



**CODEIFAI LIMITED**

**ACN 108 649 421**

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**PROSPECTUS**

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For an offer of up to 1,000 New Shares at an issue price of A\$0.04 per New Share (**Cleansing Offer**). The Cleansing Offer is being undertaken primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares recently issued by the Company.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**THE NEW SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

# IMPORTANT INFORMATION

## General

This Prospectus is dated and was lodged with ASIC on 7 July 2025. Neither ASIC, ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX for Official Quotation by ASX of the New Shares offered under this Prospectus within seven days of the date of this Prospectus.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at Level 5, 126-130 Phillip Street, Sydney, NSW, 2000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.3).

No person or entity is authorised to give any information or to make any representation in connection with the Cleansing Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Cleansing Offer.

## Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

## Exposure Period

No exposure period applies to the Cleansing Offer.

## Speculative Investment

An investment in the New Shares should be considered highly speculative. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance profits and losses and prospectus of the Company and the rights and liabilities attaching to the New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that the New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

## Forward-looking Statements

This Prospectus may contain forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

### **Website**

No document or information included on the Company's website is incorporated by reference into this Prospectus.

### **Currency**

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

### **Rounding**

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

### **Time**

All references to time in this Prospectus are references to AEST, unless otherwise stated.

### **Glossary**

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 6.

## **CORPORATE DIRECTORY**

### **Directors**

Mr John Houston – Executive Chairman and Chief Executive Officer  
Mr Su (George) Su – Non-Executive Director  
Mr Colin Turner – Non-Executive Director

### **Joint Company Secretaries**

Ms Lucy Rowe – Company Secretary  
Ms Kamille Dietrich – Company Secretary

### **Registered Office**

Level 5, 126-130 Phillip Street,  
Sydney, NSW, 2000  
Tel: +66 21148173  
Website: <https://www.codeifai.com/>

**ASX Code:** CDE

### **Lawyers**

Thomson Geer  
Level 29, Central Park Tower  
152-158 St George's Terrace,  
Perth, WA 6000

### **Auditors**

PKF Brisbane  
Level 2, 66 Eagle Street  
Brisbane, QLD 4000

### **Share Registry**

Boardroom Pty Limited  
Level 8, 210 George Street,  
Sydney, NSW, 2000  
Tel: +1300 737 760  
Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

## PROPOSED TIMETABLE

Key Dates	Date*
Lodgement of Prospectus with ASIC and ASX	7 July 2025
Opening Date of the Cleansing Offer	7 July 2025
Closing Date of the Cleansing Offer	8 July 2025

*\* The above timetable is indicative only and may change. The Company reserves the right to amend any and all of the above dates without notice (including, without limitation, subject to the Listing Rules and the Corporations Act, to close the Cleansing Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Cleansing Offer before the New Shares are issued by the Company). If the Cleansing Offer is cancelled before the issue of the New Shares, then all Application Monies will be returned (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.*

## 1. Details of the Cleansing Offer

### 1.1 The Cleansing Offer

The Company is offering, pursuant to this Prospectus, 1,000 new Shares (**New Shares**) each at an issue price of A\$0.04 per New Share (**Cleansing Offer**).

All of the New Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Refer to Section 4.1 for a summary of the rights attaching to the New Shares.

The Company is only extending the Cleansing Offer to specific parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

This Prospectus has been issued, and the Cleansing Offer is being undertaken, to facilitate the secondary trading of the following issues of Shares by the Company, as they were issued without disclosure under Part 6D.2 of the Corporations Act.

