

## Appendix 4D

### Half-year report

#### 1. Company details

Name of entity: Codeifai Limited  
 ACN: 108 649 421  
 Reporting period: For the half-year ended 30 June 2025  
 Previous period: For the half-year ended 30 June 2024

#### 2. Results for announcement to the market

		Half year to 30 June 2025				Half year to 30 June 2024
		\$				\$
Revenues from ordinary activities	Down	174,284	32%	to	354,005	528,289
Loss from ordinary activities after tax for the half-year attributable to the owners of Codeifai Limited	Up	(1,924,619)	96%	to	(3,929,977)	(2,005,358)
Loss for the half-year attributable to the owners of Codeifai Limited	Up	(1,924,619)	96%	to	(3,929,977)	(2,005,358)

#### Comments

The loss for the Consolidated Entity, after providing for income tax for the half year ended 30 June 2025 amounted to \$3,929,977 (30 June 2024: \$2,005,358). The operating loss includes significant items such as share-based payments (non cash), foreign currency exchange gain/loss, and research and development costs, which leaves an underlying cash outflow from operations of \$1,312,178 (30 June 2024: \$910,947). Revenue for the period was \$354,005 (30 June 2024: \$528,289) which represents a 32% decrease compared to the corresponding period. Further commentary on the results is included in the accompanying interim report.

**Appendix 4D****Half-year report****3. Net tangible liabilities**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>Cents</b>	<b>Cents</b>
Net tangible liabilities per ordinary security	(0.85)	(0.11)

Net tangible assets are showing a negative value for the current and comparative periods due to many recorded assets being intangible.

**4. Gain and loss of control over entities**

None (30 June 2024: None).

**5. Dividends***Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

**6. Dividend reinvestment plans**

There are no dividend reinvestment plans for the half-year ended 30 June 2025 (30 June 2024: Nil).

**7. Details of associates and joint venture entities**

No changes since the previous annual report was released.

**8. Foreign entities***Details of origin of accounting standards used in compiling the report:*

There has been no change in foreign-owned subsidiaries to those reported for the year ended 31 December 2024. All group entities comply with International Financial Reporting Standards ('IFRS').

**9. Audit qualification or review***Details of audit/review dispute or qualification (if any):*

The consolidated interim financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

**10. Attachments***Details of attachment (if any):*

**Appendix 4D****Half-year report**

The Interim Report of Codeifai Limited for the half-year ended 30 June 2025 is attached.

**11. Signed**  
\_\_\_\_\_  
John Houston  
Date: 29 August 2025

Codeifai Limited  
30 June 2025



**Codeifai Limited**

ACN: 108 649 421

**Interim Report – 30 June 2025**

The directors present their report and the consolidated financial statements of Codeifai Limited (the "Company") and its controlled entities (the "Consolidated Entity") for the half-year ended 30 June 2025.

## **1. Directors and Secretary**

For the period under review and covered by this report, the following persons were directors of the Company. Directors have been in office since the start of the half-year to the date of this report, unless otherwise stated.

### **Executive Chairman**

John Houston

### **Non-Executive Directors**

Su (George) Su

Colin Turner

### **Joint Company Secretaries**

Lucy Rowe

Shelby Coleman (Resigned 31 March 2025)

Kamille Dietrich (Appointed 31 March 2025)

## **2. Principal Activities**

The principal activities of the Consolidated Entity during the half-year was as a sales, marketing, and developer of product authentication, artificial intelligence and consumer engagement solutions to brand owners globally.

## **3. Review of Operations**

The consolidated loss of the Consolidated Entity after providing for income tax amounted to \$3,929,977 (30 June 2024: \$2,005,358). The operating loss includes a number of significant items such as share based payments(non cash), foreign currency exchange gain/loss, and research and development costs, which leaves an underlying cash outflow from operations of \$1,312,178 (30 June 2024: \$910,947). Revenue for the period was \$354,005 (30 June 2024: \$528,289), which represents a 32% decrease compared to the corresponding period.

On 2 January 2025, the Chairman provided the Company with a \$750,000 loan facility.

On 30 January 2025, the Company announced the commencement of a strategic review of the material science division and the termination of the Patent license with MIT.

