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INNOVATIVE SOFTWARE THROUGH GLOBAL CHANNELS

Transformational Merger of Prophecy and Complexica

ASX: PRO
Market Announcement

Sydney — 7 August 2025 —Prophecy International Holdings Ltd (**Prophecy**) is pleased to announce it has agreed to acquire Complexica Pty Ltd (**Complexica**) to create a leading ASX-listed 'AI pure play' software company servicing the complete data to decision workflow (**Proposed Merger**) (Prophecy and Complexica together, **MergeCo**).

Highlights:

- **Transformational merger between Prophecy and Complexica combining two leading technology businesses to create an ASX-listed 'AI pure play' software company with immediately enhanced scale and exciting growth prospects**
- **Proposed Merger has the potential for significantly accelerated revenue opportunities assisted by complementary and reciprocal product synergies, refreshed branding leveraging Complexica's AI pedigree and potential for international expansion**
- **Larger and more competitive business to remain listed on ASX and be re-named Complexica Group Limited[1]**
- **Prophecy will issue c.45.3 million fully paid ordinary shares to Complexica shareholders and c.2.2 million Zero Exercise Price Options to Complexica option holders upon Completion (total of 47.5 million securities issued)**
- **Complexica Shareholders to hold 38.0% and Prophecy Shareholders to hold 62.0% of the ordinary shares of MergeCo following Completion**
- **Prophecy intends to undertake an on-market share buyback of up to $1.5 million, subject to Completion of the Proposed Merger**

[1] The proposed change in name to Complexica Group Limited is subject to Prophecy shareholder approval.

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Attractive Strategic and Commercial Rationale

The combination of Prophecy and Complexica is underpinned by compelling rationale:

- **Powerful business repositioning –** refresh Prophecy branding leveraging Complexica AI pedigree
- **Optimised product offering –** strong complementary and reciprocal product synergies identified
- **Accelerated organic growth opportunities –** immediate opportunities for cross selling and international expansion
- **Immediately enhanced scale –** driving increased liquidity, investability and access to capital
- **Future M&A capability –** creates a platform for future inorganic growth

Prophecy's Chairman, Ed Reynolds said:

"The Proposed Merger represents a transformational milestone for Prophecy, uniting our best-in-class enterprise applications and 40+ year track record of serving blue-chip customers with Complexica's market-leading AI capabilities. Together, we are creating an AI-first, end-to-end solution that will be the first of its kind on the ASX. The Complexica team shares our strategic vision, and we are excited by the compelling product synergies and significant growth opportunities that will be unlocked through the proposed merger of our businesses."

Complexica's Co-CEO, Jonathan Drake said:

"The announcement represents a pivotal moment for Complexica and brings us closer to realising our ambition of becoming a leading provider of AI solutions that span the entire data-to-decision workflow. The scale created through the combination of our two businesses is incredibly compelling. What excites me most is the depth of experience and the highly complementary expertise of our combined leadership team, which positions us exceptionally well for the next phase of growth."

Proposed Merger Overview

Under the terms of the Implementation Deed, Prophecy has agreed to acquire 100% of the shares in Complexica. A summary of key terms in the Implementation Deed is included in Appendix A.

Transaction Details

- In consideration, Prophecy will issue c.45.3 million fully paid ordinary shares (**New Shares**) to Complexica shareholders and c.2.2 million Zero Exercise Price Options (**ZEPOs**) to Complexica option holders on Completion
- Upon Completion, Complexica shareholders will hold 38.0% of MergeCo fully paid ordinary shares, with Prophecy shareholders holding the remaining 62.0%
- The Proposed Merger is subject to a number of conditions including[2]:
    - Prophecy shareholder approval, including for the purposes of Listing Rules 7.1, 10.1 and 10.11 and Chapter 2E of the Corporations Act (all ordinary resolutions). To seek shareholder approval, Prophecy intends to call an extraordinary general meeting (**EGM**) which is expected to be held in October 2025;

[2] A full list of the conditions precedent of the Proposed Merger is included in Appendix B of this announcement, if the conditions precedent are not satisfied or waived (if applicable) by 31 January 2026, either Prophecy or Complexica may terminate the Proposed Merger.

- an Independent Expert issuing an Independent Expert's Report which concludes that the acquisition of Complexica is fair and reasonable, or which is otherwise acceptable to Prophecy;
- Prophecy being reasonably satisfied that Complexica has maintained a reasonable level of working capital consistent with past practices;
- counterparties to certain Complexica contracts providing their consent to the Proposed Merger; and
- no material breach of a warranty, and neither Complexica nor Prophecy being affected by a material adverse change or prescribed occurrence.

A full list of the conditions is set out in Appendix B to this announcement.

It is proposed that Prophecy be renamed to "Complexica Group Limited" on Completion of the Proposed Merger and trade on ASX under the ticker “CPX”. Prophecy shareholder approval will also be sought for the name change at the EGM. The Proposed Merger is not conditional on approval of the name change.

