



## **Consolidated Financial Statements**

**For the Half-Year Ended 31 December 2024**

Results For Announcement to the Market  
For the Period Ended 31 December 2024

This report should be read in conjunction with the 30 June 2024 Annual Financial Report of the consolidated entity.

1	Summary of results	% change	Direction	\$
	Revenue from ordinary activities from continuing operations	1%	up	11,601,120
	Loss from ordinary activities before tax attributable to members	28%	down	(1,656,656)
	Loss from ordinary activities after tax	10%	up	(1,852,889)
	Loss from ordinary activities attributable to members (after non controlling interests)	10%	up	(1,858,249)
2	Dividends			
	No dividend has been declared for the half.			
3	Explanatory information			
	For the six months to 31 December 2024, Prophecy has posted a loss before tax of (\$1,661k). This compares with a loss before tax of (\$2,312k) for the same period last year.			
	Revenues for the six months to 31 December 2024 were \$11.60 million – up 1% from the same period last year which recorded revenues of \$11.49 million.			
	The half year closed with a cash balance of \$9.1 million compared to \$9.9 million at the same period last year.			
4	Net Tangible Assets per Security	December 2024 \$	December 2023 \$	
	Net Tangible Assets (pre tax)	(346,112)	(3,892,166)	
	Net Tangible Assets (post tax)	(346,112)	(3,361,237)	
	Number of Securities	73,633,934	73,615,934	
	NTA per Security (pre tax)	0.005	0.053	
	NTA per Security (post tax)	0.005	0.046	

Prophecy defines net tangible assets as net assets less intangible assets. A large proportion of Prophecy’s assets are classified as intangible assets including goodwill, right of use assets and intellectual property. The company has elected to disclose net tangible assets both pre and post deferred tax balances.

The reviewed financial statements for the period ended 31 December 2024 are attached.

Contents  
For the Half Year Ended 31 December 2024

	Page
<b>Consolidated Financial Statements</b>	
Review of Operations and Results of Operations	1
Directors' Report	9
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15
Directors' Declaration	18
Independent Audit Report	19

## Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

# Review of Operations & Results of Operations

For the Half Year Ended 31 December 2024

Prophecy International Holdings Ltd is pleased to announce its results for the half year ended 31 December 2024 (H1 FY25), confirming another record half year for the Company with revenue increasing to \$11.6M and contracted annualised recurring revenue (ARR) increasing to \$25.9M.

Prophecy International is a pure play business-to-business (B2B) and business-to-government (B2G) software and SaaS company servicing large enterprise and government customers globally. Prophecy's customers are typically mid to large corporate companies in regulated industries, located anywhere in the world, State and Federal Governments, military and defence agencies. In the commercial world Prophecy is particularly relevant in the Banking & Finance; Energy, Oil & Gas; Health, Retail and Technology sectors.

The Company goes to market efficiently with both direct sales and also through channels and partner relationships with some of the biggest IT companies in the world.

### Prophecy's Critical Role as an Artificial Intelligence (AI) Enabler

In a world increasingly driven by AI, the value of data is paramount, and Prophecy is at the forefront playing a crucial role as an AI enabler, providing the secure, structured, and scalable data that AI systems depend on. By combining a robust security data engine (Snare) with real-time data integration and visualisations (emite iPaaS), the Company provides an end-to-end data pipeline for AI. Whether for cybersecurity AI, predictive analytics, or operational intelligence, Prophecy's solutions ensure that AI models receive the large-scale, high-quality data they need to be accurate, reliable, and effective.

AI models, particularly in cybersecurity, operational intelligence and business analytics, require vast amounts of high-quality data for accurate predictions and decision-making. Snare and emite provide the secure, structured and real-time data streams that AI systems need to function optimally. With Snare's ability to collect and standardise data from diverse sources, and emite's integration capabilities, Prophecy's customers can rely on a robust foundation of accurate historical and real-time data on which to apply AI-driven security and operational intelligence.

AI is not just about historical data analysis — it is increasingly used for real-time detection and response in dynamic, fast-paced environments. This is where emite and Snare's real-time analytics capabilities become crucial, with Snare customers leveraging live data feeds to detect threats and respond proactively, and emite customers integrating their understanding of real-time KPIs and customer interactions to enhance operations.

