Codeifai

INTERIM REPORT 2026

CODEIFAI LIMITED
HALF YEAR ENDING 30 JUNE 2026

ACN 108 649 421

A self-service SaaS company
- by design, by strategy.

CORPORATE INFORMATION

DIRECTORS	John Houston	*Executive Chairman*
	Su (George) Su	*Non-Executive Independent Director*
	Colin Turner	*Non-Executive Independent Director*
	Martin Ross	*Executive Director*
COMPANY SECRETARY	Guy Robertson	

REGISTERED OFFICE	Suite 506 50 Clarence Street Sydney NSW 2000	
	ABN	68 108 649 421
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SHARE REGISTRY	Boardroom Pty Limited Level 8, 210 George Street Sydney, NSW 2000	
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	Facsimile	1300 653 459
	Email	enquiries@boardroomlimited.com.au
	Website	www.boardroomlimited.com.au

AUDITORS	Pitcher Partners Sydney Level 16 Tower 2/201 Sussex Street Sydney NSW 2000	
	Telephone	+61 2 9221 2099

STOCK EXCHANGE LISTING	The shares of Codeifai Limited are listed on the Australia Stock Exchange.	
	ASX Code:	CDE
	Website	www.asx.com.au

Appendix 4D

Half-year report

1. Company details

Name of entity:	Codeifai Limited
ACN:	108 649 421
Reporting period:	For the half-year ended 30 June 2026
Previous period:	For the half-year ended 30 June 2025

2. Results for announcement to the market

		Half year to 30 June 2026 ($)				Half year to 30 June 2025 ($)
Revenues from ordinary activities	Down	115,392	33%	to	238,613	354,005
Loss from ordinary activities after tax for the half-year attributable to the owners of Codeifai Limited	Down	(2, 357,499)	59%	to	(1,572,478)	(3,929,977)
Loss for the half-year attributable to the owners of Codeifai Limited	Down	(2,357,499)	59%	to	(1,572,478)	(3,929,977)

Comments

The loss for the Group, after providing for income tax for the half year ended 30 June 2026 amounted to $1,572,478 (30 June 2025: $3,929,977). The Group has focussed on reducing its cost base as it transitions from product development to commercialisation. Underlying cash outflow from operations for the half year was $1,387,852 (30 June 2025: $1,312,178). Revenue for the period was $238,613 (30 June 2025: $354,005) which represents a 33% decrease compared to the corresponding period. Further commentary on the results is included in the accompanying interim report.

3. Net tangible liabilities

	30 June 2026 Cents	30 June 2025 Cents
Net tangible liabilities per ordinary security	(0.11)	(0.77)

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

Codeifai

Appendix 4D

Half-year report

4. **Gain and loss of control over entities**
   None (30 June 2025: None).

5. **Dividends**
   Current period
   There were no dividends paid, recommended or declared during the current financial period.

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

6. **Dividend reinvestment plans**
   There are no dividend reinvestment plans for the half-year ended 30 June 2026 (30 June 2025: Nil).

7. **Details of associates and joint venture entities**
   No changes since the previous annual report was released.

8. **Foreign entities**
   Details of origin of accounting standards used in compiling the report:
   There has been no change in foreign-owned subsidiaries to those reported for the year ended 31 December 2025. All group entities comply with International Financial Reporting Standards ('IFRS').

9. **Audit qualification or review**
   Details of audit/review dispute or qualification (if any):
   The consolidated interim financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. **Attachments**
    Details of attachment (if any):
    The Interim Report of Codeifai Limited (Formerly YPB Group Ltd) for the half-year ended 30 June 2026 is attached.

11. **Signed**



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John Houston
Executive Chairman

31 August 2026

Codeifai Limited

ACN: 108 649 421

Interim Report – 30 June 2026

DIRECTORS' REPORT

For the half-year ended 30 June 2026

The directors present their report and the consolidated financial statements of Codeifai Limited (the "Company") and its controlled entities (the "Group") for the half-year ended 30 June 2026.