Prophecy, Complexica and the Complexica shareholders (as sellers) have each provided representations, warranties and indemnities that are customary for a transaction of this nature.

Escrow Arrangements[3]

New Shares to be issued to Matthew Michalewicz and Constantin Chiriac are subject to a 24 month escrow period commencing on Completion[4]. New Shares issued to other Complexica employees and management[5] (c.2.1 million New Shares) and to Complexica institutional investors (c.24.4 million New Shares) will respectively be escrowed for 12 months and 6 months from Completion respectively.

Combined Board and Management Team

The MergeCo Board will consist of Ed Reynolds (Chairman), Leanne Challans (Non-Executive Director), Matthew Michalewicz (Executive Director) and Grant Miles (Non-Executive Director). It is intended that Carlos Gil will be appointed to the Board as a Non-Executive Director post Completion. The Board intends to extend its existing capabilities in the near-term with the appointment of an Independent Director with extensive enterprise software experience.

The business will be led by Bradley Thomas (Co-CEO) and Jonathan Drake (Co-CEO and CFO), with Matthew Michalewicz serving as Chief Strategy Officer in the management team.

[3] See page 30 of the Investor Presentation also lodged to ASX today for further details about the escrow arrangements including exceptions to those restrictions.
[4] Matthew Michalewicz will be subject to a 12 month mandatory escrow period commencing on Completion and has agreed to enter into a 24 month voluntary escrow agreement (which starts on the same date as the 12 month mandatory escrow period), Constantin Chiriac will be subject to a 24 month voluntary escrow period commencing on Completion.
[5] Includes Zbigniew Michalewicz who will be issued 3,054 New Shares as part of the Proposed Merger that will be subject to a 12 month mandatory escrow period commencing on Completion.

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Board Recommendation

The Prophecy Board of Directors (with Matthew Michalewicz abstaining) believes that the Proposed Merger represents a significant and compelling opportunity which is expected to create material value for Prophecy shareholders.

The Prophecy Board of Directors unanimously recommends that shareholders vote in favour of the resolutions that require the approval of Prophecy shareholders with respect to the Proposed Merger.

Notification to ASX

Prophecy has notified ASX of the Proposed Merger pursuant to Listing Rule 11.1. ASX has determined that Prophecy is not required to obtain shareholder approval for the Proposed Merger under Listing Rule 11.1.2, nor re-comply with ASX's admission and quotation requirements under Listing Rule 11.1.3.

Overview of Complexica

Complexica is an award-winning supplier of advanced Artificial Intelligence (AI) decision optimisation technology. Customers in the fast-moving consumer goods (FMCG), construction materials and supply chain sectors use Complexica's technology to make better decisions more quickly, for tangible revenue and margin growth.

Complexica's founders and leadership team bring over 20 years of technology development, enterprise business outcomes and published academic leadership in AI (>39 books and 294 publications over the past c.40 years).

Complexica recorded $12.5 million of revenue (58.0% recurring) and $2.0 million of EBITDA in CY24A and has grown revenue at a CAGR of c.18.0% from CY21 to CY24.

Share Buy-Back

Prophecy announces the intention to undertake an on-market share buy back of up to $1.5 million worth of ordinary shares, subject to Completion of the Proposed Merger, representing up to c.3.0% of shares on issue of MergeCo.

Key Dates

Event	Date (AEST)
Transaction Announcement	Thursday, 7 August 2025
Notice of EGM sent to Prophecy shareholders	Wednesday, 10 September 2025
Prophecy Shareholder EGM	Monday, 13 October 2025
Transaction Completion	Approximately Monday, 20 October
Share Buyback period able to commence	Approximately Monday, 3 November 2025

The above timetable is indicative only and subject to change. Subject to the requirements of the Corporations Act, the Listing Rules and other applicable rules, Prophecy reserves the right to amend this table at any time.

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Investor Webinar

Prophecy will conduct an investor webinar on Thursday, 7 August 2025 at 2:00pm AEST in relation to this announcement.

Attendees will need to pre-register using the following link:

https://us02web.zoom.us/webinar/register/WN_XpFLGHB2QN-8t_kSu7H_0g

Advisers

Ord Minnett is acting as financial adviser and DLA Piper is acting as legal adviser to Prophecy in relation to the Proposed Merger.

Further Information

Further details of the Proposed Merger are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information of the Proposed Merger. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser or other professional adviser.

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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 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.

