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**PROPHECY**

**Consolidated Financial Statements**

**For the Half-Year Ended 31 December 2025**

# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Results For Announcement to the Market For the Period Ended 31 December 2025

This report should be read in conjunction with the 30 June 2025 Annual Financial Report of the consolidated entity.

1	Summary of results	% change	Direction	\$
	Revenue from ordinary activities from continuing operations	17%	down	9,655,693
	Loss from ordinary activities before tax attributable to members	241%	up	(5,652,119)
	Loss from ordinary activities after tax	205%	up	(5,652,119)
	Loss from ordinary activities attributable to members (after non controlling interests)	205%	up	(5,661,459)

### 2 Dividends

No dividend has been declared for the half.

### 3 Explanatory information

For the six months to 31 December 2025, Prophecy has posted a loss before tax of (\$5,652k). This compares with a loss before tax of (\$1,661k) for the same period last year.

Revenues for the six months to 31 December 2025 were \$9.66 million – down 17% from the same period last year which recorded revenues of \$11.60 million.

The half year closed with a cash balance of \$2.6 million compared to \$9.1 million at the same period last year.

### 4 Net Tangible Assets per Security

	December 2025 \$	June 2025 \$	December 2024 \$
Net Tangible Assets (pre tax)	(8,494,132)	(4,305,885)	(346,112)
Net Tangible Assets (post tax)	(8,494,132)	(4,305,885)	(346,112)
Number of Securities	73,752,934	73,748,934	73,633,934
<b>NTA per Security (pre tax)</b>	<b>-0.115</b>	<b>-0.058</b>	<b>0.005</b>
<b>NTA per Security (post tax)</b>	<b>-0.115</b>	<b>-0.058</b>	<b>0.005</b>

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 reviewed financial statements for the period ended 31 December 2025 are attached.

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# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

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For the Half Year Ended 31 December 2025

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# 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 2025

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.

**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 the emite iPaaS module 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.

The Snare business continues to transition well to a primarily subscription-based model. 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.

### New AI capability from Prophecy

As previously announced to the market, Prophecy expended a large amount of effort during calendar 2025 on a project to merge with an AI company, but this transaction did not complete. Prophecy immediately initiated research into other potential avenues for adding AI capability to its product set. As a result, late in December, Prophecy entered into an agreement with a third party to enable us to provide an Agentic AI solution we have named AI Studio across our Snare and emite products.

**AI Studio** has a number of components:

**Agentic AI Conversation:** (Core Component): A natural language interface replacing technical Query DSL, allowing users to query their data directly.

**Narrative Trending:** Automated text-based descriptions explaining the "why" behind performance shifts.

**Proactive Trend Checks:** Continuous background monitoring that detects abnormal trends and informs the user via notification in advance of operational impact.

From the start of January 2026 Prophecy introduced AI Studio to a select group of customers to test the ease of application and benefits in using our AI Studio software module against their databases. The overall feedback has been very positive and we are therefore planning the release of this new capability. AI Studio will be sold as an upgrade to our standard solutions across both emite and Snare and will provide a unique insight into trends hidden within our customers' databases. By providing these additional benefits, AI Studio will be key to improving customer retention, adding to revenue from new and existing customers and accelerating the sales cycle timelines to pull forward new revenues.

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

### **For the Half Year Ended 31 December 2025**

#### **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 now at the forefront playing a crucial role as an AI enabler, providing the secure, structured, and scalable customer 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 application. 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 for customers to gain benefit.

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.

Our newest software module, AI Studio now enables both Snare and emite customers to maximise the benefits that can be obtained from their respective data sets in an easy to implement manner.

#### **H1 FY26 Financial Highlights**

- Revenue down on previous corresponding period (PCP) to \$9.66M in H1 FY26
- Snare revenue increased to \$3.71M for the half, and has continued to transition its revenue model towards primarily recurring subscription sales
- emite revenue down to \$5.98M for the half
- Invoicing for the half was up 3% to \$10.77M
- Significant cost reduction implemented by Q2 has lowered the monthly cost profile by over \$0.5M led by savings in employee, hosting, and subscription costs.
- Breakeven cash flow is targeted by the end of FY26, noting cash flow is seasonal as a majority of annual company expenses traditionally have fallen into H1 and the majority of larger receivables fall into H2
- Zero debt with closing cash balance of \$2.6M on 31 December 2025

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

Emite has a large 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 release 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 module also enables Prophecy to provide its leading analytics capabilities alongside additional Contact Centre as a Service (CCaaS) solutions and expand into the wider data integration market.

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.

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# 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 2025

### 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.

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 indicated 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 85% of new Snare sales were made on a subscription basis rather than under the previous perpetual license model.

