

## ASX ANNOUNCEMENT

ASX: CDE | 28th February 2025

### CDE reports lowest loss to date on 20% Revenue Increase YoY

- **Revenue increase of 20%** – \$132k increase on PCP with continued cost control.
- **Loss reduction of 42%** – \$1.9m decrease on PCP.
- **“Digital & Engagement First” strategy** yielding tangible results with high profit leverage.
- **Milestones achieved** with CDE's self-service SaaS ConnectQR™, including **Canva** integration.
- **New revenue streams** from digital marketing initiatives in Africa and South America.

Brand Solution technology group **Codeifai Limited (ASX: CDE)** presents Financial results for the year to 31 December 2024.

#### Best Annual Financial Performance in Company History

In 2024, CDE took solid steps toward profitability, achieving a **20% increase in revenue to \$810k** and a **42% reduction in consolidated loss to \$2.58m** (from \$4.5m in the PCP). The full-year results reflect a clear trend of declining losses, marking the lowest annual loss in the Company's history. This was driven by revenue growth while maintaining strict cost controls.

#### Digital & Engagement First: The QR Code Future for CDE

During the year, CDE strategically pivoted from an anti-counterfeit focus to a **Digital & Engagement First** strategy, emphasizing QR code technologies. This transition unlocks revenue opportunities through proprietary products like ConnectQR™ and additional verticals.

The company anticipates significant growth in QR code applications, particularly in **secure payments, funds transfers, and crypto transactions**. QR codes are increasingly being adopted in Western markets, mirroring their widespread use in Asia for payments and business transactions.

#### Scaling ConnectQR™ for Global Growth

The 2024 results demonstrate revenue improvement and cost discipline, while sustaining R&D momentum. Enhancements to ConnectQR™, CDE's self-service QR code generation and management platform, could represent the company's most significant achievement to date. This technology fosters data generation and analysis capabilities, amplifying the value of CDE's intellectual property portfolio.

Key advancements in ConnectQR™ include:

- **Canva Integration:** Allows users to seamlessly embed ConnectQR™ codes into Canva designs. Users can generate and manage QR codes directly within Canva's App Marketplace.
- **Interactive Designs with AI:** Enables dynamic, static, and AI-enhanced QR codes, adding engaging, interactive elements to digital content.
- **Unique Serialised QR Codes:** ConnectQR™ is the only Canva-integrated solution offering serialised QR codes, enhancing ProtectCode™ and BrandReporter™ adoption.

### New Revenue Opportunity: Short URLs

The **2024 launch of ConnectQR™'s URL shortening feature** expands subscription revenue jaws. This tool enables users to shorten long URLs while leveraging AI-powered analytics. The feature aligns with the US\$17bn affiliate marketing industry<sup>(1)</sup> and other high-growth markets such as social media, e-commerce, and online advertising.

- The **URL shortening market** was valued at US\$7.03bn in 2023 and is projected to reach US\$36.2bn by 2032 <sup>(2)</sup>.
- A key competitor reportedly grew revenue from US\$6.4m in 2021 to US\$100m in 2023<sup>(3)</sup>.
- **ConnectQR™'s short URL feature** provides users with trackable links within the ConnectQR™ dashboard, offering valuable data insights.

### Expansion Beyond Australia

Previously, CDE's market was limited to Australia and New Zealand, but digital marketing efforts over the past 18 months have secured revenue in:

- **Africa:** A major recycling company adopted CDE's digital solution to combat recycling fraud.
- **Europe:** Growing demand for Reverse Vending Machines (RVMs) presents further opportunities.
- **Peru:** A significant food packaging company uses ProtectCode™ for customer engagement.

### Corporate Developments

Funding was received from the continued support of the Executive Chairman in the form of convertible notes and loans and the conversion of \$2.25m debt with the approval of shareholders, improving the Company's balance sheet. 2024 also saw the engagement of Oakley Capital Partners as investment managers.

### Strategic Review of Material Science Division

CDE has initiated a strategic review of its Material Science division, starting with the mutual termination of exclusive patent licenses from MIT. The review, expected to be completed in Q2 2025, does not affect CDE's proprietary MotifMicro (MM1) product, which remains protected by CDE's own patent family.

### Passing of Gerard Eakin

CDE mourns the untimely passing of Board Member Gerard Eakin in 2024. He was cherished by his family, colleagues, and the entire CDE team. Our thoughts are with those who miss Gerard.

### CEO Commentary

#### John Houston, Executive Chairman & Group CEO, commented:

*"I am delighted to report the best financial result since the company's inception, with a 42% decrease in loss compared to the PCP. In 2024, we outlined our 'Digital & Engagement First' strategy, positioning us for a strong 2025. Our self-service SaaS and AI-driven QR code management solutions are set to transform CDE's financial trajectory. We eagerly anticipate sharing the results of our strategic review of the Material Science division as we focus on scaling our digital solutions."*

**This announcement has been authorised by the Board of Codeifai Limited.**

**For Further Information, Please Contact:****Investor Relations**Email: [investors@codeifai.com](mailto:investors@codeifai.com)**About Codeifai Limited**

Codeifai Limited (ASX: CDE) is a leading provider of digital and AI-powered brand solutions listed on the Australian Stock Exchange. With a strong focus on empowering brands through smart digital engagement, Codeifai's high-margin offerings are designed to deliver exceptional scalability and profitability. Our solutions allow Brands to Connect Deeper, Faster, Smarter with their consumers.

Codeifai's digital Brand Solutions provide a code for everybody and everything.

**References:**

(1) <https://optinmonster.com/affiliate-marketing-statistics/>

(2) <https://www.businessresearchinsights.com/market-reports/url-shortening-services-market-104165>

(3) <https://getlatka.com/companies/bitly>

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