During the period the Company sought and received shareholder approval for the consolidation of its shares on a 10:1 basis.

On 18 June 2025, the Company announced a Share Purchase Agreement to acquire the AI powered machine learning Platform and competitor Trust Codes Global Limited. The deal is revenue accretive, unlocks business synergies and cost savings and potentially transforms Codeifai into a global leader in AI powered QR code based traceability. The agreement to acquire Trust Codes Global Limited is subject to shareholder approval at an upcoming EGM estimated to be held in Q3 2025.

#### **4. Events Subsequent to Balance Sheet Date**

The following events have occurred since 30 June 2025:

- On 1 July 2025, the Company announced its agreement to acquire AI backed Quantum Secure self Service SaaS platform “Antennae Transfer”. The agreement is with Canadian Listed entity Credissential Inc (WHIP.CN). This agreement has the potential to create CDE as a market disrupter in the AI, quantum security, QR code and secure file transfer space with a next generation platform that will undergo a thorough re-branding and market positioning after completion. The agreement to acquire the asset from Credissential Inc is subject to shareholder approval at an upcoming EGM estimated to be held in Q3 2025.

The Platform offers the following QR Code enabled features:

- Quantum Secured Payments and BNPL offering
- Quantum Secured File Transfers
- Quantum Encrypted end to end Communications
- On 3 July 2025, the Company announced the formation of a Strategic Advisory Panel of 3 renowned industry experts with experience some of the most transformative Companies in technology namely OpenAI, Google, WhatsApp and Binance.
- On 23 July 2025, the Company announced the addition of former Nvidia AI pioneer to the recently formed Strategic Advisory Panel.
- On 25 July 2025, the Company announced an acquisition update of the Quantum Secure AI Platform wherein it was announced that the Vendor, Credissential Inc., had signed agreements (on behalf of the platform to be acquired by the Company) with:
  - Effective Acceleration Ventures Limited (EAV) a NATO registered defence procurement agency potentially valued at CAD\$1m in year 1 for exclusivity in the defense procurement sector; and
  - Geometric Energy Corporation (GEC) a SpaceX partner potentially valued at US\$1.5m over 2 years for exclusivity in the aerospace and satellite launch sector.
- On 30 July 2025, the Company secured commitments to raise \$2.35m in a share placement to 5708 sophisticated investors.

- On 8 August 2025, the Company notified the market that it had issued options to certain of the investors approved under resolution 13 of the Company's 8 May 2025 AGM in order to resolve a potential dispute regarding the issue of those options. The remaining investors had already agreed to receive shares in lieu of options which will be subject to shareholder approval at an upcoming EGM estimated to be held in Q3 2025.
- On 18 August 2025, the Company announced the appointment of Mr Guy Robertson as Company Secretary replacing the Joint Company Secretaries.

Other than the above, no matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

## **5. Rounding of Amounts**

The Company is an entity to which ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 applies, and accordingly, amounts in the consolidated financial statements and directors' report have been rounded to the nearest dollar.

## **6. Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to Section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

  
John Houston  
Executive Chairman

Dated: 29 August 2025



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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF CODEIFAI LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2025, 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.

This declaration is in respect of Codeifai Limited and the entities it controlled during the half year.

A handwritten signature in black ink, appearing to read 'PKF', is positioned above the printed name.

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'Tim Follett', is positioned above the printed name.

TIM FOLLETT  
PARTNER

29 AUGUST 2025  
BRISBANE



**Codeifai Limited**  
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**30 June 2025**

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**Codeifai Limited**
**Consolidated statement of profit or loss and other comprehensive income / (loss)  
For the half-year ended 30 June 2025**

