

ASX ANNOUNCEMENT

ASX: CDE | 30th April 2025

141% Growth in Cash Receipts for CDE Signals Strong Momentum

- **Q1 2025 cash receipts of \$273k, up 141% on previous Quarter and 128% up on prior corresponding period (PcP)**
- **Cash costs increased by 42% from PcP due mainly to one-off Administration cash costs paid in Q1 2025**
- **MIT waives past Patent costs following termination of the exclusive Patent Licence agreement**

Brand solution technology group **Codeifai Limited (ASX: CDE)** presents highlights of activities for the quarter ended 31 March 2025 (Q1 2025).

Net cash used in operating activities in Q1 2025 of \$389k was a 162% increase on Q4 2024 and 42% increase on Q1 2024 (the PcP) however the increase in cash receipts of 141% from previous Quarter and 128% from the PcP, marking the Company's strongest quarter in over 18 months.

As previously announced, the Company embarked in Q4 2024 on a revised "Digital First Engagement First" strategy a copy of can be found in this [link](#).

So far in 2025 CDE is pleased with the immediate effects of the revised strategy which has seen advancements to its www.connectqr.ai (the latest module of CDE's proven Connect™ SaaS platform) which holds strong financial opportunity for the Company due to its capacity to rapidly scale both revenue and profit. Additionally the global surge in the usage of QR codes and the growing range of applications served by them bodes well for the future of this strategy.

Since the launch of ConnectQR the Company has reached several significant milestones including integration with Canva, integration with several key platforms and the launch of a new URL shortener feature to name a few. With learnings from the initial launch of ConnectQR, an audit has been under taken to identify possible points of friction which have now been identified and addressed with the launch of a revised website in Q2 2025.

QR Code Market Expansion Driving Growth

QR codes continue to gain global prominence across industries - ranging from crypto payments and streaming services to retail, hospitality, and outdoor advertising. CDE is well-positioned to capitalise on this trend through its dual offering of the **ConnectQR** self-service SaaS platform and the **Connect™** serialised brand protection solution.

QR codes continue to find applications across many industries and are becoming more important both as entry points to daily activities globally such as Crypto and Fund transfer payment platforms, QR codes on streaming services such as YouTube, account validation for platforms such as Netflix, simple payment methods such as paying a bill at a local restaurant, outdoor (OOH) advertising platforms and many more examples. As CDE further develops the ConnectQR self-service SaaS

business in parallel with its Connect™ serialised platform, the potential for revenue growth as seen in this latest quarter in the opinion of the Company bode well for shareholders in CDE.

Q1 2025 cash receipts of \$273k show momentum

Cash receipts in Q1 2025 of \$273k was the highest in the past 7 quarters which is a strong indicator that the Company's strategy is on track, the Company is also pleased to report continued strength in its China business which again showed positive cash and P&L for the quarter.

Gross margins of over 95% have been maintained from 2024 and remain a key element in the Company's profit-leveraged path to profitability, with the digital first strategy expected to be a major contributor.

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. As previously reported, the Company does not discount the possible sale of CDE's existing Division and the wholly owned Patents and IP amassed over time including the following Patents which we consider to be valuable and a blocker to competitors launching smartphone readable technologies:

- Patent covering the use of a mobile device to interact with a physical security material which comprises a phosphor (U.S. app 14/441,470 with a priority date of 2013) GRANTED October 5th 2021
- China SIPO Patent (201310109929.3) covers two or more light energy responsive materials, GRANTED December 2021

Corporate

During Q1 2025 the Company raised \$160k in short term loans which supplemented the loan funds of a \$750k facility made available by Executive Chairman John Houston (refer to ASX announcement dated 02/01/2025).

As of 31 March 2025, the Company held \$181k in cash and cash equivalents.

During the quarter the Company made payments of \$167k to related parties and their associates. This comprised payments related to the CEO/Chairman's existing remuneration and loan agreements with the Company.

CDE Executive Chairman and Group CEO John Houston commented:

*"Our focus on a **Digital First, Engagement First** 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.

For further information, please contact:
Investor Relations
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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.

Appendix 4C

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

Name of entity

Codeifai Limited

ABN

68 108 649 421

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	273	273
1.2	Payments for		
	(a) research and development	(175)	(175)
	(b) product manufacturing and operating costs	(15)	(15)
	(c) advertising and marketing	(54)	(54)
	(d) leased assets	(29)	(29)
	(e) staff costs	(298)	(298)
	(f) administration and corporate costs	(359)	(359)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	1	1
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)	27	27
1.11	Net cash from / (used in) operating activities	(629)	(629)
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 (3 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)	-	-
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	-	-
3.5	Proceeds from borrowings	530	530
3.6	Repayment of borrowings	(95)	(95)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Corporate Advisory, Research, investor relations, etc.)	(10)	(10)
3.10	Net cash from / (used in) financing activities	425	425

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	386	386
4.2	Net cash from / (used in) operating activities (item 1.11 above)	(629)	(629)
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)	425	425
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	180	180

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	Current quarter \$A'000	Previous quarter \$A'000
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)	180	386

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	167
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>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.</i>	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)	2,910	910
7.3	Other (ATM facility)	130	0
7.4	Total financing facilities	3,040	910
7.5	Unused financing facilities available at quarter end		2,130
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.		

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 is being sought in the Notice of Annual General Meeting (AGM) dated May 8th 2025 and the Board has recommended that shareholders approve the Loan Facility.

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 either shareholder approval or a waiver for the grant of the security. During the Quarter \$370k was drawn under the facility.

On March 6th 2025 The Company entered loan facilities to raise A\$160,000 from s708 investors, The details of these Loans were announced to the market on March 6th 2025.

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 130m shares (just under 5% of the shares on issue). 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 130m, 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 the 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)	(629)
8.2 Cash and cash equivalents at quarter end (item 4.6)	181
8.3 Unused finance facilities available at quarter end (item 7.5)	2,130
8.4 Total available funding (item 8.2 + item 8.3)	2,311
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.7
<i>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.</i>	
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	
<i>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.</i>	

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: 30 April 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.