



**Prophecy**

**Prophecy International Holdings Ltd**

**(ASX:PRO)**

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## **Strong Q3 FY22 Growth Across eMite and Snare**

### **Market Announcement**

#### **Highlights**

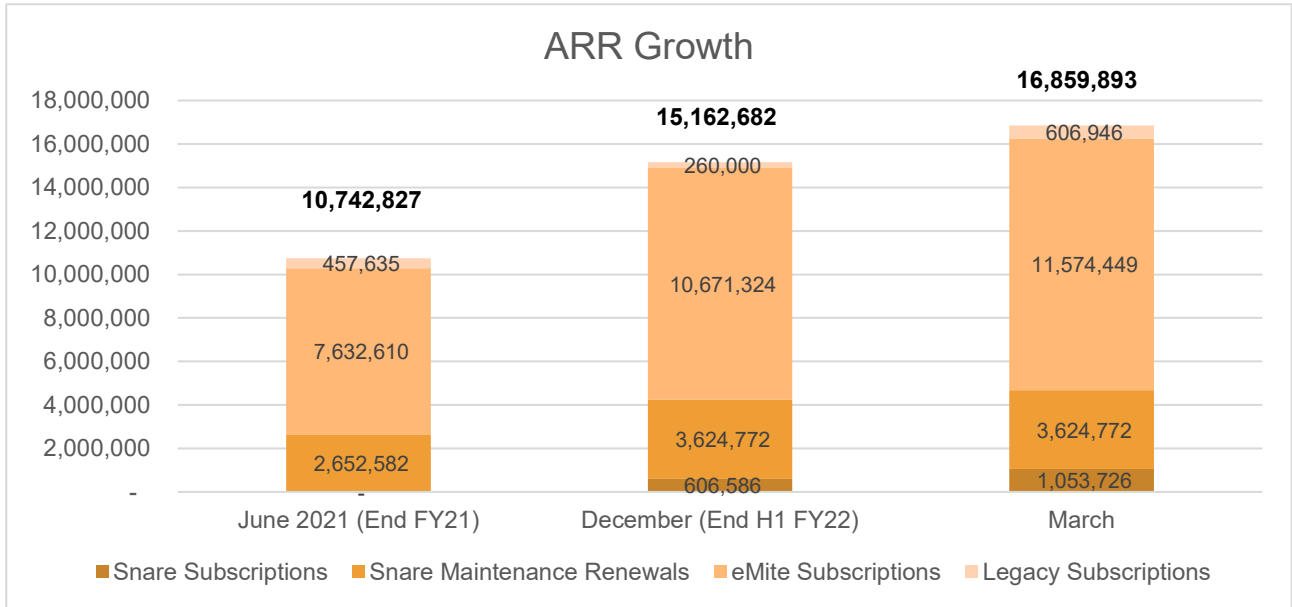
- **Invoicing growth YoY is up significantly to \$16.3M against \$9.9M across the same period last year.**
- **Continued diverse sales growth in FY22, with the \$9.86 million YTD in new business sales achieved across Snare and eMite across the first 3 quarters representing growth of 77% against the same period in FY21**
- **Strong boost in new customer activity for eMite, the Company's SaaS-based customer experience and contact (call) centre analytics platform, with 1st year contract value (1CV) sales in the first three quarters of FY22 +154% year-on-year to \$4.87 million**
- **Continued strong sales growth for Snare, the Company's cybersecurity software product line, sales across the first 3 quarters represent \$5.0M, growth of 37% year-on-year, with an increasing number of Snare customers opting for subscription sales**
- **Snare Subscription ARR breaks through \$1M milestone**
- **Group annualised recurring revenue (ARR) of \$16.86 million as at 31 March 2022 (+57% since 30 June 2021)**
- **Prophecy ended March 2022 with an unaudited cash balance of \$10.4 million, providing adequate funding to pursue its growth agenda**

**Sydney — 11th April 2022** — Business software developer Prophecy International Holdings Ltd (ASX: PRO, "Prophecy" or "the Company") is pleased to advise of continued financial and operational progress across its business units.