	Note	Half year to 30 June 2025 \$	Half year to 30 June 2024 \$
<b>Revenue</b>	4	354,005	528,289
<b>Expenses</b>			
Consulting		(519,971)	(135,776)
Depreciation and amortisation expense		(3,649)	(4,901)
Directors' fees		(20,000)	(40,000)
Employee benefits expense		(388,048)	(408,211)
Finance costs (share-based payment)		(994,650)	(419,653)
Finance costs		(330,493)	(192,775)
Production costs		(7,190)	(11,909)
Rental expenses		(46,154)	(72,461)
Research and development costs		(383,426)	(414,712)
Marketing costs		(35,309)	(178,963)
Investor relations		(116,900)	(22,891)
Travelling expenses		(10,520)	(11,291)
Regulatory expenses		(60,688)	(31,600)
Professional fees		(105,669)	(155,074)
Other expenses		(225,328)	(215,129)
(Loss)/gain on extinguishment of financial liabilities via equity settlement		(50,000)	-
Exchange gain/(loss)		(985,987)	(218,301)
<b>Loss before income tax expense</b>		<b>(3,929,977)</b>	<b>(2,005,358)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Codeifai Limited</b>		<b>(3,929,977)</b>	<b>(2,005,358)</b>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		972,980	359,066
<b>Other comprehensive profit/(loss) for the half-year, net of tax</b>		<b>972,980</b>	<b>359,066</b>
<b>Total comprehensive loss for the half- year period attributable to the owners of Codeifai Limited</b>		<b>(2,956,997)</b>	<b>(1,646,291)</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	12	(1.22)	(0.25)

The above consolidated statement of profit or loss and other comprehensive income / (loss) should be read in conjunction with the accompanying notes.

**Codeifai Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2025**

	Note	As at 30 June 2025 \$	As at 31 December 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		131,357	385,901
Trade and other receivables		635,106	632,195
Other assets		52,213	106,803
Inventories		134,626	137,503
		<b>953,302</b>	<b>1,262,402</b>
<b>Non-current assets</b>			
Plant and equipment		10,556	12,886
Intangibles	5	4,751,299	5,005,796
		<b>4,761,855</b>	<b>5,018,682</b>
<b>Total assets</b>		<b>5,715,157</b>	<b>6,281,084</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	6	3,497,765	3,268,400
Financial liabilities	7	1,294,600	747,190
		<b>4,792,365</b>	<b>4,015,590</b>
<b>Total liabilities</b>		<b>4,792,365</b>	<b>4,015,590</b>
<b>Net assets</b>		<b>922,792</b>	<b>2,265,494</b>
<b>Equity</b>			
Issued capital	8	89,626,903	88,660,044
Reserves	9	3,609,813	1,989,397
Accumulated losses		(92,313,924)	(88,383,947)
<b>Total equity</b>		<b>922,792</b>	<b>2,265,494</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Codeifai Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 30 June 2025**

	Issued capital \$	Foreign currency translation reserve \$	Issued options \$	Share- based payment reserve \$	Accumulated losses \$	Total equity \$
<b>Consolidated</b>						
Balance at 1 January 2025	88,660,044	982,868	857,262	149,267	(88,383,947)	2,265,494
Loss after income tax benefit for the half-year	-	-	-	-	(3,929,977)	(3,929,977)
Other comprehensive profit for the half-year, net of tax	-	972,980	-	-	-	972,980
Total comprehensive profit/(loss) for the half-year	-	972,980	-	-	(3,929,977)	(2,956,997)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued, net of transaction costs	906,859	-	-	-	-	906,859
Conversion of performance rights	60,000	-	-	(60,000)	-	-
Options granted during the half-year	-	-	707,436	-	-	707,436
<b>Balance at 30 June 2025</b>	<b>89,626,903</b>	<b>1,955,848</b>	<b>1,564,698</b>	<b>89,267</b>	<b>(92,313,924)</b>	<b>922,792</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Codeifai Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 30 June 2025**

	Issued capital	Foreign currency translation reserve	Issued options	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>						
Balance at 1 January 2024	85,426,969	1,717,162	567,467	149,267	(86,079,180)	1,781,685
Loss after income tax benefit for the half-year	-	-	-	-	(2,005,358)	(2,005,358)
Other comprehensive profit for the half-year, net of tax	-	359,066	-	-	-	359,066
Total comprehensive profit/(loss) for the half-year	-	<b>359,066</b>	-	-	<b>(2,005,358)</b>	<b>(1,646,292)</b>
Transactions with owners in their capacity as owners:						
Shares issued, net of transaction costs	2,283,075	-	-	-	-	2,283,075
Options granted during the half-year	-	-	499,795	-	-	499,795
<b>Balance at 30 June 2024</b>	<b>87,710,044</b>	<b>2,076,228</b>	<b>1,067,262</b>	<b>149,267</b>	<b>(88,084,538)</b>	<b>2,918,263</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Codeifai Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 30 June 2025**