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

Appendix A – Summary of Key Terms of the Implementation Deed

Topic	Summary
Parties	Prophecy and Complexica
Shares being acquired	Prophecy proposes to acquire 100% of the issued share capital of Complexica.
Prophecy Consideration Shares	In consideration for the transfer of the Complexica shares to Prophecy, Prophecy will issue up to 47,500,000 New Shares to the Sellers (in aggregate) in accordance with the terms of the sale and purchase agreement for each Seller (**Sale Agreement**). C.45.3 million New Shares will be issued to the Sellers and c.2.2 million ZEPOs will be granted to Complexica option holders on Completion.
Escrow arrangements	New Shares to be issued to Matthew Michalewicz and Dr Zbigniew Michalewicz will be subject to a 12-month ASX mandatory escrow period commencing on Completion. New Shares to be issued to Matthew Michalewicz and Constantin Chiriac will be escrowed for a 24-month voluntary escrow period commencing on Completion. New Shares issued to other employees and management will be escrowed for a 12-month voluntary escrow period commencing on Completion, with certain other investors to be escrowed for a 6-month voluntary escrow period commencing on Completion.
Conditions	Completion of the Proposed Merger is subject to satisfaction or waiver (where capable of waiver) of, among others, the conditions precedent set out in Appendix B.
Period before Completion	From the date of the Implementation Deed until Completion, each of Prophecy and Complexica must conduct its businesses in the ordinary and usual course of business consistent with past practice, in substantially the same manner as conducted in the 12-month period prior to the date of the Implementation Deed. Each of Prophecy and Complexica must also ensure that they do not undertake certain restricted conduct prior to Completion.
Warranties	Prophecy and Complexica have each given warranties to the other that would be typical for target (in the case of Complexica) or buyer of shares in Complexica for a transaction of this kind and the consideration for which includes the issue of new shares in the buyer (in the case of Prophecy). Prophecy has taken out buy-side warranty and indemnity insurance in relation to the warranties and indemnities provided by Complexica in the Implementation Deed and by each seller in the Sale Agreements.
Termination	Either Prophecy or Complexica may terminate the Implementation Deed at any time before Completion in writing to the other party if: • the other party is in material breach of any provision of the Implementation Deed that remains unremedied; • a warranty provided by the other party is not true and correct, where that breach of warranty is material in the context of the Proposed Merger as a whole and that remains unremedied; or • there is a breach or non-satisfaction of a condition precedent for either their benefit or the benefit of both parties, provided the parties have consulted in good faith with a view to proceeding by way of alternative means or methods, or extending the time or date for satisfaction of the relevant condition.

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Appendix B – Conditions Precedent

Item	Conditions Precedent
1.	(**ASX Confirmation**): a written confirmation has been received from ASX, for the purposes of Listing Rule 11.1.3, that Prophecy will not be required to re-comply with Chapters 1 and 2 of the Listing Rules in connection with the Proposed Merger, and if this confirmation is subject to conditions, those conditions must be acceptable to the Prophecy and Complexica (each acting reasonably).
2.	(**Prophecy Shareholder Resolutions**): the following Prophecy shareholder resolutions have been validly passed at the EGM: • resolution to approve the acquisition by Prophecy of the Complexica shares from Matthew Michalewicz and Zbigniew Michalewicz for the purposes of section 208 of the Corporations Act and Listing Rule 10.1; • resolution to approve the issue of the Prophecy Consideration Shares for the purposes of Listing Rule 7.1; • resolution to approve the issue of Prophecy Consideration Shares to Matthew Michalewicz and Zbigniew Michalewicz for the purposes of Listing Rule 10.11.
3.	(**Sale Agreements**): Sale Agreements have been executed by sellers and those Sale Agreements have not been terminated immediately prior to Completion.
4.	(**Options**): all Complexica options have either been exercised, lapsed or cancelled in accordance with their terms.
5.	(**Option Agreements**): Option agreements have been executed by each Complexica option holder who have accepted a grant of ZEPOs on Completion and those option agreements have not been terminated immediately prior to Completion.
6.	(**Independent Expert**): before the EGM Notice of Meeting is despatched to Prophecy shareholders, the Independent Expert issues an Independent Expert's Report which concludes that the Acquisition is fair and reasonable or which Prophecy concludes is otherwise acceptable to Prophecy, and the Independent Expert does not withdraw, qualify or change that conclusion prior to the Prophecy General Meeting.
7.	(**Complexica Working Capital**): Prophecy being reasonably satisfied that Complexica maintains a reasonable level of working capital consistent with past practices.
8.	(**Complexica change of control consents**): each counterparty to certain material contracts providing any necessary consent to the change of control that will result from the Proposed Merger, each of which is unconditional or subject only to conditions acceptable to Prophecy and Complexica (acting reasonably).
9.	(**No Material Adverse Change**): no material adverse change has occurred between (and including) the date of the Implementation Deed and the date of Completion.
10.	(**No Prophecy material breach**): the warranties and representations of Prophecy are true and correct in all material respects on the date of the Implementation Deed and each date up to and including the date of Completion, and there has been no material breach by Prophecy of the transaction documents.
11.	(**No Complexica material breach**): the warranties and representations of Complexica are true and correct in all material respects on the date of the Implementation Deed and each date up to and including the date of Completion, and there has been no material breach by Complexica of the transaction documents.
12.	(**No restraints**): at 11.59pm on the day immediately prior to the date of Completion, there is no applicable law enacted, and there is not in effect any decree, judgment, injunction, direction, writ or other order, whether temporary, preliminary or permanent, made or given by a court of competent jurisdiction or by another government agency that prevents, makes illegal or prohibits Completion.

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