



Prophecy

Prophecy International Holdings Ltd.

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Company Announcement 9th July, 2015

ACQUISITION AND PLACEMENT

- Prophecy acquires 100% of software company eMite Pty Ltd
- SNARE new sales growth passes 170% for 2015 financial year
- Combined new 2016 revenue expected to be \$20m with \$8.2m profit before tax
- The 2016 expected result to be about double the 2015 result
- The combined product sets provide excellent analytics monitoring and reporting

Prophecy International Holdings Limited is pleased to announce that it has completed a sale and purchase agreement to acquire 100% of Australian software company eMite Pty Ltd. This transaction is effective as of July 1st 2015.

Consideration is by way of cash and shares in Prophecy including an upfront payment on closing and completion of certain conditions which are expected to take place over the next week or two, with earn out incentives based on the performance of the business in the 2016 Financial year. The upfront consideration comprises a cash component of \$4 million together with 6,300,000 PRO shares.

To assist with the funding of this transaction, Prophecy has completed a placement of 2,300,000 PRO shares with institutions new to Prophecy to raise \$2,500,000 cash. After the issue of these new shares to the vendors and the placement shares, Prophecy will have 64 million shares on issue.

Our new SNARE sales have continued to grow further since our last announcement and have now exceeded 170% growth against the last full financial year. As soon as we have been able to tally the sales achievement for the full year just completed, we will confirm a most pleasing full sales growth number and 2015 revenue number to the market.

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New SNARE sales are expected to continue to grow in the 2016 Financial year and our expectation is that the growing Prophecy revenues including SNARE plus the growing eMite revenues will total approximately \$20 million for the 2016 year. Profit growth is expected for both the SNARE business and the acquired eMite business and 2016 is expected to deliver a before tax profit of \$8.2 million in total for the group. This expected 2016 result is about double the current expected 2015 result of \$9.8 million revenue and \$4 million profit before tax.

The eMite product set provides a service intelligence platform which combines analytics, correlations, capacity, performance, availability and SLA management in a single out of the box solution. The eMite software can aggregate from any data source, provide multiple service modules for both business and IT and deliver it all via a fantastic end user driven presentation layer.

The acquisition of eMite provides Prophecy with a coherent bolt-on opportunity that will immediately deepen our data management and analytics domain presence. There are exciting revenue and marketing synergies by leveraging Snare's existing relationships with enterprise and mid-market clients to cross sell the eMite solution. The combined revenue and profit projections for 2016 push our growth along at a rapid rate to further capitalise on excellent growth achieved in this year.

Enterprise Management Associates (EMA) views eMite as being among the leading providers in Advanced Operational Analytics. The following report from February 2015 provides some insights into the eMite capabilities - <http://www.emite.com/news/news/187-ema-views-emite-among-leaders-in-advanced-operations-analytics.html>

eMite was ranked by Gartner among the TOP 2 PRODUCTS in its evaluation of tools covering Critical Capabilities for Infrastructure & Operations Business Value Dashboards (IOBVD). That is a fantastic achievement for the eMite product.

In late 2014, the CIO Review Magazine selected eMite in the top most promising technology companies in the USA for 2014. That followed the selection of eMite as the "Company of the Month" in July 2014.

Current eMite customers include Allianz,UBS, HP, BOQ Finance, Cuscal, CSC, ASB, CBA, Cognizant, gen-i, QBE, ANZ, Toyota Financial Services, Onepath, NSW Office of State Revenue, NSW Transport Roads and Traffic Authority, alphawest, Government of South Australia, CUA, water secure, SAI Global, and Westernpower.

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