1. DIRECTORS AND SECRETARY

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

Executive Chairman

John Houston

Non-Executive Directors

Su (George) Su
Colin Turner

Executive Director

Martin Ross (appointed 9 April 2026)

Company Secretary

Guy Robertson

2. PRINCIPAL ACTIVITIES

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

3. REVIEW OF OPERATIONS

The consolidated loss of the Consolidated Entity after providing for income tax amounted to $1,572,478 (30 June 2025: $3,929,977). The Company focussed on reducing its cost base during the half year as it transitioned from product development to commercialisation. Underlying cash outflow from operations was $1,387,852 (30 June 2025: $1,312,178). Revenue for the period was $238,613 (30 June 2025: $354,005), which represents a 33% decrease compared to the corresponding period.

Key Highlights

- H1 2026 saw loss reduced by 59% compared to H1 2025 due to a reduction in share based payments, research and development and finance costs and tight cost control.
- H1 2026 saw revenue decrease of $115,392 a 33% reduction compared to H1 2025.
- Capital raise of $1,100,000 completed in January 2026 and $770,000 completed on 22 July 2026.
- Completion of the acquisition of *QuantumAi Secure* for consideration of $1.15m in shares and $150,000 in cash.
- Codeifai has completed its shift from product development to commercialisation: four self-service SaaS products, QuantumAI Secure, ConnectQR, ProtectCode and BrandReporter, are live and selling online through brand new dedicated websites, each servicing its own price point.
- The free ConnectQR tier has attracted 7,313 self-service accounts and recorded 179,848 code scans across users in the United States, Australia, India and the Philippines. Organic, international adoption achieved with no direct sales force.
- QuantumAI Secure trademark accepted by IP Australia on No. 2636106, strengthening the Company's IP position in quantum secure communications and payments.
- ProtectCode Page Forms Builder launched, in conjunction with the existing ProtectCode Page Builder

Overview

Codeifai enters the second half of 2026 with its product platform matured and its commercial engine live. QuantumAI Secure, ConnectQR, ProtectCode and BrandReporter are each now sold self-service through dedicated websites; the Company can sell all of its self-service SaaS products repeatedly at low incremental cost, the core economic advantage of the self-service SaaS model. The free ConnectQR tier is proving able to acquire users organically and internationally, and the Company's focus now turns to converting that engaged base up the product family into its paid offerings on ConnectQR, ProtectCode and BrandReporter offerings. The Company has previously announced a strategic review of the Material Science division. The review has taken longer to initiate and complete than originally planned and remains ongoing with a proposed completion timeline of Q3 2027.

QuantumAI Secure Trademark Accepted by IP Australia

Further to the Company's Quarterly Activity Report of 30th April 2026, in which Codeifai advised that a trademark application had been lodged with IP Australia for QuantumAI Secure, the Company advises that the application has been accepted by IP Australia (No. 2636106) on 16th May 2026. Acceptance follows examination and moves the mark toward registration through the standard advertisement and opposition process.

Acceptance strengthens the Company's intellectual property position for the QuantumAI Secure brand in the quantum secure communications and payments market.

ProtectCode self-service SaaS Commercialisation

In conjunction with the new self-service websites launched (announced June 15th 2026), Codeifai has also deployed a campaign API for production line integration for Brand Reporter via public API for brand owners and integration partners to connect Brand Reporter traceability data directly into their own systems via API-key authentication. The API is now live and available to all customers on eligible tiers.

Codeifai's Connect platform now positioned as separately sold products (ConnectQR, ProtectCode and BrandReporter). ProtectCode provides serialised, unit-level QR codes that turn each product into a connected asset, capturing first-party consumer data and enabling product integrity monitoring, aligned to GS1 Digital Link, the EU Digital Product Passport and traditional export markets.

Customers can now subscribe to ProtectCode online and integrate it into existing ERP, warehouse and packaging line systems via a public REST API.