### Partner Activity

Partnerships to sell and distribute both Snare and emite have contributed strongly to the sales pipeline that has been built for Calendar 26. In particular, the Securonix partnership has gained momentum with an increasing trend to utilising our Snare product. Good progress has been made with a plan to reduce the administration required to on board Snare within their customer base, which will enhance the ability to take up additional installations faster.

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

### Outlook

Our AI Studio software initiative has been very well received by each of our customers that have participated in the early adoption program.

The growth of Prophecy's business in Calendar 26 is expected to be enhanced by the adoption of AI Studio to increase focus on helping customers to secure their enterprise, monitor cyber threats and deliver valuable business insights. We are trusted by a broad spread of blue-chip clients across the banking, healthcare, government, defence, utilities, transport, manufacturing, retail and energy sectors.

We will continue to deliver new capabilities, accelerating both Snare and emite product roadmaps as we develop additional revenue streams to complement existing products. We will continue our transition towards SaaS & subscription sales as we focus on driving organic growth through renewal, upsell and cross sell.

Prophecy's key focus areas for H2 FY26 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 the expanded addressable market created by emite plus iPaaS data adoption
- 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
- Complete the modernisation of emite to a multi tenanted micro-services architecture increasing scalability and reducing COGS (emite V8). In anticipation of V8's completion amortisation for the carrying value of emite V7 has been accelerated as detailed in the accompanying financial statements.
- Continue to closely monitor all business costs and achieve additional savings where available

# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Directors' Report

For the Half Year Ended 31 December 2025

The directors submit the financial report of the Group for the half year ended 31 December 2025.

### 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 (resigned 12 September 2025)  
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 2025 has been received and can be found on page 10 of the consolidated financial report.

### 3. Subsequent events

Other than the matters disclosed in Note 7 of the financial statements, there are no other matters or circumstances that have arisen since the end of reporting period that have significantly affected or may significantly affect either:

- the operations of the Group
- the results of those operations; or
- the state of affairs of the Group in future financial years

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

Director: .....  
Ed Reynolds

Director: .....  
Leanne R Challans

Dated this: 27th day of February 2026

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## Auditor's Independence Declaration

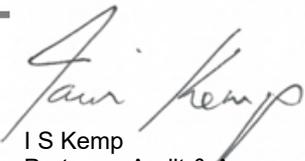
### To the Directors of Prophecy International Holdings Limited

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 2025. 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



I S Kemp  
Partner – Audit & Assurance

Adelaide, 27 February 2026

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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 2025**

		31 December 2025	31 December 2024
	Note	\$	\$
Revenue		9,655,693	11,601,120
Other income		29,215	124,182
Employee benefits expense		(6,850,112)	(7,818,934)
Depreciation and amortisation expense	8	(2,384,107)	(437,408)
Other expenses		(6,078,528)	(5,103,199)
Finance costs		(24,280)	(22,417)
<b>Loss before income tax</b>		<b>(5,652,119)</b>	<b>(1,656,656)</b>
Income tax expense		-	(196,233)
<b>Loss for the half year</b>		<b>(5,652,119)</b>	<b>(1,852,889)</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		84,120	(287,537)
<b>Other comprehensive income for the year, net of tax</b>		<b>84,120</b>	<b>(287,537)</b>
<b>Total comprehensive loss for the year</b>		<b>(5,567,999)</b>	<b>(2,140,426)</b>
Loss attributable to:			
Members of the parent entity		(5,661,459)	(1,858,249)
Non-controlling interest		9,340	5,360
		<b>(5,652,119)</b>	<b>(1,852,889)</b>
Total comprehensive loss attributable to:			
Members of the parent entity		(5,577,339)	(2,145,786)
Non-controlling interest		9,340	5,360
		<b>(5,567,999)</b>	<b>(2,140,426)</b>
<b>Earnings per share</b>			
Basic earnings/(loss) per share (cents)		(7.68)	(2.52)
Diluted earnings/(loss) per share (cents)		(7.68)	(2.52)

