

Appendix 4D

Half-year report

1. Company details

Name of entity: Codeifai Limited (Formerly YPB Group Ltd)

ACN: 108 649 421

Reporting period: For the half-year ended 30 June 2024

Previous period: For the half-year ended 30 June 2023

2. Results for announcement to the market

		Half year to 30 June 2024				Half year to 30 June 2023
		\$				\$
Revenues from ordinary activities	Up	48,557	10%	to	528,289	479,732
Loss from ordinary activities after tax for the half-year attributable to the owners of Codeifai Limited	Up	(1,192,232)	147%	to	(2,005,358)	(813,126)
Loss for the half-year attributable to the owners of Codeifai Limited	Up	(1,192,232)	147%	to	(2,005,358)	(813,126)

Comments

Commentary see the attached Interim Report

3. Net tangible liabilities

	30 June 2024 Cents	30 June 2023 Cents
Net tangible liabilities per ordinary security	(0.11)	(0.19)

Appendix 4D**Half-year report**

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

4. Gain and loss of control over entities

None (30 June 2023: 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 2024 (30 June 2023: 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 2023. 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 2024 is attached.

11. Signed
John Houston



Appendix 4D
Half-year report

Date: 30 August 2024

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Codeifai Limited

(Formerly YPB Group Ltd)

ACN: 108 649 421

Interim Report – 30 June 2024

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The directors present their report and the consolidated financial statements of Codeifai Limited (Formerly YPB Group Ltd) (the "Company") and its controlled entities (the "Consolidated Entity") for the half-year ended 30 June 2024.

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

Gerard Eakin

Joint Company Secretaries

Lucy Rowe

Shelby Coleman

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 \$2,005,358 (30 June 2023: \$813,126). The operating loss includes a number of significant items such as share based payments, employee expenses, and research and development costs, which leaves an underlying cash outflow from operations of \$910,947 (30 June 2023: \$913,374). Revenue for the period was \$528,289 (30 June 2023: \$479,732), which represents a 10% increase over the comparative period.

As announced to the ASX, during the period the company launched ConnectQR to leverage viral global QR growth.

On 14 May 2024, the Company announced the release of AI based QR codes for the ConnectQR platform to drive subscriber growth.

The Consolidated Entity sees results improving into H2 2024 as marketing initiatives which commenced in the reporting period have seen improvements in revenue.

Significant Changes in State of Affairs

On 1 May 2024, 17,500,000 shares were issued to Dolphin Corporate Investments Pty Ltd (ATM) at a price of \$0.00189 per share.

On 30 June 2024, 1,500,000,000 shares at a price of 0.0015 per share and 500,000,000 options with a strike price of \$0.003 per option for a three-year term, were issued as partial settlement of a facilities loan from J F Houston Holdings Pty Limited for \$2,250,000 with shareholder approval obtained 30 May 2024.

On 30 June 2024, 315,315,316 options with an exercise price at \$0.005 per option, expired without exercise.

4. Events Subsequent to Balance Sheet Date

The following events have occurred since 30 June 2024:

- On 1 July 2024, the company signed a subscription agreement for convertible notes of \$25,000 and \$20,000 with Certane CT Pty Limited as custodian for Flannery Foundation Pty Limited and The Bimm Corporation Pty Ltd interest at 25% per annum.
- On 7 August 2024, The company changed its name from YPB Group Limited to Codeifai Limited. A special resolution was approved by shareholders at a General meeting on 30 May 2024.
- On 8 August 2024, the company secured commitments to raise \$600,000 in a placement to current Shareholders and sophisticated investors. \$500,000 cash was received at the date of this report. The placement comprises 2 stages, firstly an issue of 333,333,333 fully paid ordinary shares at an issue price of \$0.0015 with free attaching options of 333,333,333 subject to shareholder approval. A second stage will comprise the issue of 66,666,666 new shares at an issue price of \$0.0015 with free attaching options of 66,666,666, subject to shareholder approval.
- On 7 August 2024, 2 private placements totalling \$3m were terminated by the Company.

5. Rounding of Amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 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.