### H1 FY25 Financial Highlights

- Revenue up 1% on previous corresponding period (PCP) to \$11.6M in H1 FY25 – a record H1 for the company (H1 FY24 - \$11.5M)
- Contracted annualised recurring revenue (ARR) to \$25.9 M as at 31 December 2024
  - emite contracted ARR to \$15.4M
- Snare subscriptions to \$6.4M, as Snare continues to transition its revenue model towards primarily recurring subscription sales
- Positive cash flow targeted in FY25, noting cash flow is seasonal as a majority of annual company expenses fall into Q1 and the majority of large receivables fall into H2
- Market tailwinds remain positive across Prophecy's business lines, seeing continued expansion in both data integration & analytics and Cyber Security data management
- Zero debt with closing cash balance of \$9.1M on 31 December 2024
- Legacy revenue reduced to zero in H1 FY25 from \$515K in FY24

Review of Operations & Results of Operations  
For the Half Year Ended 31 December 2024

Performance	H1 FY25 Result	H1 FY24 Result	YoY change
Revenue	\$11,601,120	\$11,490,321	Up 1%
Invoicing	\$10,536,577	\$10,621,167	Down 1%
Cash Flow	(\$2,534,261)	(\$1,351,173)	Down 88%
Cash Balance	\$9,079,465	\$9,853,831	Down 8%
NPAT (Loss)	(\$1,852,889)	(\$1,677,789)	Up 10%
Deferred Income	\$10,430,411	\$8,431,266	Up 24%
Debt	Zero	Zero	No change

In H1 FY25, Prophecy continued to focus on delivering organic growth through its two primary product lines, emite and Snare. Legacy revenue in this period reduced to zero and this revenue was replaced with revenue from emite. On a like for like basis this represents a growth rate of 5.7% for the half against the same period last year.

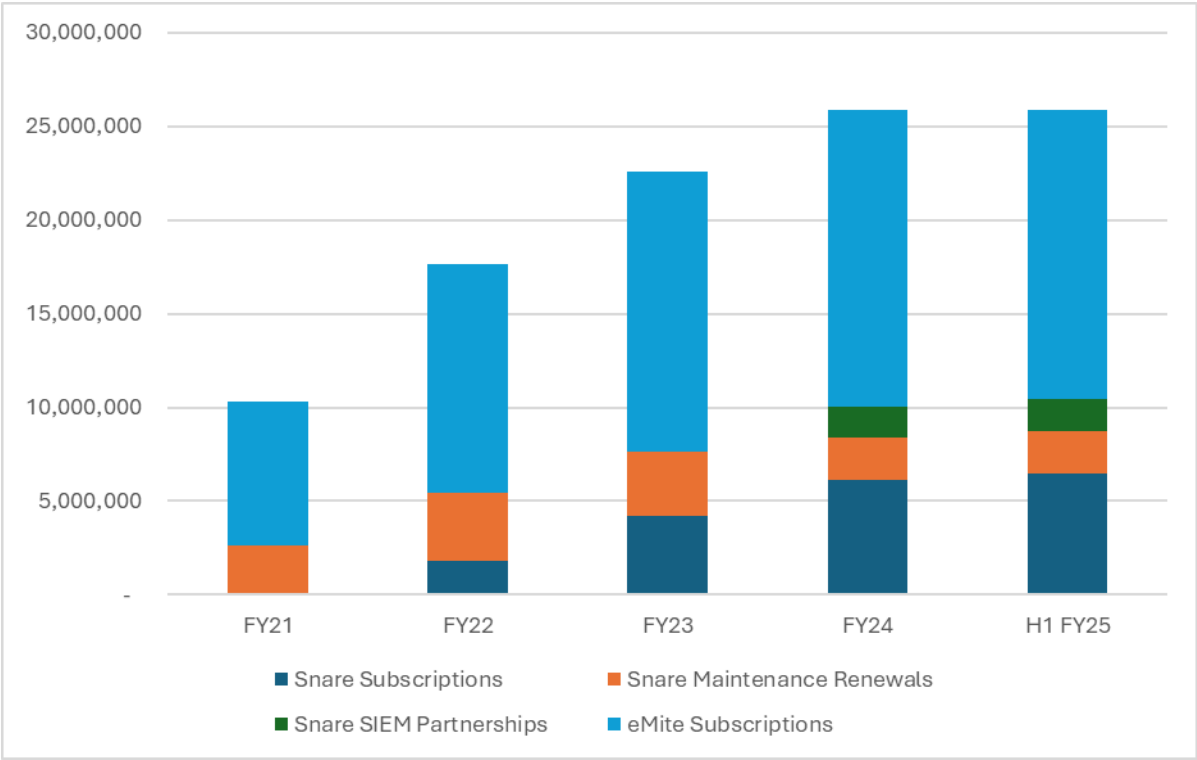
Emite is the Company's full featured SaaS-based analytics platform targeted primarily at the Customer Experience (CX) market. Emite helps Prophecy's customers understand their CX operations and customers, enabling them to optimise their operations and provide differentiated service to their customers by breaking down data silos and making all CX data available for analysis, visualisation and reporting as they need it.