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**

**As At 31 December 2025**

	31 December 2025	30 June 2025
Note	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	2,605,743	4,930,602
Trade and other receivables	1,907,564	2,823,558
Financial assets	102,644	102,544
Contract assets	220,337	639,932
Current tax receivable	15,807	16,958
Other assets	1,754,740	2,169,403
<b>TOTAL CURRENT ASSETS</b>	<b>6,606,835</b>	<b>10,682,997</b>
NON-CURRENT ASSETS		
Trade and other receivables	8,409	8,592
Right to use assets	801,954	454,438
Property, plant and equipment	114,859	140,078
Intangible assets	3,437,090	5,163,524
Other assets	623,136	683,855
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,985,448</b>	<b>6,450,487</b>
<b>TOTAL ASSETS</b>	<b>11,592,283</b>	<b>17,133,484</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	3,851,303	2,574,468
Employee benefits	1,291,145	1,841,189
Contract liabilities – Deferred revenue	7,504,609	8,613,765
Lease liabilities	297,833	173,993
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,944,890</b>	<b>13,203,415</b>
NON-CURRENT LIABILITIES		
Employee benefits	125,490	119,306
Lease liabilities	598,336	320,031
Contract liabilities – Deferred revenue	2,178,655	2,178,655
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,902,481</b>	<b>2,617,992</b>
<b>TOTAL LIABILITIES</b>	<b>15,847,371</b>	<b>15,821,407</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>(4,255,088)</b>	<b>1,312,077</b>
<b>EQUITY (DEFICIT)</b>		
Issued capital	35,966,335	35,963,440
Reserves	(621,866)	(703,925)
Accumulated Losses	(39,445,903)	(33,784,444)
<b>Total equity (deficit) attributable to equity holders of the Company</b>	<b>(4,101,434)</b>	<b>1,475,071</b>
Non-controlling interest	(153,654)	(162,994)
<b>TOTAL EQUITY (DEFICIT)</b>	<b>(4,255,088)</b>	<b>1,312,077</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 2025

31 December 2025

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Non-controlli ng Interests	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2025</b>	<b>35,963,440</b>	<b>(33,784,444)</b>	<b>(824,809)</b>	<b>120,884</b>	<b>(162,994)</b>	<b>1,312,077</b>
Loss attributable to members of the parent entity	-	(5,661,459)	-	-	-	(5,661,459)
Loss attributable to non-controlling interests	-	-	-	-	9,340	9,340
Foreign exchange movements	-	-	84,120	-	-	84,120
Total other comprehensive income	-	(5,661,459)	84,120	-	9,340	(5,567,999)
<b>Transactions with owners in their capacity as owners</b>						
Share based payment transactions	-	-	-	834	-	834
Shares issued during the year	2,895	-	-	(2,895)	-	-
<b>Balance at 31 December 2025</b>	<b>35,966,335</b>	<b>(39,445,903)</b>	<b>(740,689)</b>	<b>118,823</b>	<b>(153,654)</b>	<b>(4,255,088)</b>

31 December 2024

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Non-controlli ng 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
Foreign exchange movements	-	-	(287,537)	-	-	(287,537)
Total other comprehensive income	-	(1,858,249)	(287,537)	-	5,360	(2,140,426)
<b>Transactions with owners in their capacity as owners</b>						
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>

The accompanying notes form part of these financial statements.

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# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2025

	31 December 2025	31 December 2024
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	9,867,871	11,053,863
Payments to suppliers and employees	(11,457,054)	(13,712,306)
Interest received	5,061	124,182
Net cash used in operating activities	<u>(1,584,122)</u>	<u>(2,534,261)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(15,924)	(22,386)
Development expenditure	(584,275)	(156,000)
Net cash used in investing activities	<u>(600,199)</u>	<u>(178,386)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of lease liabilities	(128,306)	(230,309)
Net cash used in financing activities	<u>(128,306)</u>	<u>(230,309)</u>
Effects of foreign exchange rates on overseas cash holdings	(12,232)	311,536
Net decrease in cash and cash equivalents held	<u>(2,324,859)</u>	<u>(2,631,420)</u>
Cash and cash equivalents at beginning of year	4,930,602	11,710,885
Cash and cash equivalents at end of the half year	<u><u>2,605,743</u></u>	<u><u>9,079,465</u></u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Half-Year Ended 31 December 2025

### 1 Basis of Preparation

This condensed consolidated interim financial report for the reporting period ending 31 December 2025 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 2025, 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.

#### New standards adopted as at 1 July 2025

The Group has considered the implications of new or amended Accounting Standards and has determined that their application to the financial statements is either not relevant or not material.

#### Change in accounting estimate – useful life of intangible asset

During the reporting period, the Group reassessed the estimated useful life of its emite Version 7. As a result of changes in expected usage and economic benefits derived from the asset, and pending launch of emite V8, management revised the remaining useful life from 2 years to 0 years. This revision represents a change in accounting estimate in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and has been applied prospectively from the date of change. As a consequence of the revised useful life, the intangible asset was fully amortised during the current reporting period. The change resulted in an increase in amortisation expense of \$1,910,709 recognised in profit or loss for the period ended 31 December 2025. There is no impact on future periods as the asset has been fully amortised.

