Q2 2025 sees CDE enter the Quantum Security with AI arena, while cash flow improves

- **Q2 2025 net cash used of $414k, improves 34% on previous Quarter**
- **Capital raise after end of Q2 successfully raises $2.35m**
- **2 important acquisitions agreed during Q2 subject to shareholder approval expected early September 2025**
- **The purchase of the QuantumAI Secure platform creates a breakthrough opportunity for the Company**
- **Trust Codes is a major competitor in the QR space and an industry leader, and its acquisition is revenue accretive to Codeifai**
- **Consolidation of the Company's shares completed during Quarter**
- **Codeifai hires strategic panel of former Nvidia, OpenAI, WhatsApp and Binance experts to assist with business development and commercialisation strategy**

Brand solution technology group **Codeifai Limited (ASX: CDE)** presents highlights of activities for the quarter ended 30 June 2025 (Q2 2025).

Net cash used in operating activities in Q2 2025 of $414k was an improvement of 34% on Q1 2025 and demonstrates continued cash management.

Corporate

Shortly after Q2 2025 the Company raised $2.35m in equity which will settle in the first week of August 2025.
As of 30th June 2025, the Company held $131k in cash and cash equivalents.
During the quarter the Company made payments of $81k to related parties and their associates. This comprised payments related to related parties salary and expense reimbursements.

As previously announced, the Company has secured 2 exciting acquisitions during the Quarter.

What is the QuantumAI Secure platform CDE is acquiring:

- Quantum Secured Payments and BNPL offering
- Quantum Secured File Transfers
- Quantum Encrypted end to end Communications

Developed by Credissential Inc, a Canadian registered financial technology Company

investors@codeifai.com

Level 5
126 Phillip Street
SYDNEY NSW 2000
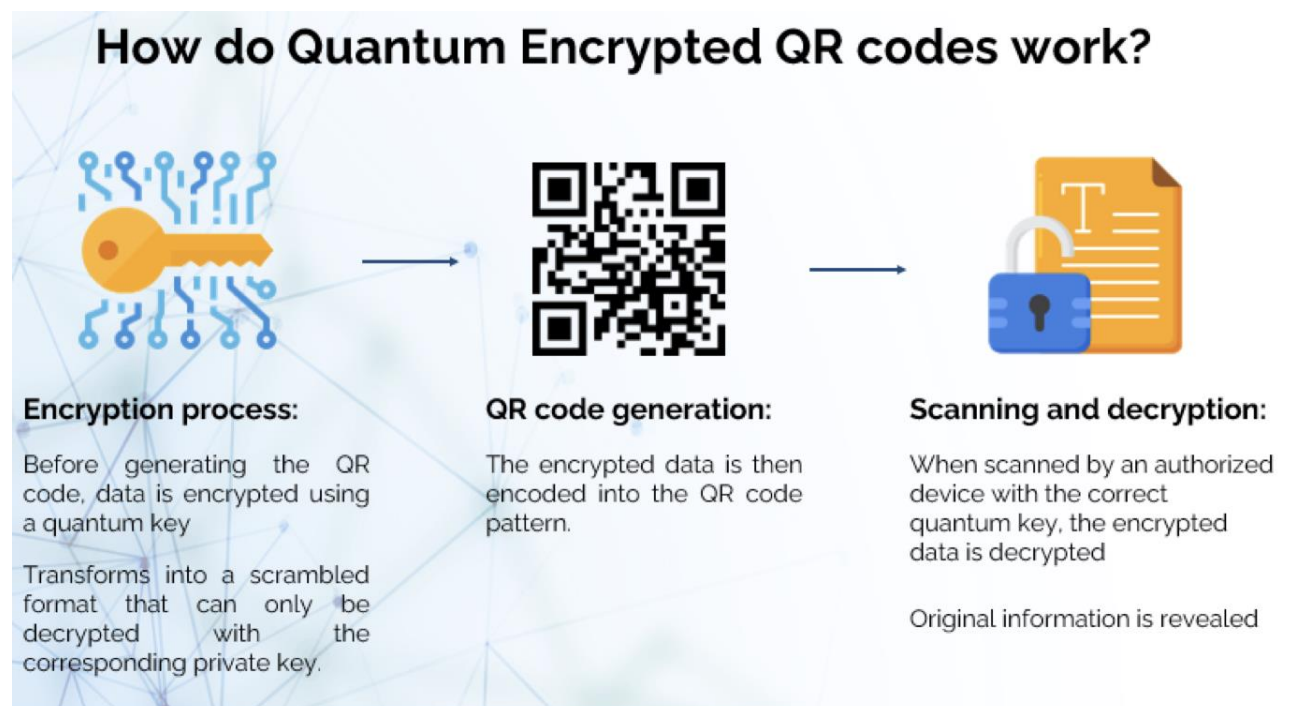
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listed on the CSE (WHIP.CNQ), the platform is a Quantum Secure next-generation platform for extremely secure payments, file transfers, and digital communications that integrates proprietary Post-Quantum Cryptography (PQC) with AI-optimised encryption architecture.