The Company previously issued:

- (a) 90,000,000 Shares (on a pre-consolidated basis) to Mr Asaf Amber, Beirne Trading Pty Ltd, Mr Bhavdip Sanghavi, DSL Trading Company Pty Ltd, Mr Chao Zhang, Mr Andre Marschke, Mr Geoffrey Saffer and Mrs Rachel Saffer on 7 May 2025 as an establishment fee for the grant of loans to the Company of \$160,000 (in aggregate). Refer to the Appendix 2A dated 8 May 2025 for further details;
- (b) 98,411,602 Shares to professional and sophisticated investors identified by the Company and Oakley Capital Pty Ltd on 6 June 2025 pursuant to a placement announced by the Company on 3 June 2023. Refer to the Appendix 2A dated 6 June 2025 for further details;
- (c) 5,995,066 Shares to Waterbear Holdings on 6 June 2025 in lieu of Mr Gerard Eakin's accrued Director fees. Refer to the Appendix 2A dated 10 June 2025 for further details;
- (d) 12,500,000 Shares to Market Link on 11 June 2025 as consideration for Market Link providing services to the Company. Refer to the Appendix 2A dated 13 June 2025 for further details;
- (e) 6,416,199 Shares to Philip Street Holdings Pty Ltd on 27 June 2025 pursuant to a placement (in lieu of the lender's conversion of its loan amount) under a loan agreement. Refer to the Appendix 2A dated 4 July 2025 for further details; and
- (f) 19,634,032 Shares to Oakley Capital Pty Ltd on 2 July 2025 as approved by shareholders at the Company's Annual General Meeting held on 8 May 2025. Refer to the Appendix 2A dated 4 July 2025 for further details,

(together, the **Relevant Shares**).

### 1.2 Removal of Secondary Trading Restrictions

The primary purpose of this Prospectus is to remove any trading restrictions on the sale of any shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the date of this prospectus. Accordingly, the Company is seeking to raise only a nominal amount of \$40 under this Prospectus as the purpose of this Prospectus is not to raise capital.

The Company is not able to issue a cleansing notice under section 708A(5) of the Corporations Act in respect of the Relevant Shares as the Relevant Shares were issued more than 5 business days prior to the date of this Prospectus. Accordingly, the primary purpose of this Prospectus is to remove any on-sale restrictions that may affect the Relevant Shares.

Section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Relevantly, section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
  - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

### **1.3 Purpose of this Prospectus**

The purpose of this Prospectus is to:

- (a) make the Cleansing Offer; and
- (b) ensure that the on-sale of the Relevant Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

### **1.4 Minimum subscription**

There is no minimum amount to be raised under the Cleansing Offer.

### **1.5 Closing Date**

The closing date for the Cleansing Offer is 5:00pm (AEST) on 8 July 2025 (**Closing Date**) or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

### **1.6 Application Forms**

Applications for New Shares must be made by investors at the direction of the Company and must be made using the Application Form that will be provided to investors at the discretion of the Company together with this Prospectus.

Payment for the CDIs must be made in full at the issue price of \$0.04 per New Share.

If you have received an invitation to apply for the New Shares and wish to apply for the New Shares, you should contact your stockbroker for information about how to submit your Application Form and for payment instructions.

An original completed and lodged Application Form, together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of New Shares specified in the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the New Shares.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Cleansing Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Closing Date or accept late Applications.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid and how to construe, amend or complete the Application Form is final.

## **1.7 Issue and Dispatch**

The issue of New Shares under the Cleansing Offer will take place as soon as possible after the Closing Date.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

## **1.8 Application Monies held on trust**

All Application Monies received for the New Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. If the New Shares are not issued, all Application Monies will be returned (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

## **1.9 ASX quotation**

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made within seven days of the date of this Prospectus.

If the New Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act without interest.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

## **1.10 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Company's share registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders



may request a statement at any other time; however, a charge may be made for additional statements.

#### **1.11 Applicants outside Australia**

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the New Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

#### **1.12 Withdrawal**

The Company reserves the right not to proceed with the Cleansing Offer at any time before the issue of New Shares to successful Applicants. If the Cleansing Offer is cancelled or withdrawn before settlement, all Application Monies provided under the Cleansing Offer will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

#### **1.13 Risk factors**

An investment in New Shares under this Prospectus should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are detailed in Section 3.