	Half year to 30 June 2025 \$	Half year to 30 June 2024 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	404,239	348,347
Payments to suppliers and employees	(1,398,655)	(1,151,995)
Interest received	1,447	1,706
Finance costs	(319,209)	(109,005)
	<hr/>	<hr/>
Net cash used in operating activities	(1,312,178)	(910,947)
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	-	(3,332)
Proceeds on disposal of PPE	-	-
	<hr/>	<hr/>
Net cash used in investing activities	-	(3,332)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares (net of costs)	252,855	33,077
Proceeds from issue of convertible notes	-	200,000
Proceeds from short term loan	194,610	-
Proceeds from borrowings	370,000	250,000
	<hr/>	<hr/>
Net cash from financing activities	817,465	483,077
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	(494,713)	(431,202)
Cash and cash equivalents at the beginning of the financial period	385,901	567,572
Effect on movements in exchange rates on cash held	240,169	(27,868)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period	131,357	108,502
	<hr/>	<hr/>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**

**Note 1. General information**

These consolidated financial statements and notes to the consolidated financial statements cover Codeifai Limited and the entities it controlled (the "Consolidated Entity" or "Group") at the end of, or during, the half-year.

The separate financial statements of the parent entity, Codeifai Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. The consolidated financial statements are presented in Australian dollars, which is Codeifai Limited's functional and presentation currency.

The company is a listed public company incorporated and domiciled in Australia. Its registered office in Australia is Level 5, 126 Phillip Street, Sydney NSW 2000.

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2025.

**Note 2. Material accounting policies**

These general purpose consolidated financial statements for the half-year ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose consolidated financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, these consolidated financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year, except as stated below.

**New, revised or amending Accounting Standards and Interpretations adopted**

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024.

The Group adopted all relevant new and amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are effective for annual reporting periods beginning on or after 1 January 2025. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the period.

### **Critical Accounting Judgments and Key Sources of Estimation and Uncertainty**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The following are the critical judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts recognised in the consolidated financial statements.

#### *Impairment of Intangible Assets other than Goodwill*

In the process of evaluating the potential impairment of intangible assets other than goodwill, the Consolidated Entity is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of the industry that is applicable to the underlying technology. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

MotifMicro requires further R&D, therefore, management has considered the carrying value of the patent licence rights to be supported through the expected future generation of cash flows from the early adopters program with the current partners and additional partners in the pipeline. In addition, the technological milestone achievements during the period have also enhanced the intrinsic value of MotifMicro. However, the ongoing impacts of production lines, staffing and the need for further development based on feedback from the paid early adopter program and the current global economy impact the commercialisation of MotifMicro. Management is exploring other strategies to accelerate the development of MotifMicro to further improve the carrying amount of the patent license rights including but not limited to outsourcing the AI/ML developments required for MM1 to be commercialised further.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

The Directors note that the Group has continued to incur operating losses as it establishes its business model throughout various markets, performs internal restructuring, and improves the conversion rate of its order pipeline.



**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**

The group incurred an operating loss after tax for the half-year of \$3,929,977, had net cash outflows from operating activities of \$1,312,178 and net current liabilities of \$3,839,063. As at 30 June 2025, the Group has cash and cash equivalents of \$131,357.

Notwithstanding this, the Group believes there are reasonable grounds that it will be able to pay its debts as and when they fall due, and on that basis the preparation of the consolidated financial statements on a going concern basis is dependent on the following points:

- The Directors have completed a reforecast of the cash flow for the remainder of the financial year, and for a period being not less than 12 months from the date of signing this report. This includes reliance on further capital raising activities via new equity placements by the end of 2025, showing positive cash balances which is supported by both the existing sales contracts as well as reflecting revenue growth expected from the sales pipeline.
- Reliance on further capital raising activities which have been undertaken subsequent to balance date, of which an additional \$2.3m commitment has been received.
- The Group is continuing to explore alternative funding mechanisms including securing strategic partnerships.