Increasingly customers are leveraging emite iPaaS to integrate to data sources outside the CX environment and the Company will continue to move to a more holistic enterprise integration platform approach as customers continue to use emite in this manner.

Snare is the Company's cybersecurity software product line. Through Snare, the Company provides critical government recommended or mandated security controls, including cyber threat detection, alerting, forensics and a platform for unified data management for Security.

Sales partnerships recently established, and contract wins with new and existing customers continue to underpin growth in the Company's base of recurring revenue while also expanding Prophecy's pipeline opportunities locally and in global markets. As at 31 December 2024, the Company's base of contracted ARR had grown to \$25.9M.

Review of Operations & Results of Operations  
For the Half Year Ended 31 December 2024



The Snare business continues to transition well to a primarily subscription-based model, with Snare subscription revenue up 5% YoY. Although the change in focus from a perpetual license model impacts revenue recognition and invoicing cashflow, the subscription model has been received well by customers and enhances the sustainability and scalability of Prophecy's business model.

The increase in cash consumption versus the PCP primarily reflects the investment in emite re-architecture announced previously.

Prophecy continues to efficiently convert revenue into cash receipts, invoicing \$10.5M in H1 FY25. The Company expects to achieve positive cash flow in FY25 following cash flow breakeven in FY24.

The continued growth of the business, with group revenue now in excess of \$20M per annum, requires more robust systems for billing, subscription contract management and reporting. During H1 FY25 the Company selected a vendor partner to provide this capability. This will bring better fine controlled management of customer contracts along with improved reporting of actual and contracted ARR, as well as other meaningful metrics including churn and net revenue retention. Implementation of this new system is targeted for completion by the end of Q4 FY25.

The Company remains debt free with adequate financial flexibility to pursue its growth objectives, with a cash position at 31 December 2024 of \$9.1M and receivables of \$1.85M.

## **Review of Operations & Results of Operations**

### **For the Half Year Ended 31 December 2024**

#### **Emite Sales and Operational Highlights**

Emite has an almost 100% channel-based go-to-market strategy driven by key partnerships with Genesys and Amazon Connect from AWS. The Company has also developed relationships with many implementation partners, resellers and system integrators including Telstra, Optus, NTT, Inoria, ConvergeOne and VDS. Emite hosts its SaaS customers globally on both AWS and Oracle Cloud, and emite continues to be an Elite AppFoundry partner for Genesys.

Prophecy's focus on international marketing through both the Genesys and Amazon Connect contact centre technology ecosystems continues to deliver growth in contracted sales for emite. Emite achieved AWS ISV Accelerate status in H1 further enhancing the Company's ability to secure additional business through the AWS partnership.

Prophecy's release in June 2023 of an Integration Platform as a Service (iPaaS) solution for emite enables the Company to address more of the CX marketplace, include other vendor tools with Genesys and Amazon Connect and open this new integration capability to the entire CX ecosystem, addressing opportunities such as CXOne, ZenDesk, TalkDesk and others. The Company's iPaaS also enables Prophecy to provide its leading analytics capabilities alongside more Contact Centre as a Service (CCaaS) solutions and expand into the wider data integration market.

In January 2025 the iPaaS platform broke through the milestone of 100M integration actions in a month, with 101 million records ingested in the first 22 days of the year.

New emite customer contracts signed in H1 FY25 pushed emite revenue to record levels, adding aggregate 1st year contract value of \$2.6M.

This growth was supported by a 6-year, \$10.7 million contract, announced early in H1 FY25, to provide emite to Optus Networks Pty Ltd for Services Australia as part of Services Australia's migration from its legacy on-premise contact centre to a new cloud-based CXOne platform. This marks another significant opportunity sourced under Prophecy's Master Supply Agreement (MSA) with Optus, announced to the ASX on 31 August 2022, with the agreement representing a net increase of approximately \$1.1M in ARR to emite once deployed.

Pleasingly new geographies began to generate sales during the period, including Taiwan and the Middle East, with Eva Air the first customer for emite from Taiwan.

H1 FY25 emite revenue growth also included upsells and new sales to a broad range of high-profile new customers, including several organisations across the Middle East:

- Eva Air
- Yuzzu
- Riyadh Air
- Manulife
- Emirates NBD
- HBF
- Hollard Insurance

During the period, Prophecy continued to enhance security controls and policies which enabled the Company to achieve the updated ISO27001 compliance standard as well as achieve SOC2 compliance for emite. SOC2 (Service Organisation Control 2) is a framework for managing data security, availability, processing integrity, confidentiality and privacy.