#### **1.14 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares under the Cleansing Offer.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Shares under the Cleansing Offer.

#### **1.15 Major Activities and Financial Information**

A summary of the major activities and financial information relating to the Company can be found in the Company's consolidated financial statements for the year ended 31 December 2024 lodged with ASX on 31 March 2025 (**Annual Financial Report**). The Company has issued continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report are detailed in Section 4.3.

Copies of the Annual Financial Report and continuous disclosure notices since the lodgement of the Annual Financial Report are available free of charge from the Company. The Directors strongly recommend that Applicants review these documents and all other announcements prior to deciding whether or not to participate in the Cleansing Offer.

#### **1.16 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's or its subsidiaries' agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers detailed in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

#### **1.17 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Joint Company Secretary on [Kamille.dietrich@automicgroup.com.au](mailto:Kamille.dietrich@automicgroup.com.au)

## 2. Effect of the Cleansing Offer

### 2.1 Effect of the Cleansing Offer on the Capital Structure

The effect of the Cleansing Offer on the capital structure of the Company, assuming the New Shares are issued, is as follows:

Class	Shares	Options	Performance Rights	Convertible Notes
Shares on issue at the date of this Prospectus	<b>468,988,679</b>	164,890,032	1,870,533	245,000
New Shares to be issued under the Cleansing Offer	1,000	-	-	-
<b>Total</b>	<b>468,989,679</b>	164,890,032	<b>1,870,533</b>	<b>245,000</b>

### 2.2 Effect of the Cleansing Offer on the Company

After paying for the expenses of the Cleansing Offer of approximately A\$8,206, there will be no proceeds from the Cleansing Offer. The expenses of the Cleansing Offer exceeding A\$40 (being the amount raised if the Cleansing Offer is fully subscribed) will be met from the Company's existing cash reserves.

The Cleansing Offer will have a minimal effect on the Company's financial position, being receipt of funds of A\$40 less the costs of preparing this Prospectus.

### 2.3 Effect of the Cleansing Offer on Control

The Cleansing Offer will have no impact on the control of the Company, as no person as a result of the Cleansing Offer will increase their voting power:

- (a) from 20% or below to more than 20% of the issued Shares of the Company; or
- (b) from a starting point that is above 20% and below 90% of the issued Shares of the Company.

### 2.4 Market price of Shares

The highest and lowest market sale prices of Shares on ASX during the three months immediately preceding the date of this Prospectus and the latest market sale price and the respective dates of those sales were:

Highest:	A\$0.085 on 1/7/2025
Lowest:	A\$0.005 on 26/5/2025
Latest	A\$0.050 on 3/7/2025

### 2.5 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

### **3. Risk Factors**

The New Shares offered under this Prospectus should be considered highly speculative. The proposed future activities of the Company are subject to a number of risks and other factors that may affect its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section 3 are not an exhaustive list of the risks faced by the Company or by investors in the Company. This Section 3 should be considered in conjunction with other information in this Prospectus. The risks described, and others not specifically referred to, in this Section 3 may in the future materially affect the financial performance and position of the Company and the value of the New Shares offered under this Prospectus. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those New Shares. The risks described in this Section 3 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its securities may rise or fall over any given period. None of the Directors or any person associated with the Company guarantees the Company's performance, the performance of the securities or the market price at which the securities will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 3, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether to apply for the New Shares.

#### **3.1 Risks specific to the Company**

The current and future operations of the Company may be affected by a range of factors, including:

##### **(a) Intellectual property**

To market and protect its market position, it is important for the Company to protect the intellectual property in its brand and the technology. Although some of the technology is patented, there may be situations where it cannot be protected or is subject to unauthorised disclosure, infringement, or challenge by a third party. This may require significant cost and effort to defend or to obtain the necessary protections to prevent such conduct (as the case may be).