#### 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. Other than amortisation of intangible assets (refer to note 8), 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 2025.

### 2 Issued Capital

	31 December 2025	30 June 2025
	\$	\$
73,752,934 (June 2025: 73,748,934) Ordinary shares	<b>35,966,335</b>	35,963,440

#### (a) Ordinary shares

	31 December 2025	31 December 2025	30 June 2025	30 June 2025
	\$	No	\$	No
At the beginning of the reporting period	<b>35,963,440</b>	73,748,934	<b>35,822,379</b>	73,625,934
Issue of shares - employee share scheme	<b>2,895</b>	4,000	<b>141,061</b>	123,000
<b>At the end of the reporting period</b>	<b>35,966,335</b>	73,752,934	<b>35,963,440</b>	73,748,934

### 3 Dividends

No Dividends were paid for the Half Year (H1 FY25 - 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 2025

4 Operating Segments

(a) Segment performance

	Snare		eMite		Total	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
External sales	3,681,630	3,530,705	5,974,063	8,070,415	9,655,693	11,601,120
Other revenue	25,058	47	4,157	121,999	29,215	122,046
Segment operating profit	(462,775)	(1,050,634)	(2,664,635)	1,171,389	(3,127,410)	120,755

(b) Segment assets

	Snare		eMite		Unallocated Items		Total	
	31 December 2025	30 June 2025	31 December 2025	30 June 2025	31 December 2025	30 June 2025	31 December 2025	30 June 2025
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Segment assets</b>	<b>5,910,844</b>	6,275,351	<b>4,046,600</b>	9,623,603	<b>1,634,839</b>	1,234,530	<b>11,592,283</b>	17,133,484

# Prophecy International Holdings Limited and Controlled Entities

ABN: 16 079 971 618

## Notes to the Financial Statements

For the Half-Year Ended 31 December 2025

### 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 2025	31 December 2024
	\$	\$
Segment net operating loss	(3,127,410)	120,755
Unallocated items	(2,524,709)	(1,777,411)
Income tax benefit/(expense)	-	(196,233)
Total net loss after tax	<u>(5,652,119)</u>	<u>(1,852,889)</u>

### 5 Interests in Subsidiaries

#### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 31 December 2025	Percentage Owned (%)* 30 June 2025
<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

\*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

Subsequent to the interim period the Group has announced on the 27<sup>th</sup> February 2026 a proposed placement of 6,500,000 ordinary shares at \$0.15 per share. In addition the Group has also announced a proposed issue of 3,500,000 options with the new class code to be confirmed. These options give rise to ordinary shares at a conversion price of \$0.15 per share. Other than this announcement dated 27<sup>th</sup> February 2026, 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.

## Notes to the Financial Statements

For the Half-Year Ended 31 December 2025

### 8 Intangible Assets

#### Movements in carrying amounts of intangible assets

	Intellectual property \$	Goodwill \$	Development costs \$	Total \$
<b>Opening value at 30 June 2025</b>	<b>2,310,709</b>	<b>2,126,815</b>	<b>726,000</b>	<b>5,163,524</b>
Amortisation	(400,000)	-	-	(400,000)
Accelerated amortisation of emite V7	(1,910,709)	-	-	(1,910,709)
Additions	-	-	584,275	584,275
<b>Closing value at 31 December 2025</b>	<b>-</b>	<b>2,126,815</b>	<b>1,310,275</b>	<b>3,437,090</b>

The above amortisation together with depreciation of \$73,398 brings depreciation and amortisation expense for the half year to \$2,384,107 (31 December 2024: \$437,408).

With the pending launch of emite V8, the Group reassessed the estimated useful life of emite V7 resulting in an acceleration of amortisation as shown in the table above. Intangible assets, other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the consolidated statement of profit or loss. Goodwill has an indefinite life and is not amortised.

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**Prophecy International Holdings Limited and Controlled Entities**

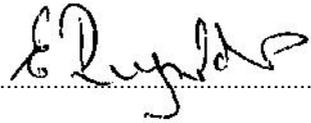
ABN: 16 079 971 618

**Directors' Declaration  
For the Half-Year Ended 31 December 2025**

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 6 to 13 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 2025 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 with the continuing support of creditors.

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

Director ..... 

Director ..... 

Dated this 27th day of February 2026

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## 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 2025, 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 2025 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 Group 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.

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**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.

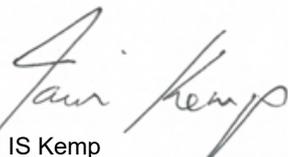
**Auditor's responsibility for the review of the financial report**

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 2025 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



IS Kemp  
Partner – Audit & Assurance

Adelaide, 27 February 2026