



Prophecy

Prophecy International Holdings Ltd.

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Company Announcement 21st October, 2015

Quarter 1 Results FY16

- Q1 new sales invoiced \$3.4 million
- Q1 Income recognised \$4.54 million
- Q1 Management Profit \$1.94 million
- Q1 Unearned Income account net increase of \$0.6 million
- eMite Q1 result is running ahead of expectations
- SNARE Q1 results ahead of same period last year

Prophecy is pleased to report an excellent start to FY16 with a buoyant set of Q1 numbers. As previously reported, new sales invoiced came in at a very healthy \$3.4 million, to continue the sales momentum that had been established during FY15. Considering that Q1 covers the Northern Hemisphere summer holiday season where business can run more slowly, this has been a very good result.

Total Income recognised for the group for Q1 came in at \$4.54m, which again is an excellent start to FY16. Income for the same period last year came in at \$1.41 million and thus we have been able to achieve very solid growth compared to last year. The Income number includes both the new sales numbers and invoicing for existing recurring base revenues. Not all the invoiced amounts are recognised as income immediately as a portion is allocated to unearned income and then brought to account against income over 12 months.

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prophecyinternational.com
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The management accounts for Q1 show a profit of \$1.94 million which again is an excellent result for the first period. The equivalent number for last year was a profit of \$0.25 million. Our investment in new resources is balanced against new sales growth which enables a healthy profit to be maintained along with our growth.

As a result of our increased invoicing the Unearned Income account for Q1 came in at an increase of \$0.6 million.

The acquired eMite business performed above expectations for Q1 to bring in excellent sales numbers backed up by good revenue and profit numbers. The acquisition has progressed smoothly with a number of great new sales being completed to further enhance an excellent customer list. The challenge now is to continue to build on this excellent start to produce the results expected for the half year.

SNARE sales have continued to impress with very good numbers achieved for Q1. It's always a challenge to come off a very good Q4 sales period to complete FY15 and then continue the momentum with excellent sales numbers for the next Q1 which includes the northern holiday season. Q2 through to Q4 last year provided tremendous growth for SNARE and we now have the challenge of expanding on that achievement as we head towards our Q2 targets to make the numbers for the half year.

Overall, across our two key business units, we have made an excellent start to our FY16 targets.

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