There is a risk that other individuals or companies may claim to have an interest in intellectual property or trade secrets used by the Company. Intellectual property or trade secrets may be challenged by other parties and defending such actions may adversely impact the Company's earnings. In addition, if the Company is required to develop or support new technology and intellectual property, it may require significant capital expenditure by the Company.

The Company has previously or in future will acquire trade secrets and other intellectual property rights that are important assets. The Company may therefore rely on a combination of confidentiality and licence agreements with its consultants and third parties with whom it has relationships agreements, as well as domain name, trade secret, copyright and patent laws, to protect its brand and other intellectual property rights. However, various events outside of the Company's control could pose a threat to its intellectual property rights, as well as to its products and technologies.

##### **(b) Reliance on key personnel**

The Company relies on the experience and knowledge of its management team, in particular Mr John Houston, a Director. The Company is also dependent on its ability to recruit and retain suitably qualified personnel. In the event that such key personnel leave the Company and it was unable to recruit suitable replacements, such loss could have a materially adverse effect on the Company.

(c) **Increased competition**

The markets in which the Company operates are highly competitive. This competition has intensified as a result of improvements in technology. The actions of an existing competitor or the introduction of a new competitor in the market may make it difficult for the Company to grow its revenue, which in turn, may have an adverse effect on its profitability.

If the Company's technology proves to be less successful or more costly than its competitors products, the business of the Company could be adversely affected.

(d) **Growth prospects and Company expansion plans**

The Company's growth prospects are dependent upon a number of factors, including, customer take up and execution of rollout. There is a risk that the Company may encounter potential issues arising from operating in foreign jurisdictions, including marketing restrictions, regulations regarding anti-theft, and protecting its intellectual property. These risks will vary in importance depending on the countries the Company chooses to enter into. If the Company fails to execute any expansion plan and cannot attract buyers for its products, its financial performance is likely to be negatively affected.

In the short term, the Company continues to make efforts that are aimed at the expansion of the Company beyond Australia and New Zealand and will continue to focus on QR code technologies through its Digital and Engagement First strategy. The Company believes that favourable developments in these areas will likely have a positive effect on the Company's financial performance and conversely if the Company fails to successfully accomplish these then its financial performance is likely to be negatively affected.

(e) **New assets, projects and acquisitions**

The Company has recently entered into binding sale agreement to acquire Trust Codes Global Limited and the QuantumAI business and its assets from Credissential Inc. to complement its existing business offerings. The Company may make additional acquisitions in the future as part of future growth plans. In this regard, the Directors will use their expertise and experience to assess the value of potential projects that have characteristics that are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(f) **Reliance on access to internet**

The Company will depend on the ability of its users to access the internet. Access is provided by various classes of entities in the broadband and internet access marketplace. Should any of these entities disrupt, restrict or affect the cost of access to the Company's products, usage of the Company's products may be negatively impacted.

(g) **Programming errors**

The Company's products will contain complicated programming and its objectives are to quickly develop and launch new and innovative products and features. The Company's products may therefore contain, now or in the future, errors, bugs or vulnerabilities. Any errors, bugs or vulnerabilities discovered could result in (amongst other consequences) damage to the Company's brand, loss of customers, falls in revenues or liability for damages, any of which could adversely affect the Company's business and operating results.

(h) **Liability risk**

Whilst the Company will take precautions both legal and physical, the nature of the Company's business of providing products and services to the anti-counterfeit field, may give rise in certain circumstances to potential legal action by either customers or end users in the areas of product or public liability. If legal action was taken against the Company, it could have a material adverse effect on the financial performance of the business and to its reputation and brand name.

(i) **Reliance on key supplier relationships**

The Company relies on various key supplier relationships for certain parts of its business. The loss or impairment of any of these relationships could have a material adverse effect on the Company's results of operations, financial condition and prospects, at least until alternative arrangements can be implemented. In some instances, however, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.