During the first half, the Company launched the ProtectCode Page Forms Builder, which works in conjunction with the existing ProtectCode Page Builder to enable brands to capture first-party consumer data through a consented, GDPR-aligned capture flow giving brands full control over what data they request.

ConnectQR Platform Update and Self-Service Traction

ConnectQR is the free entry point to the Connect platform, offering dynamic and static QR codes, branded landing pages and real-time scan analytics, and serving as the on-ramp to paid offerings of the Company's ProtectCode and BrandReporter products.

Self-service traction (internal analytics) as of 30 July 2026:

- Cumulative self-service accounts: 7,313 with the substantial majority on the free ConnectQR tier, consistent with a free-to-paid funnel model.
- Cumulative code scans: 179,848 (76.6% dynamic, 23.4% static).
- Global reach: signups and usage span the United States, Australia, India, the Philippines and other markets, achieved through fully self-service acquisition.

The free ConnectQR tier is delivering what a self-service onramp should: broad, low-cost, international user acquisition. A base of 7,313 accounts and 179,848 scans has been built organically since launch, and the Company's focus now turns to converting engaged users up the product family into paid ConnectQR tiers and, where the customer's need warrants serialisation, into ProtectCode.

4. EVENTS SUBSEQUENT TO BALANCE DATE

The Company raised $770,000 subsequent to year end with the issue of 110,000,000 shares at $0.007 each. The Company also issued 110,000,000 free attaching options with expiry date 14 April 2029 and exercise price of $0.02.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

5. ROUNDING OF AMOUNTS

The Company is an entity to which *ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2026/183* applies, and accordingly, amounts in the consolidated financial statements and directors' report have been rounded to the nearest dollar.

6. AUDITOR'S INDEPENDENCE DECLARATION

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

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

On behalf of the directors



John Houston
Executive Chairman

31 August 2026

Pitcher Partners Sydney
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Auditor's Independence Declaration
To the Directors of Codeifai Limited
ACN 108 649 421

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the review of the financial report of Codeifai Limited for the half-year ended 30 June 2026, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

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

Rod Shanley
Partner

Pitcher Partners
Sydney

31 August 2026

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME / (LOSS)

For the half-year ended 30 June 2026

	Note	Half year to 30 June 2026 $	Half year to 30 June 2025 $
Revenue	4	238,613	354,005
Expenses			
Consulting		(335,586)	(519,971)
Depreciation and amortisation expense		(2,762)	(3,649)
Directors' fees		(60,000)	(20,000)
Employee benefits expense		(525,308)	(388,048)
Share based payments		(123,431)	(994,650)
Finance costs		(138,880)	(330,493)
Production costs		(37,986)	(7,190)
Short term rental expenses		(39,423)	(46,154)
Research and development costs		(191,808)	(383,426)
Marketing costs		(56,359)	(35,309)
Investor relations		(15,918)	(116,900)
Travelling expenses		(33,668)	(10,520)
Regulatory expenses		(68,211)	(60,688)
Professional fees		(65,796)	(105,669)
Other expenses		(140,003)	(225,328)
Loss on extinguishment of financial liabilities via equity settlement		-	(50,000)
Exchange gain/(loss)		24,048	(985,987)
Loss before income tax expense		**(1,572,478)**	**(3,929,977)**
Income tax expense		-	-
Net loss after tax for the half-year attributable to the owners of Codeifai Limited		**(1,572,478)**	**(3,929,977)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(37,832)	972,980
Other comprehensive (loss)/profit for the half-year, net of tax		**(37,832)**	**972,980**
Total comprehensive loss for the half-year period attributable to the owners of Codeifai Limited		**(1,610,310)**	**(2,956,997)**
		Cents	**Cents**
Basic and diluted loss per share	12	(0.19)	(1.22)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the half-year ended 30 June 2026