The system is designed from the ground up to withstand both classical and quantum computational threats and operates as a self-service SaaS platform.

While most existing financial and communications systems rely on encryption vulnerable to quantum decryption (such as RSA or ECC), QuantumAI Secure employs quantum-resistant algorithms, including lattice-based cryptography and hash-based signature schemes — technologies recommended by NIST's post-quantum standardisation project.

QuantumAI Secure's innovation doesn't stop at cryptographic resilience. QuantumAI Secure also uses AI-driven anomaly detection to identify threats in real-time, learning and adapting to potential quantum-assisted attack patterns as they evolve.
QuantumAI will incorporate agentic AI to its offering allowing for efficiency, speed and useability to its customers.

The QuantumAI Secure platform utilises quantum key distribution (QKD) and post-quantum cryptographic techniques to ensure excellent security in financial transactions—an essential capability as the world transitions into a quantum-aware era. By integrating this platform into its existing ecosystem, Codeifai aims to launch a new class of intelligent, quantum-resilient solutions for the fintech, cybersecurity, data-licensing, digital content creation and enterprise software sectors.

How do Quantum Encrypted QR codes work?

Encryption process:

Before generating the QR code, data is encrypted using a quantum key

Transforms into a scrambled format that can only be decrypted with the corresponding private key.

QR code generation:

The encrypted data is then encoded into the QR code pattern.

Scanning and decryption:

When scanned by an authorized device with the correct quantum key, the encrypted data is decrypted

Original information is revealed

Key Features and Applications:

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126 Phillip Street
SYDNEY NSW 2000

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Quantum-Secure Payments Gateway: Enables banks, fintechs, and payment processors to adopt payment infrastructure that resists retroactive decryption — even by quantum-computer equipped adversaries.

Quantum-Secure File Transfer Gateway: Ensures highly sensitive documents (financial contracts, IP, health records) remain confidential across time horizons.

Quantum-Secure Messaging and Communication Protocols: Provides quantum-hardened alternatives to conventional secure messaging apps and collaboration platforms.

Plug-and-Play Compatibility: Designed to integrate with existing enterprise APIs and financial platforms, including Buy Now Pay Later (BNPL) gateways and cryptocurrency payment portals, enabling smooth migration paths toward quantum readiness.

Strategic positioning in the Post-Quantum Race

What makes the QuantumAI Secure platform particularly compelling is its first-mover advantage in combining PQC (Post Quantum Cryptography) with AI and real-time quantum threat monitoring. While many legacy security firms are scrambling to retrofit existing systems, the QuantumAI Secure platform was built on a post-quantum native foundation. This gives it a significant head start in compliance, performance, and credibility.

Synergies with Codeifai's existing business

The acquisition of the antennatransfer.io (to be rebranded QuantumAI Secure) Business is highly complementary to CDE's existing business, as both platforms share a core technological foundation — the use of QR codes — while targeting different but converging domains: AI-driven traceability and compliance (Codeifai's existing business platform) and quantum-secured communications and transactions with QuantumAI Security. This synergy will allow Codeifai to not only enhance the security layer of its traceability and engagement solutions, but also cross-sell the QuantumAI Secure platform offering as a premium addition to its existing self-service SaaS suite - while expanding into the fast-emerging field of quantum-resilient infrastructure.

Codeifai's existing platform leverages QR codes to provide authentication, supply chain transparency, consumer engagement and data verification across diverse industries. The QuantumAI Secure platform also uses QR codes—but to encrypt and enable secure payments, file transfers, and communications using Post-Quantum Cryptography (PQC). The integration of both platforms means Codeifai can now offer end-to-end trust, from the

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126 Phillip Street
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physical or digital asset's origin (tracked via Codeifai's system) to its secure transfer or transaction (protected by the QuantumAI Secure platform). This creates a seamless, quantum-hardened trust layer that is both user-friendly and future-proof, aligning with the increasing regulatory and security demands across global markets.