Consequently, the Directors believe the above factors represent a material uncertainty as to whether the Group will be able to continue as a going concern and pay its debts as and when they fall due and realise its liabilities in the normal course of business at the amounts stated in the financial statements. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

**Note 3. Operating segments**

The Consolidated Entity is organised into operating segments as outlined below.

Management determines operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the consolidated financial statements.

**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**  
**Note 3. Operating segments (continued)**

*(a) Geographical information*

In \$	Reportable segments				Total
	Australia	People's Republic of China	Thailand	United States of America	
Half-year to June 2025					
External revenue	53,250	299,040	-	-	352,290
Interest income	1,396	3	47	-	1,446
Other income	-	269	-	-	269
Total revenue	54,646	299,312	47	-	354,005
Half-year to June 2024					
External revenue	96,689	229,552	-	-	326,241
Interest income	1,655	11	41	-	1,707
Other income	200,341	-	-	-	200,341
Total revenue	298,685	229,563	41	-	528,289

*(b) Assets*

In \$	Reportable segments				Total
	Australia	People's Republic of China	Thailand	United States of America	
<b>As at 30 June 2025</b>					
Current assets	409,994	349,132	110,843	83,333	953,302
Non-current assets	1,219	8,499	838	4,751,299	4,761,855
Total assets	411,213	357,631	111,681	4,834,632	5,715,157
<b>As at 31 December 2024</b>					
Current assets	557,788	385,836	235,111	83,667	1,262,402
Non-current assets	2,045	9,388	1,453	5,005,796	5,018,682
Total assets	559,833	395,224	236,564	5,089,463	6,281,084

**Note 4. Revenue**

	<b>Half year to 30 June 2025 \$</b>	<b>Half year to 30 June 2024 \$</b>
<i>Revenue</i>		
Sale of goods and services	352,290	326,241
<i>Other revenue</i>		
Interest	1,446	1,707
Other income	269	200,341
	<u>354,005</u>	<u>528,289</u>

**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**  
**Note 5. Intangibles**

	<b>30 June 2025 \$</b>	<b>31 December 2024 \$</b>
Goodwill – at cost	3,089,466	3,089,466
Less: Accumulated impairment losses	(3,089,466)	(3,089,466)
	-	-
Intellectual property – at cost	16,250,550	16,250,550
Less: Accumulated amortisation	(4,942,153)	(4,942,153)
Less: Accumulated impairment losses	(11,308,397)	(11,308,397)
	-	-
Customer relationship – at cost	206,000	206,000
Less: Accumulated amortisation	(28,000)	(28,000)
Less: Accumulated impairment losses	(178,000)	(178,000)
	-	-
Patent licence rights – at cost	9,099,237	9,586,618
Less: Accumulated impairment losses	(4,347,938)	(4,580,822)
	4,751,299	5,005,796
Licence Agreement – at cost	350,000	350,000
Less: Accumulated amortisation	(18,676)	(18,676)
Less: Accumulated impairment losses	(331,324)	(331,324)
	-	-

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

<b>Consolidated</b>	<b>Patent licence rights \$</b>	<b>Licence Agreement \$</b>	<b>Total \$</b>
Balance at 31 December 2024	5,005,796	-	5,005,796
Balance at 1 January 2025	5,005,796	-	5,005,796
Additional during period	-	-	-
Effect of movement in exchange rates	(254,497)	-	(254,497)
Balance at 30 June 2025	4,751,299	-	4,751,299

**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**

**Note 5. Intangibles (continued)**

*Intellectual Property*

In 2018, in reviewing the recoverable amount of the intellectual property, the carrying value was written down to nil due to overhauls on the Group's core products and upgrades to the underlying technologies.

*Patent Licence Rights*

As MotifMicro development and paid commercial trials persist during the period ended 30 June 2025, the patent licence rights have not commenced amortisation, however impairment adjustments have been recorded in prior years to its carrying amount. MotifMicro's development in 2023/24 has advanced through a number of technological achievements together with customers that signed first-adopter agreements to expedite its commercialisation in the market. The company is pursuing further opportunities to commercially sell MotifMicro in the future.

As at 30 June 2025, the Company has not identified any impairment indicators requiring a further impairment loss to be recognized. The strategic review of the Material Science division and its intangible assets remain ongoing, and the Company will continue to monitor for any indicators of impairment and reassess as necessary.