	Note	As at 30 June 2026 $	As at 31 December 2025 $
Assets			
Current assets			
Cash and cash equivalents		350,010	995,752
Trade and other receivables		392,304	413,447
Other assets		40,686	87,053
Inventories		123,776	140,914
		906,776	**1,637,166**
Non-current assets			
Plant and equipment		7,366	8,597
Intangibles	5	4,989,624	3,787,144
		4,996,990	**3,795,741**
Total assets		**5,903,766**	**5,432,907**
Liabilities			
Current liabilities			
Trade and other payables	6	2,283,562	3,513,839
Deferred revenues		21,378	-
Financial liabilities	7	1,067,987	1,110,786
		3,372,927	**4,624,625**
Total liabilities		**3,372,927**	**4,624,625**
Net assets		**2,530,839**	**808,282**
Equity			
Issued capital	8	96,754,958	92,875,477
Reserves	9	1,961,823	2,903,736
Accumulated losses		(96,185,942)	(94,970,931)
Total equity		**2,530,839**	**808,282**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2026

Consolidated	Issued capital $	Foreign currency translation reserve $	Issued options reserve $	Performance rights reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2026	92,875,477	908,001	1,906,468	89,267	(94,970,931)	808,282
Loss after income tax benefit for the half-year	-	-	-	-	(1,572,478)	(1,572,478)
Other comprehensive profit for the half-year, net of tax	-	(37,832)	-	-	-	(37,832)
Total comprehensive loss for the half-year	-	(37,832)	-	-	(1,572,478)	(1,610,310)
Transactions with owners in their capacity as owners:						
Shares issued, net of transaction costs	2,422,045	-	-	-	-	2,422,045
Shares issued on conversion of options	750,000	-	-	-	-	750,000
Share based payments	-	-	160,822	-	-	160,822
Transfer from share-based payments reserve on exercise of options	707,436	-	(707,436)	-	-	-
Transfer from share-based payment on lapse of options	-		(357,467)	-	357,467	-
Balance at 30 June 2026	**96,754,958**	**870,169**	**1,002,387**	**89,267**	**(96,185,942)**	**2,530,839**

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 30 June 2026

	Note	Half year to 30 June 2026 $	Half year to 30 June 2025 $
Cash flows from operating activities			
Receipts from customers		304,733	404,239
Payments to suppliers and employees		(1,520,682)	(1,398,655)
Interest received		8,150	1,447
Interest paid		(180,053)	(319,209)
Net cash used in operating activities		(1,387,852)	(1,312,178)
Cash flows from investing activities			
Acquisition of *QuantumAi Secure*	5	(150,000)	-
Net cash used in investing activities		(150,000)	-
Cash flows from financing activities			
Proceeds from issue of shares		1,100,000	252,855
Costs of share issue		(214,100)	-
Proceeds from short term loan		-	194,610
Proceeds from borrowings		-	370,000
Net cash from financing activities		885,900	817,465
Net decrease in cash and cash equivalents		(651,952)	(494,713)
Cash and cash equivalents at the beginning of the financial period		995,752	385,901
Effect on movements in exchange rates on cash held		6,210	240,169
Cash and cash equivalents at the end of the financial period		350,010	131,357

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2026

NOTE 1. GENERAL INFORMATION

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

The consolidated financial statements are presented in Australian dollars, which is Codeifai Limited's functional and presentation currency.

The company is a listed public company incorporated and domiciled in Australia. Its registered office in Australia is Suite 506, 50 Clarence Street, Sydney NSW 2000.

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2026.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

These general purpose consolidated financial statements for the half-year ended 30 June 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose consolidated financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, these consolidated financial statements are to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

New, revised or amending Accounting Standards and Interpretations adopted

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2025.

The Group adopted all relevant new and amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are effective for annual reporting periods beginning on or after 1 January 2026. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the period.

Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

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

Impairment of Intangible Assets other than Goodwill

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

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

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group incurred an operating loss after tax for the half-year of $1,572,478, had net cash outflows from operating activities of $1,387,852 and a deficiency of current assets over current liabilities of $2,466,151. As at 30 June 2026, the Group has cash and cash equivalents of $350,010.