Codeifai Limited
30 June 2024

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

Dated: 30 August 2024

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CODEIFAI LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2024, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

30 AUGUST 2024
BRISBANE

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Codeifai Limited
Consolidated statement of profit or loss and other comprehensive income / (loss)
For the half-year ended 30 June 2024

	Note	Half year to 30 June 2024 \$	Half year to 30 June 2023 \$
Revenue	4	528,289	479,732
Expenses			
Consulting		(135,776)	(325,907)
Depreciation and amortisation expense		(4,901)	(13,896)
Directors' fees		(40,000)	(40,000)
Employee benefits expense		(408,211)	(320,553)
Finance costs (share-based payment)		(419,653)	-
Finance costs		(192,775)	(85,557)
Production costs		(11,909)	(7,963)
Rental expenses		(72,461)	(69,450)
Research and development costs		(414,712)	(340,154)
Marketing costs		(178,963)	(28,928)
Investor relations		(22,891)	(78,066)
Travelling expenses		(11,291)	(36,683)
Share-based payments		-	(144,000)
Regulatory expenses		(31,600)	(51,486)
Professional fees		(155,074)	(104,284)
Other expenses		(215,129)	(257,696)
Exchange gain/(loss)		(218,301)	611,765
Loss before income tax expense		(2,005,358)	(813,126)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Codeifai Limited		(2,005,358)	(813,126)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		359,066	(489,168)
Other comprehensive profit/(loss) for the half-year, net of tax		359,066	(489,168)
Total comprehensive loss for the half- year period attributable to the owners of Codeifai Limited		(1,646,291)	(1,302,294)
		Cents	Cents
Basic and diluted earnings per share	12	(0.25)	(0.16)

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

Codeifai Limited
Consolidated statement of financial position
As at 30 June 2024

	Note	As at 30 June 2024 \$	As at 31 December 2023 \$
Assets			
Current assets			
Cash and cash equivalents		108,502	567,572
Trade and other receivables		375,604	358,323
Other assets		58,449	97,494
Inventories		171,978	175,262
		714,533	1,198,651
Non-current assets			
Plant and equipment		15,397	17,023
Intangibles	5	5,341,784	5,173,093
		5,357,181	5,190,116
Total assets		6,071,714	6,388,767
Liabilities			
Current liabilities			
Trade and other payables	6	2,845,257	2,582,658
Financial liabilities	7	308,194	2,024,424
		3,153,451	4,607,082
Total liabilities		3,153,451	4,607,082
Net assets		2,918,263	1,781,685
Equity			
Issued capital	8	87,710,044	85,426,969
Reserves	9	3,292,757	2,433,896
Accumulated losses		(88,084,538)	(86,079,180)
Total equity		2,918,263	1,781,685

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

Codeifai Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2024

	Issued capital \$	Foreign currency translation reserve \$	Issued options \$	Share- based payment reserve \$	Accumulated losses \$	Total equity \$
Consolidated						
Balance at 1 January 2024	85,426,969	1,717,162	567,467	149,267	(86,079,180)	1,781,685
Loss after income tax benefit for the half-year	-	-	-	-	(2,005,358)	(2,005,358)
Other comprehensive profit for the half-year, net of tax	-	359,066	-	-	-	359,066
Total comprehensive profit/(loss) for the half-year	-	359,066	-	-	(2,005,358)	(1,646,292)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued, net of transaction costs	2,283,075	-	-	-	-	2,283,075
Options granted during the half-year – loan settlement	-	-	499,795	-	-	499,795
Balance at 30 June 2024	87,710,044	2,076,228	1,067,262	149,267	(88,084,538)	2,918,263

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

Codeifai Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2024

	Issued capital	Foreign currency translation reserve	Issued options	Share- based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 January 2023	83,877,039	1,777,530	210,000	418,827	(81,963,109)	4,320,287
Loss after income tax benefit for the half-year	-	-	-	-	(813,126)	(813,126)
Other comprehensive profit for the half-year, net of tax	-	(489,168)	-	-	-	(489,168)
Total comprehensive profit/(loss) for the half-year	-	(489,168)	-	-	(813,126)	(1,302,294)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued, net of transaction costs	1,450,000	-	-	-	-	1,450,000
Performance right exercised during the period	70,000	-	-	(70,000)	-	-
Performance right lapsed during the period	-	-	-	(343,561)	343,561	-
Performance right issued during the half-year	-	-	-	144,000	-	144,000
Balance at 30 June 2023	85,397,039	1,288,362	210,000	149,266	(82,432,674)	4,611,993