The total accumulated impairment loss recorded as at 30 June 2025 is \$4,347,938 (31 December 2024: \$4,580,822), and this loss can be reversed in future periods to the extent that future recoverable amounts support a higher carrying value.

**Note 6. Trade and other payables**

	<b>As at 30 June 2025 \$</b>	<b>As at 31 December 2024 \$</b>
Trade payables	1,168,065	1,528,160
Other payables and accruals	2,329,700	1,740,240
	<u>3,497,765</u>	<u>3,268,400</u>

**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**

**Note 7. Financial liabilities**

	<b>As at 30 June 2025 \$</b>	<b>As at 31 December 2024 \$</b>
Convertible note – (i)	245,000	200,223
Related party convertible note – (i)	66,630	81,034
Related party loans – (ii)	767,020	465,933
Short term loans – (iii)	160,950	-
Short term loans – (iv)	55,000	-
	1,294,600	747,190

(i): The convertible notes are from Certane CT Pty Limited as custodian for Flannery Foundation Pty Limited and a related party, has a maturity date of 60 days after execution which have been extended, and attract interest of 25% per annum.

(ii): The short-term borrowings from a related party as at 30 June 2025 is \$750,000 (31 December 2024: \$380,000) due to a debt-equity conversion during the period. The remaining balance shown above is interest payable as at 30 June 2025, calculated at an interest of 27.61% per annum up until the date of conversion (31 December 2024: 27.61%).

(iii): The short-term loans are provided by a number of individual investors with a Face Value of \$1.20.

(iv): The short-term loans are provided by a number of individual investors, with a Face Value of \$1.25, and incur 15% interest per annum, accrued daily.

**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**

**Note 8. Equity – Issued Capital**

	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares – fully paid	449,354,269	3,150,314,015	89,626,903	88,660,044

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>\$</b>
Balance	1 Jan 2025	3,150,314,015	88,660,044
Conversion of performance rights	18 Feb 2025	20,000,000	60,000
Issuance as payment for the fee establishment to the lenders	7 May 2025	90,000,000	250,000
Less: Transaction costs on shares issued		-	(15,000)
Consolidation 10:1	21 May 2025	326,031,402	88,955,044
Share placements	6 Jun 2025	98,411,602	570,000
Issuance as payment to service provider	27 Jun 2025	5,995,066	71,899
Issuance as payment to service provider	27 Jun 2025	12,500,000	125,015
Issuance as payment for the fee to the lenders	27 Jun 2025	6,416,199	37,214
Less: Transaction costs on shares issued		-	(132,269)
Balance	30 June 2025	449,354,269	89,626,903

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**

**Note 9. Equity – Reserves**

		<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Issued options reserve	(a)	1,564,698	857,262
Share-based payment reserve	(b)	89,267	149,267
Foreign currency translation reserve	(c)	1,955,848	982,867
		<u>3,609,813</u>	<u>1,989,396</u>

(a) Issued options reserve

The option reserve records items recognised as expenses on valuation of share options issued.

<b>Details</b>	<b>Date</b>	<b>Options</b>	<b>\$</b>
Balance	1 January 2025	702,560,000	857,262
Consolidation 10:1	1 January 2025	70,256,000	857,262
Options issued as partial settlement of the JH loans	6 June 2025	75,000,000	707,436
Balance	30 June 2025	<u>145,256,000</u>	<u>1,564,698</u>

(b) Share-based payment reserve

The share-based payment reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services rendered.

<b>Details</b>	<b>Date</b>	<b>\$</b>
Balance	1 January 2025	149,267
Conversion PR to Ordinary shares	18 February 2025	(60,000)
Balance	30 June 2025	<u>89,267</u>

(c) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. Monetary items receivable from or payable to foreign operations whereby settlements to these receivables and payables are not planned nor likely to occur in the foreseeable future are classified as net investment in foreign operations. Exchange differences arising from monetary items that forms part of the Group's net investment in foreign operations are recognised as foreign currency translation reserve in equity.