Based on reforecast of cash flows for 12 months from the date of signing this report, the Group will need to raise additional funds for costs associated with the commercialisation of its four self-service SaaS products and completion of the strategic review of the Material Science division. These events and conditions indicate the existence of a material uncertainty which may cast significant doubt upon the Group's ability to continue as a going concern.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of this financial report after consideration of the following factors:

- Expected completion of additional capital raising of $3,000,000, under terms previously approved by shareholders, following completion of $770,000 raise subsequent to balance date.
- Continued availability of existing undrawn facilities of $2,000,000.
- Continued support from directors and their related parties to defer cash settlement of amounts payable for services provided or short term loans.
- Continued exploration of alternative funding mechanisms including securing strategic partnerships.

As a result, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classifications of recorded assets and liabilities that might be necessary if the Group do not continue as a going concern.

Share based payments

Share based payments comprise;

- shares issued as part of employee/consultant remuneration arrangements, where the fair value of the services is measured indirectly with reference to the fair value of the shares granted; and

- shares and options issued to brokers for the provision of capital raising services, where the share based payment is measured with reference to the fair value of the services received.

NOTE 3. OPERATING SEGMENTS

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

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

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

(a) Geographical information

	Reportable segments				
In $	Australia	People's Republic of China	Thailand	United States of America	Total
Half-year to June 2026					
External revenue	44,172	152,414	33,633	-	230,219
Interest income	8,102	-	29	-	8,131
Other income	-	263	-	-	263
Total revenue	52,274	152,677	33,662	-	238,613

	Reportable segments				
In $	Australia	People's Republic of China	Thailand	United States of America	Total
Half-year to June 2025					
External revenue	53,250	299,040	-	-	352,290
Interest income	1,396	3	47	-	1,446
Other income	-	269	-	-	269
Total revenue	54,646	299,312	47	-	354,005

(a) Assets

	Reportable segments				
In $	Australia	People's Republic of China	Thailand	United States of America	Total
As at 30 June 2026					
Current assets	399,453	302,508	127,816	76,999	906,776
Non-current assets	1,299,518	7,281	84	3,690,107	4,996,990
Total assets	1,698,971	309,789	127,900	3,767,106	5,903,766
As at 31 December 2025					
Current assets	1,077,039	338,144	138,417	83,566	1,637,166
Non-current assets	461	7,872	264	3,787,144	3,795,741
Total assets	1,077,500	346,016	138,681	3,870,710	5,432,907

NOTE 4. REVENUE

	Half year to 30 June 2026 $	Half year to 30 June 2025 $
Revenue		
Sale of goods and services		
- Digital engagement platform	83,617	109,934
- Covert forensic products	146,602	242,356
	230,219	352,290
Other revenue		
Interest	8,131	1,446
Other income	263	269
	238,613	354,005

Digital engagement platform revenues are recognised on a subscription basis over time. Covert forensic product revenues are recognised when shipped and invoiced at a point in time.

NOTE 5. INTANGIBLES

	30 June 2026 $	31 December 2025 $
Goodwill – at cost	-	3,089,466
Less: Accumulated impairment losses	-	(3,089,466)
	-	-
Intellectual property – at cost	1,299,517	16,250,550
Less: Accumulated amortisation	-	(4,942,153)
Less: Accumulated impairment losses	-	(11,308,397)
	1,299,517	-
Customer relationship – at cost	-	206,000
Less: Accumulated amortisation	-	(28,000)
Less: Accumulated impairment losses	-	(178,000)
		-
Patent licence rights – at cost	8,676,664	8,904,826
Less: Accumulated impairment losses	(4,986,557)	(5,117,682)
	3,690,107	3,787,144
Licence Agreement – at cost	-	350,000
Less: Accumulated amortisation	-	(18,676)
Less: Accumulated impairment losses	-	(331,324)
Total intangibles	4,989,624	3,787,144

Reconciliations

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

Consolidated	Intellectual property[1] $	Patent licence rights $	Total $
Balance at 31 December 2025	-	3,787,144	3,787,144
Balance at 1 January 2026	-	3,787,144	3,787,144
Additional during period	1,299,517	-	1,299,517
Effect of movement in exchange rates	-	(97,037)	(97,037)
Balance at 30 June 2026	1,299,517	3,690,107	4,989,624

[1]Intellectual property arises in the half year is in respect of the *QuantumAi Secure* purchase.

