Prophecy International Holdings Ltd

(ASX:PRO)

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Company Announcement – 12 October 2021

Prophecy delivers strong growth in FY22

Highlights

- **Prophecy has achieved strong sales growth YTD in FY22:**
  - $3.2 million in new eMite sales, a year-on-year (YoY) increase of more than 800%
  - $2.2 million in new Snare sales, a YoY increase of 46%
  - eMite and Snare sales in FY22 to date have added $2.9 million to Prophecy's annualised recurring revenue (ARR), which grew 39% in FY21 to $10.7 million at the end of last financial year and now totals $13.6 million.
  - Prophecy's invoicing grows by approximately 56% year-on-year to $5.25 million in Q1 FY22
  - eMite and Snare's strong performance expected to continue in FY22

- **Several prominent US and Australian businesses signed during Q1 FY22 as new eMite and Snare customers on contracts with duration spanning up to 3 years, spanning the Banking, Insurance, Retail, Food & Beverage, Transportation, Pharmaceutical, Resources, IT and Government sectors**

- **Snare is the Company's cybersecurity software product line, through which it provides critical government recommended or mandated security controls, including cyber threat detection, security information and event management (SIEM) and centralised log management**

- **eMite is Prophecy's SaaS-based contact (call) centre analytics platform, helping large Enterprise and Government customers to maximise their customer service and revenue opportunities and ensure maximum efficiency of their customer engagement tools, processes, systems and people**

Sydney— Tuesday, 12 October 2021— Business software developer Prophecy International Holdings Ltd (ASX: PRO, "Prophecy" or "the Company") is pleased to advise of strong financial and operational progress across its business units in the year to date FY22.

eMite Performance

Prophecy's investments in sales and marketing in FY21 have begun to deliver significant growth in contracted sales for eMite, the Company's SaaS-based customer experience and contact (call) centre analytics platform.

In FY22 to date, the Company has signed new eMite customer contracts with 1st year contract value (1CV) of $3.2 million. This represents year-on-year growth of more than 800% in eMite subscriptions and set up fees and services committed through each agreement.

The result also indicates strong near-term momentum, with eMite new 1CV growing by more than 60% during the quarter compared to Q4 FY21, and Prophecy's eMite sales in FY22 so far alone representing more than 85% of eMite sales across the full year of FY21.

This growth is being substantially driven by significant expansion in the average eMite deal size, up nearly 800% year-on-year to more than $150k.

During the quarter, Prophecy signed several prominent US and Australian businesses as new eMite customers on contracts with duration spanning up to 3 years. These new customers include global beverage company **Lion Pty Ltd**, pharmaceutical multinational **Johnson & Johnson**, **Bausch Health**, the world's largest car rental company **Enterprise Holdings**, the **City of San Diego** and **1800 Flowers** (an up-sell of 545 new agents).

As new eMite customers these businesses join **Humana**, one of the biggest health insurance providers in the US market, which Prophecy signed as the largest SaaS customer in the Company's history in early October 2021. The Company has subsequently also signed **Amica Insurance** as a new eMite customer on a 36-month contract, adding 1,650 agents on Genesys Cloud.

Prophecy welcomes these new users to its eMite platform and looks forward to helping more businesses to visualise their customer's journey and understand their level of happiness during the entire journey.

Snare Performance

Prophecy's focus on the US and Europe as key growth drivers continue to deliver strong increases in sales for Snare. This is the Company's cybersecurity software product line, through which it provides critical government recommended or mandated security controls, including cyber threat detection, security information and event management (SIEM) and centralised log management.

In Q1 FY22, the Company made new Snare customer sales of $2.2 million. This represents year-on-year sales growth of 46% against what was Snare's strongest quarter of FY21, and comes as the average Snare deal size has tripled year-on-year.

The result also indicates strong near-term momentum, with Snare sales growing by 46% during the quarter compared to Q4 FY21, and Prophecy's Snare sales in Q1 FY22 alone representing more than 40% of Snare sales across the full year of FY21.