In particular, the Company relies on third parties to provide intellectual property development and manufacturing services. Although there are long term contracts in place with stringent non-compete provisions, the Company is vulnerable to any change in output from these suppliers. Should any of these suppliers significantly reduce their supply to the Company, this will have an adverse effect of the growth prospects and financial performance of the Company.

(j) **Product selection**

An important element of the Company's business is an ability to assess and identify products that appeal to the Company's target market. Newer anti-counterfeit and brand protection technologies and products are increasing the number of choices available to customers. This may make the Company's products less attractive and any misjudgements in demand or changes in customer preferences could result in reduced sales, increased inventory and/or lower gross margins. In addition, existing products or products in the future developed by the Company may experience performance problems rendering them difficult or impossible to sell, or subject to product recall which could have a material adverse impact on the Company's financial performance.

(k) **Delivery risk**

The potential exists for delays or cancellations in the delivery of products without any practical recourse being available to the Company to recover lost earnings. Any such delay or cancellation would have an adverse impact on the Company's earnings and profits.

(l) **Exchange rates**

The Company is exposed to movements in foreign exchange rates. As the Company will report financial earnings in Australian dollars, and because the Company does not plan to hedge against movements in the exchange rate, significant fluctuations in exchange rates may impact on the Company's margins and earnings adversely.

(m) **Funding**

The Company may seek to exploit opportunities of a kind that will require it to raise additional capital from equity or debt sources. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.

## **3.2 General Risks**

(a) **Price fluctuations**

The New Shares are to be quoted on the ASX, where the price may rise or fall. The New Shares issued under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. The value of the New Shares will be determined by the share market and will be subject to a range of factors, many or all of which may be beyond the control of the Company and the management team.

(b) **Economic factors**

Changes in economic and business conditions in Australia or internationally may affect the fundamentals of the Company's target markets or its costs structure and profitability. Adverse changes in the level of inflation, interest rates, consumer spending, and employment rates are outside the control of the Company and the management team and may have an adverse effect on the financial performance and/or financial position of the Company.

(c) **Government regulation**

The Company is exposed to changes in laws, regulations and government policies which may affect the profitability and activities of the Company. Laws may be enacted or enforced which affect greater regulation upon the anti-counterfeit industry which may increase the Company's operating costs to comply with the relevant government regulations. In addition, taxation legislation may change which could impact the Company's profitability as may changes to tariffs or other government trade policies that may impact exports to a particular country or related to a particular sector.

(d) **Taxation**

Future changes to tax law or changes to the way in which taxation laws are interpreted in the various jurisdictions in which the Company operates or makes underlying investments may correspondingly impact the taxation liability of the Company or the value of its assets.

There are tax implications arising from purchasing and selling securities, receiving distributions from the Company, and participation in any on-market Share buy-backs. Accordingly, potential investors should seek their own independent taxation advice before applying for New Shares under the Cleansing Offer.

(e) **Insurance risks**

Although insurance is maintained by the Company, no assurance can be given that adequate insurance will continue to be available to the Company in the future on commercially acceptable terms.

In addition, the Company may incur liabilities to third parties (in excess of any insurance cover or statutory reserves) arising from negative environmental impacts or other damages or injury. There is a risk of an occurrence of a significant event leading to losses that are not fully covered by insurance.

(f) **Other external factors**

Other external factors that may affect the value of the New Shares include (but are not limited to):

- (i) changes in investor sentiment toward particular market sectors;
- (ii) changes in interest rates and the rate of inflation;
- (iii) the demand for, and supply of, capital;
- (iv) changes in exchange rates;
- (v) changes to accounting standards; and

(vi) the nature of competition in the industries in which the Company operates.

### **3.3 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for the New Shares pursuant to this Prospectus.



## **4. Additional Information**

### **4.1 Rights and Liabilities Attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares of the Company. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. Full details of the rights attaching to the Shares of the Company are in the Constitution of the Company, a copy of which is available for inspection at the Company's registered office during normal business hours or can be obtained from the Company's website at <https://www.codeifai.com/>.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may convene meetings in accordance with sections 249D, 249E or 249F of the Corporations Act.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

#### **(c) Dividend rights**

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends.

