



Prophecy

Prophecy International Holdings Ltd.

(ASX:PRO)

Level 1, 76 Waymouth St
Adelaide SA 5000 Australia
Phone: + 61 8 8213 1200
info@prophecyinternational.com

Correction to Previous Announcement

The announcement released on July 26th 2016 regarding the Prophecy Group's FY2016 sales and revenue result contained a typographical error in a percentage.

The second sentence of the fifth paragraph of the announcement should have stated that Snare new sales figures in 2016 grew by 13% over FY2015, not 3% as shown in the original announcement.

Attached is a corrected version of the announcement. With the exception of the changed percentage, this version is identical to the previously released announcement.

For more details visit

prophecyinternational.com
intersectalliance.com
eMite.com
promadis.com
basis2.com

Contact: info@prophecyinternational.com
or call +61 (08) 8213 1200

Company Announcement 26th July, 2016

FY16 RECORD RESULTS

- Full year FY16 EBITDA: a record at \$5.0 million, up 13%
- Full year revenue: a record at \$14.7 million, up 47%
- Q4 new sales: up 62% from Q3, a very pleasing improvement
- SNARE Q4 new sales: best quarter for the year
- SNARE full year revenue: up 28% to \$7.6 million, a record
- Improved sales result expected to flow into FY17

Prophecy's EBITDA for FY16 is expected to be \$5.0m once audited accounts are complete. This earnings result is a new record for the group, and shows growth of 13% compared to FY15 EBITDA. The Board is very pleased with this full year result.

FY16 revenue has come in at \$14.7 million. This figure represents a new revenue record for the group, and is up a healthy 47% compared to FY15.

A portion of invoiced new sales is allocated to income in advance, with the rest taken up as current revenue in FY16. Income in advance is made up primarily of future maintenance commitments and consulting ordered but not yet performed. The percentage of new sales taken up as income in advance is higher than forecast, resulting in the recognised revenue from FY2016 new sales being lower than expected. As a result, income in advance has grown to \$3.4m at the end of FY16, compared to \$1.8m at the end of FY15. This income in advance figure represents guaranteed revenue for the future, with most to be taken to account during FY2017.

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It is pleasing to be able to report that FY16 Q4 new sales results were very strong compared to the previous two quarters. Q4 new sales across the group were up by 62% from the Q3 total, and 44% from the Q2 total. Q1 remained as the best new sales quarter overall for the FY16 year.

In the SNARE division, Q4 provided the best quarterly sales result in the year, beating Q3 by 64%, Q2 by 35% and Q1 by 10%. The full year SNARE new sales figures grew by 13% compared to FY15. SNARE total recognised revenue for FY16 came in at a new record \$7.6 million, compared to \$5.9 million in FY15. This result provided excellent overall SNARE revenue growth of 28% for the full year. The SNARE team has been structured to target continued further growth through FY17.

eMite sales for Q4 finished 55% up on the Q3 result. eMite staff attended the Interactive Intelligence (ININ) user conference in Indianapolis in early June and were able to gain a tremendous interest in the eMite analytics solution for ININ users. The eMite solution was very well received by both ININ staff and customers and has generated a large volume of leads for sales action in FY17. A much improved sales result is expected for eMite in FY17 as a result of the foundation laid in FY16.

The improved sales result is expected to flow into FY17 Q1 new sales with a very healthy pipeline in place for both SNARE and eMite. New sales activity has accelerated as a result of the recent improved sales process. New sales resources have come on board to enhance the SNARE sales team and additional resource is currently being sought for the eMite team to capitalise on the improved results.

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