Market Opportunity

Codeifai is targeting a rapidly growing market suite through its proposed acquisition of antennatransfer, the QuantumAI Secure platform.
Market sizes (all in USD):

- **Secure Communications: $33.49 Billion (2024), growing to $85 Billion by 20321**
- **QR Code Payments: $15.95 Billion (2025), growing to $73 Billion by 20352**
- **Buy Now Pay Later: $560 Billion (2025), growing to $911 Billion by 20303**
- **File Sharing: $14 Billion (2025), growing to $28.7 billion by 20324**

Assembly of Strategic Advisory Panel

Codeifai's Strategic Advisory Panel now features four highly skilled industry experts from some of the most transformative companies in technology: Nvidia, OpenAI, Google, WhatsApp and Binance:

Rafael Possas – Nvidia, AI Machine Learning
Toni Timonen – OpenAI, Member of Technical Team
Helen Chen – WhatsApp Inc, Head of Product Strategy
Marcel Thiess – Binance, Country Lead (Germany, Austria, Switzerland)

These distinguished advisory panel members bring decades of collective experience and commercialisation success across fintech, AI research, blockchain & cryptocurrency innovation, quantum computing, and global-scale messaging systems.
Their decision to join Codeifai's panel serves as a strong endorsement of the significant market opportunity and the urgency for secure, quantum-resilient solution.

Strategic Rationale for acquisition of Trust Codes

The acquisition will significantly strengthen Codeifai's presence in Australasia, North America, and Europe, while uniting complementary strengths in self-service QR code management, enterprise serialisation, and anti-counterfeit protection.
As global concerns around product safety, sustainability, ethical sourcing, and anti-counterfeiting continue to grow, the demand for trusted, data-driven traceability and product identity solutions is rising dramatically. Consumers are more empowered, informed, and demanding than ever before.
In the digital age, where decisions and budgets are driven by AI, Machine Learning and data interpretation, brands need to be agile, transparent, and able to deliver meaningful digital experiences that go beyond the shelf.

The combined strengths of Codeifai and Trust Codes are tailored to meet these needs, offering:
• Authenticity Verification

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- Supply Chain Traceability
- Consumer Data Insights and Analytics
- Augmented Reality and Gamification for Consumer Experiences
- Direct-to-Consumer Communication Channels
- Support for Global Regulatory and Compliance Standards

By leveraging AI, Machine Learning and Data Science, Codeifai enables brands to unlock supply chain traceability, drive operational excellence, and build lasting trust with consumers — one QR Code scan at a time.

Key benefits of the Trust Codes acquisition include:

- Inclusion of Trust Codes founder Mr Paul Ryan on the CDE executive team and expanded Geographic Reach with Immediate customer presence in ANZ, USA, and EU
- Integrated Product Suite: Full end-to-end traceability, real-time authentication, and consumer engagement tools under one umbrella
- Shared Vision: Both companies are aligned in the belief that every product in the world will soon carry a QR code
- Complementary Technologies: Enhanced cloud traceability, digital twin data models, and AI-driven security at scale
- Revenue Synergies: Upsell and cross-sell opportunities for existing Codeifai and Trust Codes clients

The Trust Codes acquisition is both highly complementary to CDE's "Connect" platform as Trust Codes uses QR codes in the areas of traceability, brand protection and online retail whose clients include household brands (see link).
This strategic acquisition combines two innovators in digital product identity at a pivotal moment in the global packaging market which will see the "1D barcodes" which exist on every product package transform into GS1-compliant 2D barcoding, and product-level digital transformation.

Strategic Review of CDE's Material Science division

CDE's strategic review of its Material Science Division focused on authenticity solutions is ongoing and is planned to be concluded by Q3 2025.

CDE Executive Chairman and Group CEO John Houston commented:

"Our focus on our 2025 strategy is delivering tangible results. The rapid adoption of QR codes as gateways to payment solutions, including crypto transactions, validates our market positioning. With strong momentum in cash receipts, sustained high margins, and growing global demand for QR code solutions, we believe CDE is well-placed to deliver enhanced shareholder value throughout 2025 and beyond."

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

Ends.

investors@codeifai.com

Level 5
126 Phillip Street
SYDNEY NSW 2000

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For further information, please contact:
Investor Relations
Email: 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.