SOC2 compliance is crucial for businesses that handle sensitive customer data. It provides assurance to Prophecy's clients that the Company has implemented stringent controls to protect their information. By achieving SOC2 compliance, Prophecy demonstrates its dedication to maintaining the highest standards of security and data management.

The global emite team attended a number of significant events during H1 FY25, including the world's biggest tech show, GITEX in the Middle East, on the back of acquiring a number of high profile accounts in the Middle East including Emirates NBD (one of the largest banking groups in the Middle East) and Abu Dhabi Commercial Bank. These events provided ideal opportunities to market the iPaaS solution and support sales growth.

For personal use only

## **Review of Operations & Results of Operations**

### **For the Half Year Ended 31 December 2024**

#### **Snare Sales and Operational Highlights**

The Company continued to deliver Snare to its contracted government and enterprise customers across multiple geographies, while continuing to build on its momentum in the Middle East.

In H1 FY25, the Company signed new Snare contracts with significant enterprise clients and partners, headlined by:

- UPS
- Nielsen
- Trustwave
- The NSW Department of Communities and Justice
- HCL America
- C1SOC
- Occidental Petroleum (upsell)

Many regulation and compliance mandates call for strong security monitoring tools, and Snare helps customers achieve regulatory compliance in areas like Sarbanes Oxley, NERC, HIPAA, PCI DSS and more. Customer engagements generated sales of \$3.9M during H1 FY25, indicating the breadth of Snare's appeal across a range of global regulated and critical industries, including banking & finance, energy, oil, gas and utilities, retail and health as well as government.

The results reflect a continued strategic shift towards subscription-based engagements and strategic partnerships. During the year more than 80% of new Snare sales were made on a subscription basis rather than under a perpetual license model.

#### **Partner Activity**

Recently signed partnerships to sell and distribute both Snare and emite contributed strongly to revenue growth and pipeline in H1 FY25. Significant among these contributors is Devo Technology ("Devo"), a US-based cloud-native security data analytics company with operations in North America, Europe and Asia Pacific, with which Prophecy signed a strategic partnership in January 2024. The partnership has seen Devo adopt Snare as its endpoint technology to enhance data collection and increase visibility through the Devo Security Data Platform.

As Snare is replacing Devo's proprietary endpoint technology within the overall solution it provides to its customers, this partnership requires minimal selling effort from Prophecy. The partnership has also introduced a new subscription pricing model for Snare based on the volume of data that is collected by Snare and forwarded onto Devo for analysis. Devo is paying Prophecy for Snare Enterprise Agents and the Snare Agent Management Console on a model based on terabytes of data collected.

Devo has successfully migrated many of its existing customers plus all of its net new customers to Snare, making an immediate impact by providing these customers with enhanced event data collection and strengthening cybersecurity postures. Devo and Prophecy intend to migrate all of Devo's existing and new customers to Snare, with the majority of customers expected to be migrated by the end of FY25.

More than 100,000 end point agents have been licensed for Devo customers and partners from more than 100 end customer accounts, with expected ingestion to total \$1.7M annually. While customers have come on board it has taken longer for the data ingestion charges to build due to the time customers take to deploy Snare to send data to Devo.

The company has also recently announced a new partnership with another SIEM vendor in Securonix. While the agreement is in its early stages the company expects to generate ARR of \$1M from this partnership over the course on FY25 and FY26 and to migrate all existing and new customers from their previous provider to Snare.

In Q2 FY25, Prophecy successfully entered emite into the Amazon Web Services (AWS) Independent Software Vendor (ISV) Accelerate Program. Partnering with AWS through the ISVA program will help Prophecy to drive new business for emite by directly connecting the company with the AWS sales organisation for co-selling opportunities to meet customer needs through collaboration with AWS field sellers globally.



## **Review of Operations & Results of Operations**

### **For the Half Year Ended 31 December 2024**

Joining the AWS ISV Accelerate Program distinguishes Prophecy as a trusted AWS Partner and emite as an AWS Qualified Software offering. AWS ISV Accelerate Program members are held to the industry's highest standards and must undergo a comprehensive evaluation to gain acceptance into the program. Prophecy participated in a thorough architectural and security review to ensure the quality and design of its emite solution. Proof of customer excellence was also reviewed to validate the successes that emite customers have achieved across industry verticals.

The Securonix, Devo and AWS relationships complement other recently signed Snare distribution partnerships, including Carahsoft Technology Corp, Prophecy's first Snare distributor in the US with a focus on government and defense, and Oracle, with Prophecy one of only five independent software vendors from the APAC region chosen for Oracle's Global Co-Sell Program.

An increasing amount of Prophecy's new business is being driven by previously announced Snare channel partners, including BAE, Fujitsu UK, NTT globally, Verizon and Novacoast in the US and Jupiter Technology Corp in Japan.

