

**DATE**

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**SECTORS**

Technology & Software

**DEAL TYPE**

M&A Advisory

**DEAL LOCATIONS**



**DEAL TEAM**



**Greg Ager**

Managing Director



**Matt Fiore**

Managing Director

# DC Advisory advised Prescient Applied Intelligence on its merger with Park City Group



Combined Companies Will Provide One of the Most Comprehensive Inventory and Labor Management Solutions for Suppliers and Retailers.

Park City Group's Pro-Forma Revenue Expected to Triple.

PARK CITY, UT and WEST CHESTER, PA – September 3, 2008 – Park City Group, Inc. (OTCBB: PCYG) and Prescient Applied Intelligence, Inc. (OTCBB: PPID) today announced the execution of an Agreement and Plan of Merger. Under the terms of the Agreement, Prescient will merge with a newly formed subsidiary of Park City Group, becoming a wholly owned operating subsidiary. Simultaneous with the execution of the Agreement, Park City Group acquired, from two Prescient stockholders in a private transaction, over 43% of Prescient's Series E Preferred Stock, and Randall K. Fields, Chairman and Chief Executive Officer of Park City Group, was appointed Chief Executive Officer of Prescient. Prescient's current Board of Directors and executive management team will remain in office until completion of the merger. The merger is subject to customary terms and conditions, including Prescient stockholder approval.

Park City Group, a developer and marketer of patented computer software and consulting services which enable its retail customers to increase sales while reducing inventory and labor costs, reported revenues of \$2.5 million for the nine months ended March 31, 2008. Prescient Applied Intelligence, a leading provider of supply chain and advanced commerce solutions for retailers and suppliers, reported revenue of \$8.6 million for the 12 months ended June 30, 2008. Park City Group will report its results for its fiscal year ended June 30, 2008 later this month.

Upon completion of the merger, anticipated before the end of 2008, this accretive acquisition is projected to yield:

– Significant increase in recurring subscription based revenues

- Increase in pro-forma revenues of 300+%
- Substantially increased pro-forma EBITDA
- Synergies of product and services offerings
- Strong revenue growth opportunities within the combined customer base, and
- Economies of scale in business operations and development costs.

Together, Park City Group and Prescient will provide a complementary, comprehensive and integrated range of offerings for inventory management, labor utilization, vendor managed inventory, and scan-based trading solutions to grocery, convenience store and specialty retailers, and consumer product manufacturers worldwide. The strategic combination of the two companies is expected to create synergies and opportunities in sales and marketing as well as product development and implementation, and account management to a wide and diverse universe of retailers and suppliers. Current customers of Prescient include Meijer, Kroger, Sunny Delight Beverage Company, Russell Stover Candies, and Crayola. Park City Group counts The Home Depot, SuperValu, Tesco-Lotus, Circle K, WaWa, Kellogg's and Williams Sonoma among its present customers.

Upon closing of the transaction, Park City Group will have the technology platform, services portfolio, financial resources, and subject matter expertise to meet the complex requirements demanded by leading retailers and suppliers around the globe. The combined company will serve 5 of the top 10 grocery retailers, 4 of the top 6 dairies, a large number of consumer products goods manufacturers, and the largest magazine distributor in the United States. Additionally, both companies count several overseas retailers and manufacturers as customers.

Randall K. Fields, Chairman and CEO of Park City Group, said that, "We are very pleased to bring the resources and product portfolio of Prescient Applied Intelligence into the Park City Group fold. I truly admire the business they have built and the extraordinary team of qualified people they have put in place." Fields continued, "The marriage of these two unique companies allows us to greatly expand our product offerings and value stream to our combined customer base while taking full advantage of the available efficiencies. We look forward to incorporating the highly-skilled and respected employees into our development, sales, and management teams."

Jane Hoffer, President and Chief Operating Officer of Prescient Applied Intelligence, said that, "Our supply chain and retailer-centric planning tools are the perfect complement to Park City Group's inventory and labor management solutions and business analytic offerings. This is truly a case where the combined strength of the two companies will make an even stronger offering to a market that is in critical need of our services."