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

Codeifai Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2024

	Half year to 30 June 2024 \$	Half year to 30 June 2023 \$
Cash flows from operating activities		
Receipts from customers	348,347	792,447
Payments to suppliers and employees	(1,151,995)	(1,623,646)
Interest received	1,706	10,099
Finance costs	(109,005)	(92,274)
	<hr/>	<hr/>
Net cash used in operating activities	(910,947)	(913,374)
Cash flows from investing activities		
Payments for plant and equipment	(3,332)	(54,145)
Proceeds on disposal of PPE	-	1,898
	<hr/>	<hr/>
Net cash used in investing activities	(3,332)	(52,247)
Cash flows from financing activities		
Proceeds from issue of shares (net of costs)	33,077	1,346,000
Proceeds from issue of convertible notes	200,000	-
Proceeds from borrowings	250,000	-
	<hr/>	<hr/>
Net cash from financing activities	483,077	1,346,000
Net increase/(decrease) in cash and cash equivalents	(431,202)	380,379
Cash and cash equivalents at the beginning of the financial period	567,572	641,408
Effect on movements in exchange rates on cash held	(27,868)	14,243
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period	108,502	1,036,030

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

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

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 company was formerly known as YPB Group Ltd but changed its name to Codeifai Limited on 7 August 2024.

The separate financial statements of the parent entity, Codeifai Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. 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 Level 5, 126 Phillip Street, Sydney NSW 2000.

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2024.

Note 2. Material accounting policies

These general purpose consolidated financial statements for the half-year ended 30 June 2024 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 2023 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*.

The principal accounting policies adopted are consistent with those of the previous financial year, except as stated below.

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 2023.

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 2024. 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 adopters program with the current partners and additional partners in the pipeline. In addition, the technological milestone achievements during the period 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.

The Directors note that the Group has continued to incur operating losses as it establishes its business model throughout various markets, performs internal restructuring, and improves the conversion rate of its order pipeline.

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

The group incurred an operating loss after tax for the half-year of \$2,005,358, had net cash outflows from operating activities of \$910,947 and a deficiency of current assets over current liabilities of \$2,438,918. As at 30 June 2024, the Group has cash and cash equivalents of \$108,502.

Notwithstanding this, the Group believes there are reasonable grounds that it will be able to pay its debts as and when they fall due, and on that basis the preparation of the consolidated financial statements on a going concern basis is dependent on the following points:

- The Directors have completed a reforecast of the cash flow for the remainder of the financial year, and for a period being not less than 12 months from the date of signing this report. This includes reliance on further capital raising activities via new equity placements by the end of 2024, showing positive cash balances which is supported by both the existing sales contracts as well as reflecting revenue growth expected from the sales pipeline.
- Reliance on further capital raising activities which have been undertaken subsequent to balance date, of which an additional \$500,000 has been received. A Capital raising mandate in an advanced stage of negotiation is expected to be finalised in the next 30 days. Once entered into, this mandate will trigger initially either a rights issue or a Share Purchase Plan anticipated to raise around \$1,500,000. It is prudent at the current share price level to raise a smaller amount of \$500,000, providing cash runway towards an expected higher share price and a larger raise at higher levels. The Directors believe the Group will continue to be able to access necessary funding as and when required.
- The Group is continuing to explore alternative funding mechanisms including securing strategic partnerships.

Based on the above, the directors consider the going concern basis of the Group is appropriate.

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.

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

(a) Geographical information

In \$	Reportable segments				Total
	Australia	People's Republic of China	Thailand	United States of America	
Half-year to June 2024					
External revenue	96,689	229,552	-	-	326,241
Interest income	1,655	11	41	-	1,707
Other income	200,341	-	-	-	200,341
Total revenue	298,685	229,563	41	-	528,289
Half-year to June 2023					
External revenue	109,149	136,928	-	-	246,077
External 2022 credit note	(73,144)	-	-	-	(73,144)
Interest income	9,335	-	764	-	10,099
Other income	296,700	-	-	-	296,700
Total revenue	342,040	136,928	764	-	479,732

(b) Assets

In \$	Reportable segments				Total
	Australia	People's Republic of China	Thailand	United States of America	
As at 30 June 2024					
Current assets	160,658	378,806	102,072	72,997	714,533
Non-current assets	2,799	10,160	2,367	5,341,855	5,357,181
Total assets	163,457	388,966	104,439	5,414,852	6,071,714
As at 31 December 2023					
Current assets	638,070	297,377	186,808	76,396	1,198,651
Non-current assets	131,645	8,631	4,695	5,045,145	5,190,116
Total assets	769,715	306,008	191,503	5,121,541	6,388,767