**Note 10. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 11. Events after the reporting period**

- On 1 July 2025, the Company announced its agreement to acquire AI backed Quantum Secure self Service SaaS platform "Antennae Transfer". The agreement is with Canadian Listed entity Credissential Inc (WHIP.CN). This agreement has the potential to create CDE as a market disrupter in the AI, quantum security, QR code and secure file transfer space with a next generation platform that will undergo a thorough re-branding and market positioning after completion. The agreement to acquire the asset from Credissential Inc is subject to shareholder approval at an upcoming EGM estimated to be held in Q3 2025.

The Platform offers the following QR Code enabled features:

- Quantum Secured Payments and BNPL offering
- Quantum Secured File Transfers
- Quantum Encrypted end to end Communications
- On 3 July 2025, the Company announced the formation of a Strategic Advisory Panel of 3 renowned industry experts with experience some of the most transformative Companies in technology namely OpenAI, Google, WhatsApp and Binance.
- On 23 July 2025, the Company announced the addition of former Nvidia AI pioneer to the recently formed Strategic Advisory Panel.
- On 25 July 2025, the Company announced an acquisition update of the Quantum Secure AI Platform wherein it was announced that the Vendor, Credissential Inc., had signed agreements (on behalf of the platform to be acquired by the Company) with:
  - Effective Acceleration Ventures Limited (EAV) a NATO registered defence procurement agency potentially valued at CAD\$1m in year 1 for exclusivity in the defense procurement sector; and
  - Geometric Energy Corporation (GEC) a SpaceX partner potentially valued at US\$1.5m over 2 years for exclusivity in the aerospace and satellite launch sector.
- On 30 July 2025, the Company secured commitments to raise \$2.35m in a share placement to s708 sophisticated investors.
- On 8 August 2025, the Company Notified the market that it had issued options to certain of the investors approved under resolution 13 of the Company's 8 May 2025 AGM in order to resolve a potential dispute regarding the issue of those options. The remaining investors had already agreed to receive shares in lieu of options which will be subject to shareholder approval at an upcoming EGM estimated to be held in Q3 2025.



**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**

**Note 11. Events after the reporting period (continued)**

- On 18 August 2025, the Company announced the appointment of Mr Guy Robertson as Company Secretary replacing the Joint Company Secretaries.

**Note 12. Earnings per share**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Codeifai Limited	(3,929,977)	(2,005,358)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	321,550,520	804,449,878
Weighted average number of ordinary shares used in calculating diluted earnings per share	321,550,520	804,449,878
	<b>Cents</b>	<b>Cents</b>
Basic/Diluted earnings per share	(1.22)	(0.25)

**Note 13. Related party transactions**

	<b>Transaction values for the period ended 30 June 2025</b>	<b>Transaction values for the year 31 December 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Manifest Capital Management Pty Ltd</i> (related entity of Gerard Eakin) Investor Relations	-	29,995
<i>J F Houston Holdings Pty Limited</i> (related entity of John Houston) Short-term borrowings to Codeifai Limited	750,000	380,000
Interest on short-term borrowings	91,211	186,725
Facility fee on short-term borrowings	707,436	509,795

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

*Other transactions with related parties*

There were no other transactions with related parties for the half year ended 30 June 2025.

**Codeifai Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 30 June 2025**

**Note 14. Contingent Liabilities**

There were no contingent liabilities noted at balance date.

**Codeifai Limited**  
**Directors' declaration**  
**For the half-year ended 30 June 2025**

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and fair view of the Consolidated Entity's consolidated financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to Section 303(5)(a) of the Corporations Act 2001.

For and on behalf of the directors

  
\_\_\_\_\_  
John Houston  
Executive Chairman

Date: 29 August 2025

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CODEIFAI LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Codeifai Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income/(loss), consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 half-year financial report of Codeifai Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian 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.

### Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the Company a written Auditor's Independence Declaration.



### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2 of the financial statements which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

### **Responsibility of the Directors for the 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 the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether 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 30 June 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.

A handwritten signature in blue ink, appearing to read 'PKF', positioned above the printed name.

PKF BRISBANE AUDIT

A handwritten signature in blue ink, appearing to read 'Tim Follett', positioned above the printed name.

TIM FOLLETT  
PARTNER

29 AUGUST 2025  
BRISBANE