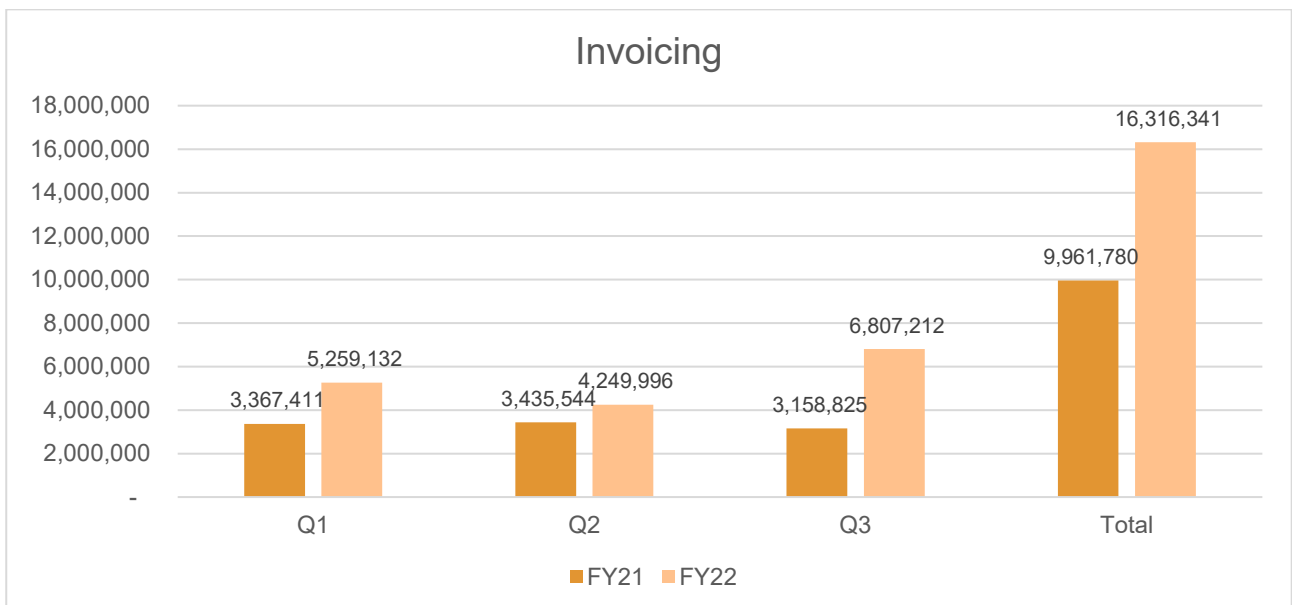
## Business Momentum

Prophecy’s strong growth in sales revenue during Q3 FY22 is having a positive impact on the Company's base of ARR, which continues to expand consistently. As at 31 March 2022, Prophecy's group ARR stood at \$16.86 million, an increase of 57% in the nine months since the end of FY21.

Pleasingly, more than \$1 million of the Company's ARR is now contributed by Snare subscriptions.



The rise in revenue and ARR has been accompanied by similarly strong growth in invoices raised. The Company has invoiced \$16.3 million in FY22 to date, +64% year-on-year.



## 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 Q3 FY22, the Company signed new eMite customer contracts covering more than 5,500 seats with aggregate 1st year contract value (1CV) of \$1.28m. This new customer activity represents strong continued growth, with eMite 1CV sales in the first three quarters of FY22 +154% year-on-year to \$4.87 million.

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.



The rising new client activity has continued to boost eMite's base of annualised recurring revenue (ARR), growing to \$11.57 million as of 31 March 2022, a year-on-year increase of 51%.

Prophecy holds a positive view for continued 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.

## 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) and centralised log management.

In Q3 FY22, the Company signed new Snare contracts with more than 50 enterprise customers, generating sales of \$1.3 million, an increase of 26% year-on-year. The Prophecy achieved an average Snare deal size of

\$18k during the quarter, +80% year-on-year. A selection of the Company's most newly-won Snare customers follows below.



Following Prophecy's development in Q2 FY22 of a subscription-based sales model for Snare, 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 33% of the Company's new Snare business in Q3 FY22.

Prophecy has been promoting subscription as a preferred pricing model strongly from 1 January 2022 and 90% of all new opportunities created since then are for subscription licences. From 1 January \$3.5M of new opportunities have been added to the FY23 sales pipeline.

The rise in average deal size and continued shift towards subscription sales for Snare indicates Prophecy's strong competitive position as well as its ability to upsell, with the Company selling 20 copies of Snare Central in March, matching the monthly record set in December 2021.

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.

The Company ended March 2022 with an unaudited cash balance of \$10.4 million, providing adequate funding to pursue its key focus areas which include the following priorities:

- Continue to expand sales and marketing to address growth opportunities in global markets
- Increase eMite sales to large Enterprise customers through both Genesys and Amazon Connect
- Increase penetration of Snare products with new and existing customers, focusing on opportunities for Snare in the Government & Defense segment in the USA
- Increase Snare partner revenue from Security services partners including MSSP's, Security Operation Centre (SOC) providers and Extended Detection and Response (XDR) platform providers
- Deliver the strong pipeline of product innovation already in progress for both Snare and eMite
- Continue the managed transition of the Snare business to recurring subscription-based licensing

- Identify and execute on acquisition opportunities to accelerate growth and increase capability, capacity and coverage

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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.