#### **(d) Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

#### **(e) Shareholder liability**

Shares issued will be fully paid shares and subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

#### **(f) Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## **4.2 Company is a Disclosing Entity**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all ASX listed companies, the Company is required (subject to certain exceptions) to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the Annual Financial Report being the most recent annual financial report of the Company lodged with ASIC before the issue of this Prospectus; and
  - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the Annual Financial Report until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an ASIC office (refer to Section 4.3 below).

### 4.3 Copies of Documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Cleansing Offer, a copy of:

- (a) the Annual Financial Report for the period ended 31 December 2024 as lodged with ASX on 31 March 2025; and
- (b) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Financial Report and before the date of issue of this Prospectus which are as follows:

Date Lodged	Subject of Announcement
31 March 2025	Annual Report to Shareholders
31 March 2025	Appendix 4G and Corporate Governance Statement
31 March 2025	Appointment and Registration of Company Secretary
09 April 2025	Notice of Annual General Meeting/Proxy Form
09 April 2025	Consolidation/Split - CDE
30 April 2025	Quarterly Activities/Appendix 4C Cash Flow Report
02 May 2025	Codeifai Limited Raised \$250,000 through loans
02 May 2025	Proposed issue of securities – CDE
08 May 2025	Updated Issued Capital Consolidation Timetable
08 May 2025	AGM Presentation
08 May 2025	Application for quotation of securities – CDE
08 May 2025	Results of Meeting
23 May 2025	Completion of Share Consolidation
03 June 2025	CDE Receives Binding Commitments for \$570,000 Placement
03 June 2025	Proposed issue of securities - CDE
05 June 2025	Trading Halt

Date Lodged	Subject of Announcement
06 June 2025	Application for quotation of securities - CDE
06 June 2025	Corporate Update
06 June 2025	Response to ASX Price and Volume Query
06 June 2025	Application for quotation of securities - CDE
06 June 2025	Notification regarding unquoted securities – CDE
10 June 2025	Update – Notification regarding unquoted securities - CDE
10 June 2025	Update – Application for quotation of securities – CDE
12 June 2025	Response to ASX Price Query
13 June 2025	Application for quotation of securities – CDE
17 June 2025	Pause in Trading
17 June 2025	Trading Halt
18 June 2025	Codeifai to acquire AI powered Learning Brand Trust Codes
18 June 2025	Proposed issue of securities – CDE
27 June 2025	Trading Halt
1 July 2025	CDE to acquire QuantumAI Secure Platform
1 July 2025	Proposed Issue of Securities
3 July 2025	Response to ASX Aware Letter
3 July 2025	Formation of Strategic Advisory Panel
3 July 2025	Proposed Issue of Securities
4 July 2025	Application for Quotation of Securities
4 July 2025	Application for Quotation of Securities
4 July 2025	Notification Regarding Unquoted Securities

The following documents are available for inspection throughout the period of the Cleansing Offer during normal business hours at the registered office of the Company at Level 5, 126-130 Phillip Street, Sydney, NSW, 2000:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.13 and the consents provided by the Directors to the issue of this Prospectus.

The announcements are also available through the Company's website at <https://www.codeifai.com/>.

#### 4.4 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus.

#### 4.5 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares under this Prospectus.

#### 4.6 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the New Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him (or by an entity in which they are a director, partner and/or a shareholder) in connection with the formation or promotion of the Company or the New Shares offered under this Prospectus.