For more details visit

prophecyinternational.com
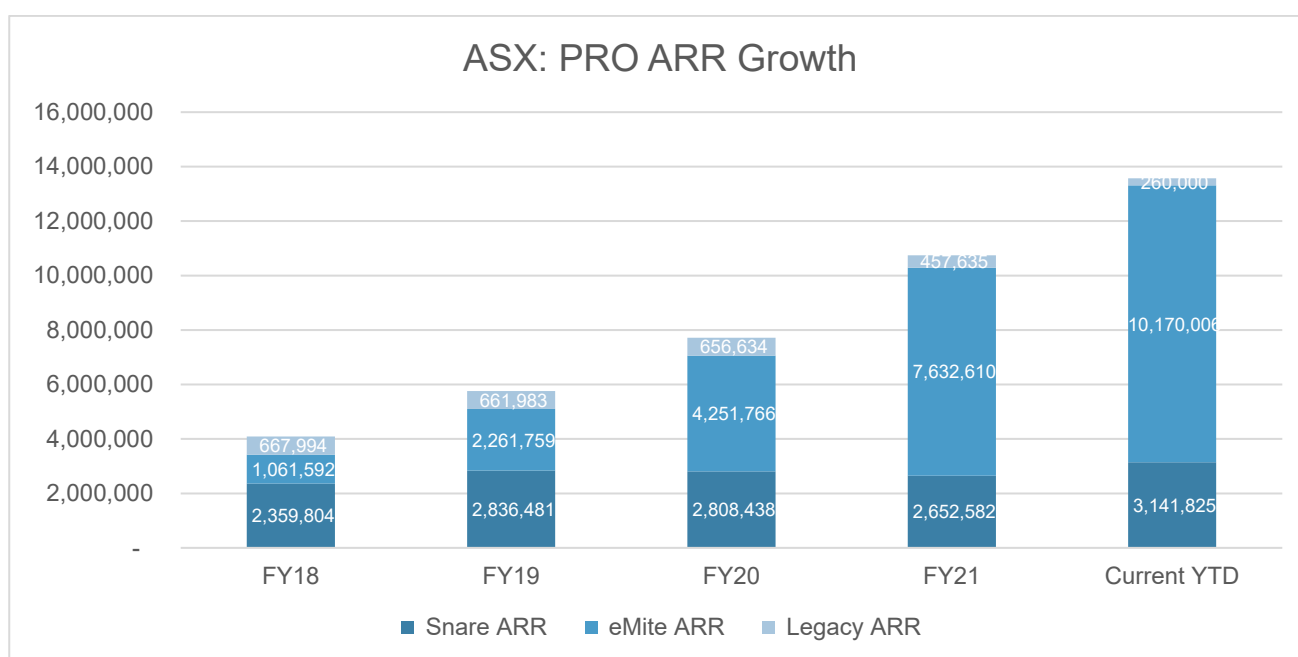intersectalliance.com
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The sales result was supported by new Snare customer wins with a range of large American and European businesses across the Company's target sectors of Banking, Insurance, Retail, Transportation, Resources, IT and Government. These new Snare customers include **Commerzbank, Metlife, Yum Brands, UPS, Worley Parsons, Florida Light & Power, NTT Security, Provitech Solutions, the US Department of Treasury, Florida Department of Revenue** and the **Galileo Control Centre**.

Cashflow and Recurring Revenue

The growth in sales and new customer wins detailed above has seen Prophecy's invoicing grow by approximately 56% year-on-year to $5.25 million in Q1 FY22.

The strong start to FY22 continues the long-term trend of growth in Prophecy's base of annualised recurring revenue (ARR). The chart below shows the consistent growth in Company ARR delivered between FY18 and FY21.

ASX: PRO ARR Growth

	FY18	FY19	FY20	FY21	Current YTD
Legacy ARR	667,994	661,983	656,634	457,635	260,000
eMite ARR	1,061,592	2,261,759	4,251,766	7,632,610	10,170,006
Snare ARR	2,359,804	2,836,481	2,808,438	2,652,582	3,141,825

combined ARR at the end of FY21 was $10.7 Million

Prophecy continues to enhance its business operations to meet significant global market opportunities and retains a positive outlook for growth in FY22 and beyond.

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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 and in Denver, USA.

For more details visit

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