSP partnerships beyond the USA to EMEA and APAC.

Continue to build our global team of committed individuals that want to lead the market, build great software and show the world that we have some of the best Australian innovative technology available.

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 recurring business** based on blue-chip clients: \$13.7M revenue in FY20, with 46% recurring (and rising)

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

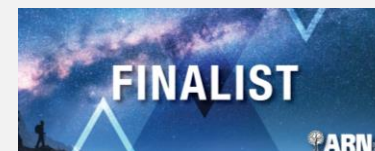
Targeting **scalable growth and margin expansion** through continued focus on subscription-based SaaS licensing revenue

Strong cash and earnings performance: \$1.2M of positive net operational cashflow and EBITDA positive

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



SA Business Australian Export Awards: Technology & Innovation Category Winner 2019



eMite - Finalist ARN Innovation Awards 2020



Genesys Global AppFoundry Partner of the Year 2019 2nd year running



Austrade 57th Australian Export Awards Technology & Innovation Category Finalist 2019



Prophecy

Contact Us

Brad Thomas

Chief Executive Officer
Level 1, 76 Waymouth St
Adelaide SA 5000 Australia

info@prophecyinternational.com
+61 (08) 8213 1200

Adelaide, Sydney, Denver, Edinburgh, Manila

The information in this document is published to inform you about Prophecy International Holdings Ltd and its activities. All reasonable effort has been made to provide accurate information but we do not warrant or represent its accuracy and we reserve the right to make changes to it at any time without notice.

To the extent permitted by law, Prophecy International Holdings Ltd accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this document. The information is not an invitation to invest or deal in Prophecy International Holdings Ltd securities and you should seek independent professional advice before making any investment decisions.

The information is copyright to Prophecy International Holdings Ltd. You may download the information for your own personal use but you may not reproduce it for any other purpose without our express permission.