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investors@codeifai.com

Level 5
126 Phillip Street
SYDNEY NSW 2000

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Codeifai Limited

ABN	**Quarter ended ("current quarter")**
68 108 649 421	30 June 2025

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	150	423
1.2	Payments for		
	(a) research and development	(108)	(283)
	(b) product manufacturing and operating costs	(14)	(29)
	(c) advertising and marketing	(17)	(71)
	(d) leased assets	(26)	(55)
	(e) staff costs	(199)	(497)
	(f) administration and corporate costs	(195)	(554)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	2	3
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Return of deposits from office rentals	-	-
1.9	Other (Refund from legal deposit)	-	-
1.10	Other (GST/VAT refund)	(7)	20
1.11	**Net cash from / (used in) operating activities**	**(414)**	**(1,043)**

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Deposit into an escrow account	-	-
2.6	Other (provide details if material)	-	-
2.7	**Net cash from / (used in) investing activities**	**-**	**-**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	570	570
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(90)	(90)
3.5	Proceeds from borrowings	255	785
3.6	Repayment of borrowings	(363)	(458)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Corporate Advisory, Research, investor relations, etc.)	(4)	(14)
3.10	**Net cash from / (used in) financing activities**	**368**	**793**

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	180	386
4.2	Net cash from / (used in) operating activities (item 1.11 above)	(414)	(1,043)
4.3	Net cash from / (used in) investing activities (item 2.7 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	368	793
4.5	Effect of movement in exchange rates on cash held	(3)	(5)
4.6	**Cash and cash equivalents at end of period**	**131**	**131**

	Reconciliation of cash and cash equivalents	Current quarter $A'000	Previous quarter $A'000
5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	180	386
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Undeposited	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**131**	**180**

	Payments to related parties of the entity and their associates	Current quarter $A'000
6.	**Payments to related parties of the entity and their associates**	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Capital raise	-	-
7.2	Loan facilities (including bank overdraft)	2,750	750
7.3	Other (ATM facility)	130	0
7.4	**Total financing facilities**	2,880	750
7.5	**Unused financing facilities available at quarter end**		2,290
76	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Answer:

Note to item 7.1 (above)

On July 30th 2025 the Company announced it had completed a Capital raise of (Gross) $2.35m before fees from S708 investors. This figure is not included in the table at item 7.1 however the Cash proceeds will be paid to the Company in the first week of August.

Note to item 7.2 (above)

In Q3 2024 Codeifai signed a Loan Facility Agreement to provide up to $2 million in additional working capital with Harbour Capital Opportunities Fund Pty Limited ("HCOF"). Under the Loan Facility Agreement, Codeifai will be able to draw down $250,000 per month. The funding facility provides the Company with additional financial flexibility to focus on growing revenues from its Self-services SaaS AI analytic driven ConnectQR business. For the purpose of this 4C report, the Company has included the $2m HCOF Loan Facility in calculating available loan facilities as shareholder approval was received at the Company's Annual General Meeting (AGM) dated May 8th 2025.

The company entered into a loan facility with J F Houston Holdings Pty Limited (JFH) for A$750,000 as reported at the last Quarter 4C. Interest is payable on amounts advanced under the facility at a reference NAB facility rate plus 19%. The loan and interest are repayable by CDE in 12 months unless repaid earlier. The loan facility is convertible and secured, both subject to shareholder approval or a waiver for the grant of the security. At the end of the Quarter $750k has been drawn under the facility.

On March 6th 2025 The Company entered into loan facilities to raise A$160,000 from s708 investors, The details of these Loans were announced to the market on March 6th 2025. The investors have applied for conversion of their loans into shares and shareholder approval has been received for the conversion. Due to the conversion the $160k has not been included in the table above.

Note to Item 7.3 (above)

The Company established an "At-The-Market" (ATM) equity-based facility with Dolphin Corporate Investments (DCI) on 2 November 2023, currently capped at 13m shares (just under 5% of the shares on issue post consolidation). The facility's capacity depends on share price and available capacity during the request and option exercise period, fluctuating over time. The Company cannot sell shares above the number of shares issued to DCI at any time which is currently 13m, or request DCI to exercise options above the nominated floor price. DCI may choose to decline or partially exercise options to buy shares.

The ATM is considered a "sold contingent option," activated by the Company and subject to DCI's discretion. To align with Australian Accounting Standards and ensure transparency, the Company has reported ATM facility availability in item 7.3, reflecting conditions precedent for the funding.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.11)	(414)
8.2	Cash and cash equivalents at quarter end (item 4.6)	131
8.3	Unused finance facilities available at quarter end (item 7.5)	2,290
8.4	Total available funding (item 8.2 + item 8.3)	2,421

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5.8

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6   If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1   Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2   Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3   Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1   This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2   This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2025

Authorised by: The Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1.   This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2.   If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3.   Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4.   If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g., Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5.   If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.