INNOVATIVE SOFTWARE THROUGH GLOBAL CHANNELS

PROPHECY

Prophecy key sales results – Full Year FY23 update

ASX: PRO
Market Announcement

Highlights

- **Total Group ARR increased 26% YoY to $23.1M**
- **Emite sales contracts of $4.2M and invoicing up 32% to $13.1M**
- **Snare Subscriptions increased by 52% to $2.5M**
- **Full Year invoicing increases 8% to $22.6M**
- **Closing cash balance of $11.8M (unaudited) – approximately $2.0M in positive cash flow in the second half.**
- **No debt**

Adelaide — 24th July 2023 — Business software developer Prophecy International Holdings Ltd (ASX: PRO, "Prophecy" or "the Company") is pleased to report strong growth across key operational metrics for the full year of FY23. In a year overshadowed by economic uncertainty, increasing inflation and rising interest rates these results are pleasingly strong.

Emite Performance

Prophecy's focus on international marketing through both the Genesys and Amazon Connect contact centre technology ecosystems continues to deliver strong growth in contracted sales for Emite, the Company's SaaS-based customer experience and contact (call) centre analytics platform.

In Q4 FY23, the Company signed new Emite customer contracts covering more than 7,500 seats with aggregate 1st year contract value (1CV) of $1.3m.

The latest Emite sales activity includes household name customer wins in Prophecy's target geographies of UK, Europe, USA and Australia, spanning sectors including retail, utilities, auto manufacturing, health care, financial services, electronics and government. A selection of the Company's most newly-won Emite customers follows below.

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emite
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snare
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The rising new client activity has continued to boost Emite's base of annualised recurring revenue (ARR), growing 22% to $14.9 million as of 30 June 2023.

Prophecy continues to hold a positive view for growth in customer activity on its Emite platform as its sales and marketing function boosts the recognition of Emite's ability to help businesses visualise and understand their customer's journey.

Release of Integration Platform as a Service (IPaaS) adds increased opportunity to address more of the CX marketplace including other vendor tools in addition to Genesys and Amazon connect and opening the company's integration capability to the entire CX ecosystem increasing the total addressable market in CX.

Emite closed FY23 with a substantial win with the ATO (see previous release) in Australia. In the USA the new financial year opened with Macy's department stores (Macys Inc. NYSE: M) signing a three year agreement for Emite.

Snare Performance

Prophecy's focus on the USA, UK and Europe as key target markets is driving strong continued growth in both sales and pipeline for Snare, the Company's cybersecurity software product line. Through Snare, the Company provides critical government recommended or mandated security controls, including cyber threat detection, security information and event management (SIEM), alerting, forensics and centralised log management.

In FY23, the Company signed over 274 new Snare sales contracts with enterprise customers and governments across 5 continents, generating new sales of $4.9 million. A selection of the Company's most newly-won Snare customers follows below. In Q4 FY23 Snare signed contracts worth $1.6M.

Following Prophecy's development in FY22 of a subscription-based sales model for Snare and general availability of subscription pricing from 1 January 2022, the Company has seen this business unit's share of subscription-based recurring revenue rise noticeably.