The Snare team attended multiple events during H1 FY25 to generate awareness and new pipeline with partners like Novacoast in the US and MSSP Alert Live in Texas, as well as SOC Analyst Appreciation Day and at events like TechWeek in Singapore and trade delegations with Austrade and the SA Dept of State Development.

#### **Outlook**

The growth of Prophecy's business in H1 FY25 reflects the Company's focus on helping customers to secure the enterprise, monitor cyber threats and deliver valuable business insights. We are trusted by an increasingly broad spread of blue-chip clients across the banking, healthcare, government, defence, utilities, transport, manufacturing, retail and energy sectors.

Healthy demand and continued momentum with customers provide the Company with confidence of delivering further business growth through FY25 and beyond.

We will continue to deliver new capabilities, accelerating both Snare and emite product roadmaps as we develop new revenue streams to complement existing products. We will continue our transition towards SaaS & subscription sales as we focus on driving organic growth through renewal, retention, upsell and cross sell, while proactively scanning the Australian market for potential M&A opportunities.

Prophecy has identified a 12-month Snare potential sales pipeline (unweighted) valued at \$14.9M of both perpetual and subscription sales opportunities including expected revenue and sales from strategic partnerships. Prophecy maintains a positive view for continued growth in Snare's business as the market for security data management continues to expand.

With a 12-month emite potential sales pipeline (unweighted) valued by the Company at \$10.9M, Prophecy holds a positive view for continued growth in this segment as a broader set of customers recognise emite's ability to help businesses manage their data in the cloud and visualise and understand their customer's journey.

In cloud migration, emite is riding a significant growth trend. Hybrid and remote working will continue cloud migration for the next several years. With multi-year industry tailwinds ahead, strong market positions, and diverse streams of recurring revenue flowing from our essential service segments of security data management and CX data integration, we look forward to delivering scalable and increasingly profitable growth in the year ahead.

Prophecy's key focus areas for H2 FY25 include the following priorities:

- Continue to expand sales and marketing to address growth opportunities in global markets
- Increase emite sales to medium and large enterprise customers and government through expanded addressable market created by emite iPaaS
- Initiate and leverage new partnerships in the API Integration market with a specific focus on CX
- Increase penetration of Snare products with new and existing customers, focusing on opportunities for Snare with significant new partnerships in development
- Increase Snare partner revenue from security services partners including System Integrators, 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
- Continue the modernisation of emite to a multi tenanted micro-services architecture increasing scalability and reducing COGS

## Review of Operations & Results of Operations

For the Half Year Ended 31 December 2024

### Risks

Prophecy acknowledges a range of potential risks, both general and specific to its business activities. These risks have the potential to impact the Company's operations, financial performance, overall success and the value of an investment in the Company. Some of the key general and specific risks relating to the business and operations of the Company include:

- 1. Customer retention and engagement:** Prophecy recognises the importance of retaining existing customers and ensuring their ongoing engagement with the Company's products. Factors influencing this include levels of customer support, the technological capabilities of the products, their cost-effectiveness and their perceived value compared to alternatives offered by competitors. The company's reputation also underpins retention and engagement. If Prophecy's reputation is harmed, the Company's business, financial condition, cash flow and results of operations may be materially adversely affected.
- 2. Customer acquisition and channel partners:** Prophecy's underlying growth depends on acquiring new customers, which requires maintaining strong relationships with key partners and ensuring that the Company's products align with the needs of partners' customers. This involves continuous collaboration and alignment with channel partners to effectively reach new markets, with the execution of business development, account management and marketing strategies in multiple jurisdictions. Should the acquisition of new customers or partners slow, this may have an impact on the Company's financial performance.
- 3. Technology:** There is a risk that, as marketable technologies continue to develop in the cybersecurity and business intelligence industries, there may be certain technology and product developments that supersede the existing service and product offerings of Prophecy. This could negatively affect Prophecy's growth trajectory if the Company were not able to respond to these developments.
- 4. Key personnel:** Prophecy's success to an extent depends on its key personnel. The directors and management have extensive experience and knowledge of Prophecy's business and its markets. There is a risk that Prophecy may not be able to attract and retain key staff or be able to find suitable staff in a timely manner and this could impact Prophecy's ability to achieve its growth objectives.
- 5. Cybersecurity incidents:** As the digital economy continues to grow, so does the incidence of cyber attacks and their consequences. There is a risk that partners or clients could be hacked or breached, which could result in losses being suffered by partners or clients. This could lead to a claim against Prophecy which could also hinder the Company's ability to retain or attract clients and partners. Although this risk is mitigated to some extent through contractual arrangements, Prophecy acknowledges the potential for data theft, ransom attacks and misuse of its platform for malicious purposes. The company remains vigilant in implementing robust cybersecurity measures to protect its systems, data and customers.
- 6. International operations:** As Prophecy operates in multiple geographic regions, it faces risks related to varying political, economic and regulatory landscapes. The company must navigate uncertainties and complexities unique to each region, ensuring compliance with local laws and regulations while managing potential economic and political risks. Prophecy may be affected by changes in government taxation policies or in the interpretation or application of such policies under Australian and overseas laws and the outcome of tax audits.
- 7. Acquisitions:** Prophecy may pursue acquisitions or joint ventures that could present integration obstacles or costs. Prophecy may not realise any of the benefits it anticipates and the Company may be exposed to additional liabilities of any acquired business, which could materially adversely impact Prophecy's revenue and profitability. Changes in the capital structure of Prophecy, for example from the raising of debt or the issue of equity to fund the acquisition of assets, may affect the value of, and returns from, an investment in the Company.
- 8. Intellectual property protection:** Protecting the Company's intellectual property and avoiding infringement of third-party intellectual property rights is crucial. Prophecy acknowledges the need to safeguard its innovations and technology while ensuring that its products do not violate the intellectual property rights of others. If Prophecy is involved in litigation, disputes or protracted settlement negotiations relating to intellectual property or other matters, this may disrupt Prophecy's business operations, cause Prophecy to incur significant legal costs and may divert management's attention away from the day-to-day operations of the business.