Patent Licence Rights

For the period ended 30 June 2026, the MotifMicro patent licence rights have not commenced amortisation, however impairment adjustments have been recorded in prior years to its carrying amount. MotifMicro's development which commenced in 2023/24 advanced through a number of technological achievements together with customers that signed first-adopter agreements to expedite its commercialisation in the market. The company is pursuing further opportunities to commercially develop and sell MotifMicro in the future.

Impairment testing indicated that the recoverable amount of the patent licence rights exceeds the carrying amount and therefore no impairment is considered necessary as at 30 June 2026. The valuation methodology ('value in use' or 'VIU') model reflects updated forecasts and progress made on the MotifMicro technology.

As at 30 June 2026, the Company has not identified any impairment indicators requiring an impairment loss to be recognized. The strategic review of the Material Science division and its intangible assets remains ongoing with a projected completion in Q3 2027, and the Company will continue to monitor for any indicators of impairment and reassess as necessary.

Impairment losses recorded in previous years can be reversed in future periods to the extent that future recoverable amounts support a higher carrying value.

Goodwill

Goodwill arises on the acquisition of the *QuantumAI Secure* assets during the year from Credissential Inc for an amount of approximately $1,300,000 of which $1,150,000 was paid in shares and $150,000 was paid in cash.

NOTE 6. TRADE AND OTHER PAYABLES

	As at 30 June 2026 $	As at 31 December 2025 $
Trade payables	1,013,529	1,438,078
Other payables and accruals	1,270,033	2,075,761
	2,283,562	3,513,839

Other payables and accruals include outstanding directors' fees in the amount of $961,246 (2025: $1,603,367).

NOTE 7. FINANCIAL LIABILITIES

	As at 30 June 2026 $	As at 31 December 2025 $
Convertible note – (i)	-	243,973
Related party convertible note	-	98,534
Short term loans – (i)	265,668	-
Short term loans (ii)	802,319	768,279
	1,067,987	1,110,786

(i): The convertible notes for $150,000 and $25,000 dated 29 May and 27 June 2024 respectively are with Flannery Foundation Pty Limited, and have an interest rate of 25% payable on maturity. Flannery Foundation have advised that they will not convert, and the loans together with interest are to be repaid before 31 October 2026, and are now reflected as short term loans,

(ii): The short-term loan from a related party as at 30 June 2026 is $750,000 (31 December 2025: $750,000). The balance as at 30 June 2026 includes interest of $102,319 (2025: $18,279).

(iii) Financial liabilities are measured at amortised cost.

NOTE 8. EQUITY – ISSUED CAPITAL

	30 June 2026 Shares	31 December 2025 Shares	30 June 2026 $	31 December 2025 $
Ordinary shares – fully paid	1,073,058,639	695,211,509	96,754,958	92,875,477

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 Jan 2026	695,211,509	92,875,477
Share placement	28 Jan 2026	144,736,839	1,100,000
Shares issued to broker as fee	28 Jan 2026	8,684,211	66,000
Shares issued on asset purchase	16 Feb 2026	122,289,091	1,150,000
Shares issued to directors as remuneration	20 Apr 2026	26,000,000	260,000
Shares issued for service rendered	9 Jun 2026	1,136,989	15,918
Shares issued on conversion of options	30 Jun 2026	75,000,000	750,000
Transfer from share based payment on conversion of options			707,436
Less transaction costs			(169,873)
		1,073,058,639	96,754,958

Ordinary shares

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

NOTE 9. EQUITY – RESERVES

	Note	30 June 2026 $	31 December 2025 $
Issued options reserve	(a)	1,002,387	1,906,468
Share-based payment reserve	(b)	89,267	89,267
Foreign currency translation reserve	(c)	870,169	908,001
		1,961,823	2,903,736