An increasing number of Snare customers are grasping the advantages of the Opex/Capex flexibility provided by this new model, as indicated by subscription revenue constituting 50% of the Company's total new Snare sales in FY23 up from 25% of new sales last year.
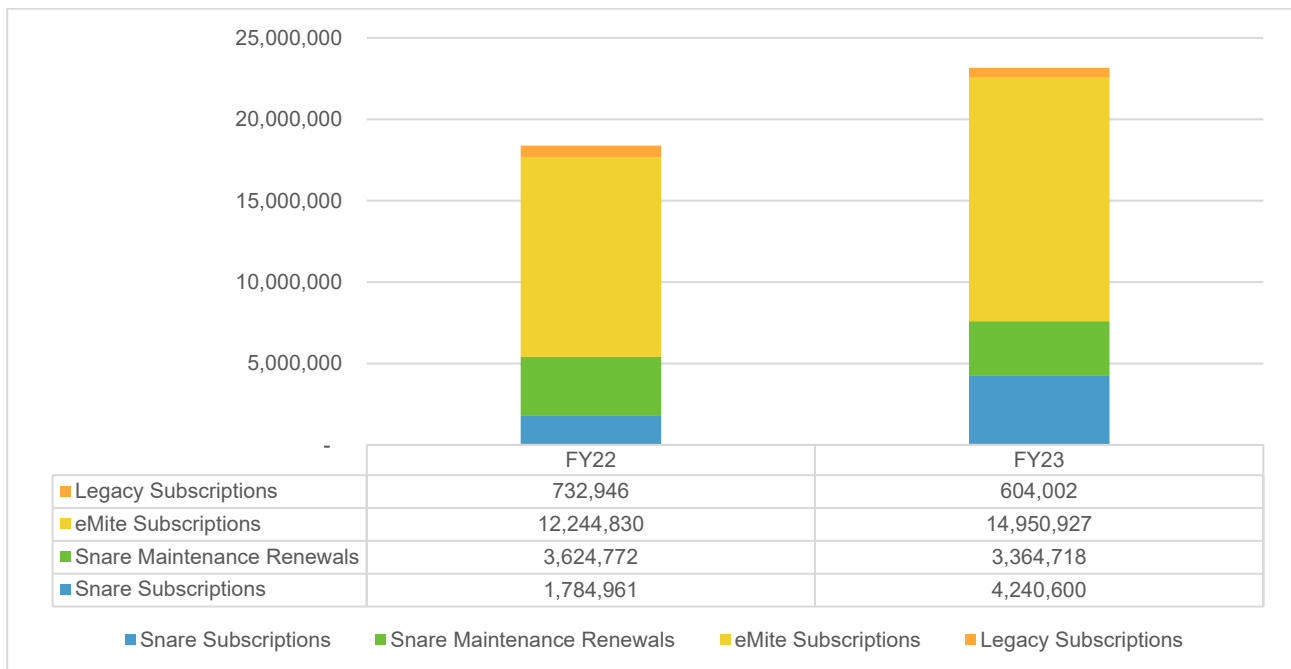
Average deal sizes also continue to increase, despite moving to subscription pricing model, to $18K.

The Company holds a positive view for continued growth for Snare, as the market for flexible cybersecurity and compliance solutions continues to grow and the rising financial and reputational consequences of data breaches, malware and ransomware become increasingly apparent to enterprise customers.

ARR Growth

Group ARR increased to $23.1M up from $18.3M at the end of FY22 - an increase of 26% YoY.

Significant growth in Snare subscriptions saw an increase of 52%

	FY22	FY23
Legacy Subscriptions	732,946	604,002
eMite Subscriptions	12,244,830	14,950,927
Snare Maintenance Renewals	3,624,772	3,364,718
Snare Subscriptions	1,784,961	4,240,600

Legend: Snare Subscriptions, Snare Maintenance Renewals, eMite Subscriptions, Legacy Subscriptions

Prophecy achieves full year invoicing growth

Strong performance by Prophecy's SaaS-based customer experience and contact centre, Emite, which achieved 32% growth in invoicing over the previous corresponding period to $13.1M (FY22: $9.9M) led impressive growth across the Company's total invoicing of $22.6M.

Prophecy's Snare platform, which provides critical government recommended or mandated security controls, including cyber threat detection, security information and event management (SIEM) and

centralised log management, had an expected decrease in invoicing due to the increase in the number of subscription sales in FY23.

Pipeline for FY24

On top of these indicators we have also seen a continuing development in new pipeline added and the business goes into FY24 with a healthy pipeline of opportunities.

The current total unweighted pipe for Snare for FY24 is currently $12.47M.

The unweighted pipeline of sales opportunities for Emite for FY24 is currently $11.71M

Full financial reporting

Prophecy expects that the full audited financial results including P&L and Balance Sheet will be available in August.

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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 Contact Centre Analytics and Cyber Security. CX Intelligence by Emite provides a SaaS based real time and historical analytics platform, dashboards, wallboards, KPI and orchestration products for Customer Experience, Contact Centre environments. 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.

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