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

Note 4. Revenue

	Half year to 30 June 2024 \$	Half year to 30 June 2023 \$
Revenue		
Sale of goods and services	326,241	246,077
Credit notes of sales	-	(73,144)
Other revenue		
Interest	1,707	10,099
Other income	200,341	296,700
	<u>528,289</u>	<u>479,732</u>

Note 5. Intangibles

	30 June 2024 \$	31 December 2023 \$
Goodwill – at cost	3,089,466	3,089,466
Less: Accumulated impairment losses	(3,089,466)	(3,089,466)
	<u>-</u>	<u>-</u>
Intellectual property – at cost	16,250,550	16,250,550
Less: Accumulated amortisation	(4,942,153)	(4,942,153)
Less: Accumulated impairment losses	(11,308,397)	(11,308,397)
	<u>-</u>	<u>-</u>
Customer relationship – at cost	206,000	206,000
Less: Accumulated amortisation	(28,000)	(28,000)
Less: Accumulated impairment losses	(178,000)	(178,000)
	<u>-</u>	<u>-</u>
Patent licence rights – at cost	8,997,585	8,713,450
Less: Accumulated impairment losses	(3,655,801)	(3,540,357)
	<u>5,341,784</u>	<u>5,173,093</u>
Licence Agreement – at cost	350,000	350,000
Less: Accumulated amortisation	(18,676)	(18,676)
Less: Accumulated impairment losses	(331,324)	(331,324)
	<u>-</u>	<u>-</u>

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

Reconciliations

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

Consolidated	Patent licence rights \$	Licence Agreement \$	Total \$
Balance at 31 December 2023	5,173,093	-	5,173,093
Balance at 1 January 2024	5,173,093	-	5,173,093
Additional during period	-	-	-
Effect of movement in exchange rates	168,691	-	168,691
Balance at 30 June 2024	5,341,784	-	5,341,784

Intellectual Property

In 2018, in reviewing the recoverable amount of the intellectual property, the carrying value was written down to nil due to overhauls on the Group's core products and upgrades to the underlying technologies.

Patent Licence Rights

As MotifMicro development and paid commercial trials persist during the period ended 30 June 2024, the patent licence rights have not commenced amortisation, however impairment adjustments have been recorded in prior years to its carrying amount. MotifMicro's development in 2023/24 has 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 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 2024. The valuation methodology ('value in use' or 'VIU') model reflects updated forecasts and progress made on the MotifMicro technology.

The following key assumptions and results arising from the VIU methodology applied are as follows:

- Revenue growth from conversion of sales pipeline of nil for FY2024 with an annual long-term average growth rate of 33% until 2028 that follows the industry growth rate with a long-term annual growth rate of 2% thereafter;
- Discounted cash flow modelling to 2036 (the expiry date of the patent licence) with no terminal value;
- A WACC of 23.9% (post-tax) assuming a long-term debt/equity ratio of nil; and

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

- The group securing sufficient funding in future periods to continue as a going concern.

The valuation methodology has been updated as at 30 June 2024 to reflect updated forecasts and progress made on the MotifMicro technology.

The total impairment loss recorded as at 30 June 2024 is \$3,655,801 (31 December 2023: \$3,540,357), and this loss can be reversed in future periods to the extent that future recoverable amounts support a higher carrying value.

Note 6. Trade and other payables

	As at 30 June 2024 \$	As at 31 December 2023 \$
Trade payables	1,211,311	945,774
Other payables and accruals	1,633,946	1,636,884
	<u>2,845,257</u>	<u>2,582,658</u>

Note 7. Financial liabilities

	As at 30 June 2024 \$	As at 31 December 2023 \$
Convertible note - (i)	153,185	-
Related party convertible note - (i)	52,226	-
Related party loans - (ii)	102,783	2,024,424
	<u>308,194</u>	<u>2,024,424</u>

(i): The convertible notes are from Certane CT Pty Limited as custodian for Flannery Foundation Pty Limited and a related party, has a maturity date of 60 days after execution which have been extended by 90 days to 27 November 2024 and attract interest of 25% per annum.