(a) Issued options reserve

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

Details	Date	Options	$
Balance	1 January 2026	320,612,712	1,906,468
Options issued		46,036,163	160,822
Options issued, free attaching to shares	20 April 2026	98,411,602	-
Options issued, free attaching to shares	20 April 2026	144,736,839	-
Options issued, free attaching to shares		9,916,017	-
Options exercised		(75,000,000)	-
Transfer to share capital on exercise of options		-	(707,436)
Options lapsed		(20,000,000)	-
Transfer to accumulated losses on lapsing of options		-	(357,467)
Balance	30 June 2026	524,713,333	1,002,387

(b) Performance rights reserve

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

Details	Date	$
Balance	1 January 2026	89,267
Balance	30 June 2026	89,267

(c) Foreign currency translation reserve

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

NOTE 10. DIVIDENDS

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

NOTE 11. EVENTS AFTER THE REPORTING PERIOD

The Company raised $770,000 subsequent to year end with the issue of 110,000,000 shares at $0.007 each. The Company also issued 110,000,000 free attaching options with expiry date 14 April 2029 and exercise price of $0.02.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect:

a) The Company's operations in future financial years; or
b) The results of those operations in future financial years; or
c) The Company's state of affairs in future financial years.

NOTE 12. LOSS PER SHARE

	30 June 2026 $	30 June 2025 $
Loss after income tax attributable to the owners of Codeifai Limited	(1,572,478)	(3,929,977)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	809,540,374	321,550,520
Weighted average number of ordinary shares used in calculating diluted earnings per share	809,540,374	321,550,520
	Cents	**Cents**
Basic/Diluted loss per share	(0.19)	(1.22)

NOTE 13. RELATED PARTY TRANSACTIONS

	Transaction values for the period ended 30 June 2026 $	Transaction values for the year 31 December 2025 $	Balances outstanding as at 30 June 2026 $	Balances outstanding as at 31 December 2025 $
J F Houston Holdings Pty Limited (related entity of John Houston)				
Short-term loan to Codeifai Limited	-	370,000	750,000	750,000
Interest on short-term borrowings	102,319	195,600	102,319	17,587
Facility fee on short-term borrowings	35,569	-	-	-
	137,888	565,600	852,319	767,587

The short-term borrowing and accrued interest does not have a fixed term and is payable on demand.

Terms and conditions

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

Other transactions with related parties

There were no other transactions with related parties for the half year ended 30 June 2026.

NOTE 14. CONTINGENT LIABILITIES

There were no contingent liabilities noted at balance date.

NOTE 15. COMMITMENTS

There were no commitments as at 30 June 2026 (31 December 2025: Nil).

NOTE 16. MEASUREMENT OF ASSETS AND LIABILITIES

The net value of current assets and liabilities approximates their carrying value, due to their short-term nature. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Consolidated Statement of Financial Position and notes to the financial statements.

DIRECTORS' DECLARATION

For the half-year ended 30 June 2026

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and fair view of the Consolidated Entity's consolidated financial position as at 30 June 2026 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

For and on behalf of the directors



John Houston
Executive Chairman

31 August 2026

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Independent Auditor's Review Report
To the Members of Codeifai Limited
ACN 108 649 421

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Codeifai Limited and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising material accounting policy information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Codeifai Limited does not with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the half-year then ended; and

ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board's ("the Code") that are relevant to audits of the annual financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Group, would be in the same terms if given to the Directors as at the time of this auditor's review report.

Material Uncertainty Regarding Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $1,572,478 and had cash outflows from operating activities of $1,387,852 during the half-year ended 30 June 2026, and had a deficiency of current assets over current liabilities of $2,466,151, and that, based on current projections, the Group will need to raise additional funds. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





Rod Shanley
Partner

Pitcher Partners
Sydney

31 August 2026

Codeifai