## **Review of Operations & Results of Operations**

### **For the Half Year Ended 31 December 2024**

Where practicable, Prophecy seeks to implement risk mitigation strategies to minimise its exposure to some of the risks outlined above. However, there can be no assurance that such strategies will protect Prophecy from these risks.

The Company's awareness of these risks demonstrates its commitment to proactive risk management and its dedication to addressing potential challenges as part of its strategic planning and operational activities. Prophecy's ability to effectively mitigate and manage these risks will play a crucial role in its long-term success and sustainability.

The Company notes that these are just a few of the risks that Prophecy has identified. Other risks are beyond Prophecy's control and cannot be mitigated. The occurrence of any such risks could adversely affect Prophecy's financial position and performance and the value of Prophecy securities.

For personal use only

## Directors' Report

For the Half Year Ended 31 December 2024

The directors submit the financial report of the Group for the half year ended 31 December 2024.

### 1. General information

#### Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

Ed Reynolds  
Leanne R Challans  
Matthew Michalewicz  
Grant Miles

### 2. Operating results and review of operations for the half year

#### Review of operations

A review of the operations of the Group during the half year and the results of those operations is shown in the review of operations and results of operations preceding this report.

#### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2024 has been received and can be found on page 10 of the consolidated financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director: .....  
Ed Reynolds

Director: .....  
Leanne R Challans

Dated this: 26th day of February 2025

---

**Grant Thornton Audit Pty Ltd**  
Grant Thornton House  
Level 3  
170 Frome Street  
Adelaide SA 5000  
GPO Box 1270  
Adelaide SA 5001  
T +61 8 8372 6666

## Auditor's Independence Declaration

### To the Directors of Prophecy International Holdings Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Prophecy International Holdings Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 26 February 2025

[www.grantthornton.com.au](http://www.grantthornton.com.au)  
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2024

	31 December 2024	31 December 2023
	\$	\$
Revenue from continuing operations	11,601,120	11,490,321
Other income	124,182	150,469
Employee benefits expense	(7,818,934)	(7,850,876)
Depreciation and amortisation expense	(437,408)	(455,271)
Other expenses	(5,103,199)	(5,616,991)
Finance costs	(22,417)	(29,746)
<b>Loss before income tax</b>	<b>(1,656,656)</b>	<b>(2,312,094)</b>
Income tax expense	(196,233)	634,305
<b>Loss from continuing operations</b>	<b>(1,852,889)</b>	<b>(1,677,789)</b>
<b>Loss for the half year</b>	<b>(1,852,889)</b>	<b>(1,677,789)</b>
<b>Other comprehensive income, net of income tax</b>		
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>		
Exchange differences on translating foreign controlled entities	(287,537)	150,191
<b>Other comprehensive income for the year, net of tax</b>	<b>(287,537)</b>	<b>150,191</b>
<b>Total comprehensive loss for the year</b>	<b>(2,140,426)</b>	<b>(1,527,598)</b>
Loss attributable to:		
Members of the parent entity	(1,858,249)	(1,683,416)
Non-controlling interest	5,360	5,627
	<b>(1,852,889)</b>	<b>(1,677,789)</b>
Total comprehensive loss attributable to:		
Members of the parent entity	(2,145,786)	(1,533,225)
Non-controlling interest	5,360	5,627
	<b>(2,140,426)</b>	<b>(1,527,598)</b>
<b>Earnings per share</b>		
From continuing operations:		
Basic earnings/(loss) per share (cents)	(2.52)	(2.29)
Diluted earnings/(loss) per share (cents)	(2.52)	(2.29)

The accompanying notes form part of these financial statements.

# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Consolidated Statement of Financial Position

For the Half-Year Ended 31 December 2024

	31 December 2024 \$	30 June 2024 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	9,079,465	11,710,885
Trade and other receivables	1,979,119	2,938,982
Financial assets	102,644	102,644
Contract assets	743,866	194,081
Current tax receivable	31,322	25,382
Other assets	2,390,582	2,449,077
<b>TOTAL CURRENT ASSETS</b>	<b>14,326,998</b>	<b>17,421,051</b>
<b>NON-CURRENT ASSETS</b>		
Trade and other receivables	9,051	8,496
Right of use assets	628,676	819,196
Property, plant and equipment	160,555	189,697
Deferred tax assets	-	283,467
Intangible assets	4,993,524	5,240,532
Other assets	870,491	869,613
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,662,297</b>	<b>7,411,001</b>
<b>TOTAL ASSETS</b>	<b>20,989,295</b>	<b>24,832,052</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,985,410	2,479,311
Employee benefits	1,784,140	1,857,721
Contract liabilities – Deferred revenue	8,068,590	8,868,199
Lease liabilities	282,600	390,228
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,120,740</b>	<b>13,595,459</b>
<b>NON-CURRENT LIABILITIES</b>		
Employee benefits	129,558	125,585
Lease liabilities	408,864	494,024
Contract liabilities – Deferred revenue	2,361,821	2,514,928
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,900,243</b>	<b>3,134,537</b>
<b>TOTAL LIABILITIES</b>	<b>15,020,983</b>	<b>16,729,996</b>
<b>NET ASSETS</b>	<b>5,968,312</b>	<b>8,102,056</b>
<b>EQUITY</b>		
Issued capital	2 35,829,179	35,822,379
Reserves	(537,482)	(249,827)
Accumulated Losses	(29,154,934)	(27,296,685)
<b>Total equity attributable to equity holders of the Company</b>	<b>6,136,763</b>	<b>8,275,867</b>
Non-controlling interest	(168,451)	(173,811)
<b>TOTAL EQUITY</b>	<b>5,968,312</b>	<b>8,102,056</b>

The accompanying notes form part of these financial statements.

# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2024

31 December 2024

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Non- controlling Interests	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2024</b>	<b>35,822,379</b>	<b>(27,296,685)</b>	<b>(494,319)</b>	<b>244,492</b>	<b>(173,811)</b>	<b>8,102,056</b>
Loss attributable to members of the parent entity	-	(1,858,249)	-	-	-	(1,858,249)
Loss attributable to non-controlling interests	-	-	-	-	5,360	5,360
Total other comprehensive income for the year	-	-	(287,537)	-	-	(287,537)
Share based payment transactions	-	-	-	6,682	-	6,682
Issue of shares	6,800	-	-	(6,800)	-	-
<b>Balance at 31 December 2024</b>	<b>35,829,179</b>	<b>(29,154,934)</b>	<b>(781,856)</b>	<b>244,374</b>	<b>(168,451)</b>	<b>5,968,312</b>

31 December 2023

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Non- controlling Interests	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>35,809,479</b>	<b>(23,056,361)</b>	<b>(632,264)</b>	<b>166,774</b>	<b>(184,772)</b>	<b>12,102,856</b>
Loss attributable to members of the parent entity	-	(1,683,416)	-	-	-	(1,683,416)
Loss attributable to non-controlling interests	-	-	-	-	5,627	5,627
Total other comprehensive income for the year	-	-	150,191	-	-	150,191
Share based payment transactions	-	-	-	(2,814)	-	(2,814)
Issue of shares	4,300	-	-	(4,300)	-	-
<b>Balance at 31 December 2023</b>	<b>35,813,779</b>	<b>(24,739,777)</b>	<b>(482,073)</b>	<b>159,660</b>	<b>(179,145)</b>	<b>10,572,444</b>

The accompanying notes form part of these financial statements.



# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2024

	31 December 2024	31 December 2023
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	11,053,863	9,309,749
Payments to suppliers and employees	(13,712,306)	(11,444,356)
Interest received	124,182	149,005
Income taxes (paid)/refunded inclusive of R&D incentives	-	634,429
Net cash used in operating activities	(2,534,261)	(1,351,173)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	4,487
Purchase of property, plant and equipment	(22,386)	(19,104)
Payments for software development assets	(156,000)	-
Net cash used in investing activities	(178,386)	(14,617)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of lease liabilities	(230,309)	(246,862)
Net cash used in financing activities	(230,309)	(246,862)
Effects of foreign exchange rates on overseas cash holdings	311,536	(269,402)
Net decrease in cash and cash equivalents held	(2,631,420)	(1,882,054)
Cash and cash equivalents at beginning of year	11,710,885	11,735,885
Cash and cash equivalents at end of the half year	9,079,465	9,853,831

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Half-Year Ended 31 December 2024

### 1 Basis of Preparation

This condensed consolidated interim financial report for the reporting period ending 31 December 2024 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Prophecy International Holdings Limited and Controlled Entities and controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2024, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

#### Estimates and judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024

### 2 Issued Capital

	31 December 2024 \$	30 June 2024 \$
73,633,934 (June 2024: 73,625,934) Ordinary shares	35,829,180	35,822,380

#### (a) Ordinary shares

	31 December 2024 \$	31 December 2024 No	30 June 2024 \$	30 June 2024 No
At the beginning of the reporting period	35,822,379	73,625,934	35,809,479	73,610,934
Issue of shares - employee share scheme	6,800	8,000	12,900	15,000
At the end of the reporting period	35,829,179	73,633,934	35,822,379	73,625,934

### 3 Dividends

No Dividends were paid for the Half Year (H1 FY24 - Nil)

# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Notes to the Financial Statements

For the Half-Year Ended 31 December 2024

### 4 Operating Segments

#### (a) Segment performance

	Legacy		Snare		eMite		Total	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>								
External sales	-	515,000	3,530,705	4,388,320	8,070,415	6,587,001	11,601,120	11,490,321
Other revenue	-	-	47	1,560	121,999	146,807	122,046	148,367
<b>Total segment revenue</b>	-	515,000	3,530,752	4,389,880	8,192,414	6,733,808	11,723,166	11,638,688
Segment operating profit / (loss)	-	414,160	(1,050,634)	(639,136)	1,171,389	(172,711)	120,755	(397,687)

#### (b) Segment assets

	Snare		eMite		Unallocated Items		Total	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Segment assets</b>	6,834,281	6,763,112	12,735,697	16,454,653	1,419,317	1,305,438	20,989,295	24,523,203

## Notes to the Financial Statements

For the Half-Year Ended 31 December 2024

### 4 Operating Segments

#### (c) Reconciliations

*Reconciliation of segment operating profit to the consolidated statement of profit or loss and other comprehensive income*

The Board meets on a monthly basis to assess the performance of each segment, net operating profit does not include non-operating revenue and expenses such as dividends, fair value gains and losses.

	31 December 2024	31 December 2023
	\$	\$
Segment net operating profit/(loss)	120,755	(397,687)
Unallocated items	(1,777,411)	(1,914,407)
Income tax benefit/(expense)	(196,233)	634,305
Total net loss after tax	<u>(1,852,889)</u>	<u>(1,677,789)</u>

### 5 Interests in Subsidiaries

#### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) <sup>*</sup> 31 December 2024	Percentage Owned (%) <sup>*</sup> 30 June 2024
<b>Subsidiaries:</b>			
Intersect Alliance Pty Ltd	Australia	100.0	100.0
Prophecy International Pty Ltd as trustee for CSP Unit Trust	Australia	100.0	100.0
Prophecy R&D Pty Ltd	Australia	100.0	100.0
Prophecy Americas' Inc	United States	93.1	93.1
Prophecy Europe Limited	United Kingdom	100.0	100.0
eMite Pty Ltd	Australia	100.0	100.0
Prophecy Software Solutions Philippines Inc	Philippines	100.0	100.0

<sup>\*</sup>The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

### 6 Contingencies

There has been no change in contingent liabilities since the last annual reporting period.

### 7 Events Occurring After the Interim Period

No matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

### Directors' Declaration

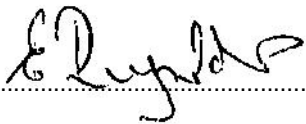
For the Half-Year Ended 31 December 2024

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 11 to 17 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



Director .....



Dated this 26th day of February 2025

For personal use only

**Grant Thornton Audit Pty Ltd**  
Grant Thornton House  
Level 3  
170 Frome Street  
Adelaide SA 5000  
GPO Box 1270  
Adelaide SA 5001  
T +61 8 8372 6666

## Independent Auditor's Review Report

### To the Members of Prophecy International Holdings Limited

#### Report on the half year financial report

##### Conclusion

We have reviewed the accompanying half year financial report of Prophecy International Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Prophecy International Holdings Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

[www.grantthornton.com.au](http://www.grantthornton.com.au)  
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

### Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 26 February 2025