#### 4.7 Directors' Interests in Securities

The Directors' relevant interests in Securities at the date of this Prospectus are detailed below:

Director	Shares	Options	Performance Rights
Mr John Houston	164,403,211	140,000,000	-
Mr Su (George) Su	191,224	-	-
Mr Colin Turner	1,200	-	-

#### 4.8 Directors' Remuneration

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors remuneration for the past two financial years is detailed in the below table:

Director	Financial Year	Short Term Benefits (A\$)	Superannuation (A\$)	Share based payments (A\$)	Total (A\$)
Mr John Houston	2023	626,089 <sup>1</sup>	-	-	481,466
	2024	642,339 <sup>1</sup>	-	-	642,339
Mr Su (George) Su	2023	40,000 <sup>2</sup>	-	-	40,000
	2024	40,000 <sup>2</sup>	-	-	40,000

Director	Financial Year	Short Term Benefits (A\$)	Superannuation (A\$)	Share based payments (A\$)	Total (A\$)
Mr Colin Turner <sup>3</sup>	2023	-	-	-	-
	2024	5,500	-	-	5,500

**Notes:**

1. A portion of the salary of the CEO has been accrued. The salary is expected to be settled by cash settlement or the issue of shares in lieu of cash.
2. This amount is expected to be settled by the issuance of performance rights in lieu of cash settlement.
3. Colin Turner was appointed as a Director on 21 October 2024.

#### 4.9 Substantial Shareholders

Based on publicly available information and notices provided to the Company as at the date of this Prospectus, Mr John Houston has a voting power of above 5% in the Company:

Shareholder	No. of Shares Held	Shares Held %
Mr John Houston	164,403,211 <sup>1</sup>	33%

**Note:**

1. This figure includes:
  - (a) 139,279,555 Shares held by J F Houston Holdings Pty Ltd ATF The Houston Family Fund; and
  - (b) 25,123,656 Shares held by The Bimm Corporation Pty Ltd ATF The FJ Fund.

Mr John Houston's voting power will not change as a result of the Cleansing Offer.

#### 4.10 Related party transactions

At the date of this Prospectus, no material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

#### 4.11 Interests of Other Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the New Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the New Shares offered under this Prospectus.

Boardroom Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the New Shares under the Cleansing Offer, and will be paid for these services on standard industry terms and conditions.

#### 4.12 Expenses of the Cleansing Offer

The estimated expenses of the Cleansing Offer is \$3,206 (ASIC lodgement fee) and \$5,000 (legal expenses).

#### 4.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Shares under this Prospectus), the Directors, any persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

Name	Role
Boardroom Pty Limited	Share Registry

- (a) has given its written consent to being named in this Prospectus as set out above and has not withdrawn its consent as at the date of lodgement of this Prospectus with ASIC and ASX;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Cleansing Offer;
- (c) consents to the distribution of paper and electronic versions of this Prospectus;
- (d) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section 4.13; and
- (e) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus or the Cleansing Offer other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section 4.13.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

Except the Directors, none of the parties referred to in this Section 4.13 has authorised or caused the issue of this Prospectus or the making of the Cleansing Offer.

#### 5. Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

This Prospectus is signed for and on behalf of the Company by:

  
**John Houston**  
**Executive Chairman and Chief Executive Officer**  
7 July 2025

## 6. Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**A\$ or \$** means Australian dollars.

**Acceptance** means a valid acceptance of New Shares under the Cleansing Offer made pursuant to this Prospectus on an Application Form.

**AEST** means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

**Annual Financial Report** means the consolidated financial statements of the Company for the year ended 31 December 2024.

**Applicant** means a person who submits an Application Form.

**Application Form** means an application form to subscribe for New Shares under the Cleansing Offer provided by the Company with a copy of this Prospectus.

**Application Monies** means application monies for New Shares received by the Company from an Applicant.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**CHESS** means ASX Clearing House Electronic Sub-register System.

**Cleansing Offer** has the meaning given in Section 1.1.

**Closing Date** has the meaning given in Section 1.5.

**Company** means Codeifai Limited ACN 108 649 421.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company as at the date of this Prospectus.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**New Shares** has the meaning given in Section 1.1.

**Prospectus** means this prospectus dated 7 July 2025.

**Relevant Shares** has the meaning given in Section 1.1.

**Section** means a section of this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.