(ii): The short-term borrowings from a related party as at 30 June 2024 is \$0 (31 December 2023: \$2,000,000) due to a debt-equity conversion during the period. The remaining balance shown above is interest payable as at 30 June 2024, calculated at an interest of 17.48% per annum up until the date of conversion (31 December 2023: 17.48%).

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

Note 8. Equity – Issued Capital

	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Shares	Shares	\$	\$
Ordinary shares – fully paid	2,307,961,469	790,461,469	87,710,044	85,426,969

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 January 2024	790,461,469	85,426,969
Issuance as payment for ATM subscription	1 May 2024	17,500,000	33,075
Issuance as payment for partial settlement of JH loans	28 June 2024	1,500,000,000	2,250,000
Balance	30 June 2024	2,307,961,469	87,710,044

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.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 9. Equity – Reserves

		30 June 2024	31 December 2023
	Note	\$	\$
Issued options reserve	(a)	1,067,262	567,467
Share-based payment reserve	(b)	149,267	149,267
Foreign currency translation reserve	(c)	2,076,228	1,717,162
		<u>3,292,757</u>	<u>2,433,896</u>

(a) Issued options reserve

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

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

Details	Date	Options	\$
Balance	1 January 2024	657,875,316	567,467
Options issued as partial settlement of the JH loans	28 June 2024	200,000,000	149,834
Options issued as partial settlement of the JH loans	28 June 2024	200,000,000	99,890
Options issued as partial settlement of the JH loans	28 June 2024	100,000,000	25,059
Options expired	30 June 2024	(315,315,316)	-
Balance	30 June 2024	<u>842,560,000</u>	<u>842,250</u>

(b) Share-based payment reserve

The share-based payment 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 2024	149,267
Balance	30 June 2024	<u>149,267</u>

(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.

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

Note 11. Events after the reporting period

- On 1 July 2024, the company signed subscription agreements for convertible notes of \$25,000 and \$20,000 with an interest rate at 25% per annum.
- On 7 August 2024, The company changed its name from YPB Group Limited to Codeifai Limited. A special resolution was approved by shareholders at a General meeting on 30 May 2024.
- On 8 August 2024, the company secured commitments to raise \$600,000 in a placement to current Shareholders and sophisticated investors. \$500,000 cash was received. The placement comprises 2 stages, firstly an issue of 333,333,333 fully paid ordinary shares at an issue price of \$0.0015 with free attaching options of 333,333,333 subject to shareholder approval. A second stage will comprise the issue of 66,666,666 new shares at an issue price of \$0.0015 with free attaching options of 66,666,666 subject to shareholder approval.
- On 8 August 2024, the Company announced the integration of ConnectQR into the Canva App.
- On 7 August 2024, 2 private placements totalling \$3m were terminated by the Company.

Note 12. Earnings per share

	30 June 2024	30 June 2023
	\$	\$
Loss after income tax attributable to the owners of Codeifai Limited	(2,005,358)	(813,126)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	804,449,878	524,448,199
Weighted average number of ordinary shares used in calculating diluted earnings per share	804,449,878	524,448,199
	Cents	Cents
Basic/Diluted earnings per share	(0.25)	(0.16)

Note 13. Related party transactions

Codeifai Limited
Notes to the consolidated financial statements
For the half-year ended 30 June 2024

	Transaction values for the period ended 30 June 2024 \$	Transaction values for the year 31 December 2023 \$
<i>Manifest Capital Management Pty Ltd</i> <i>(related entity of Gerard Eakin)</i>		
Investor Relations	20,000	39,993
<i>J F Houston Holdings Pty Limited</i> <i>(related entity of John Houston)</i>		
Loan Facility Agreement	102,783	2,196,293
Convertible note	52,226	-

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 2024.

Note 14. Contingent Liabilities

There were no contingent liabilities noted at balance date.

Codeifai Limited
Directors' declaration
For the half-year ended 30 June 2024

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 2024 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

Date: 30 August 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CODEIFAI LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Codeifai Limited (formerly YPB Group Limited) ("the company"), which comprises the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian 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 consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.



Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 consolidated entity's financial position as at 30 June 2024 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.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'Sg Lindemann'.

SHAUN LINDEMANN
PARTNER

30 AUGUST 2024
BRISBANE

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