

ASX ANNOUNCEMENT

ASX: CDE | 31st October 2024

\$2m Loan Facility to support CDE's QR AI SaaS business

- Codeifai has signed a Loan Facility Agreement to provide up to \$2 million in additional working capital
- The funds will allow Codeifai to expand its marketing for the recently-launched self-service SaaS platform [ConnectQR](http://www.connectqr.ai) (www.connectqr.ai)
- ConnectQR generates and manages Static, Dynamic, AI-generated QR codes and URL short links that capture detailed user data when scanned, integrated with AI-driven analytics, and charges based on a subscription model
- QR Codes and URL short codes are now a staple of affiliate marketing, which is a US\$16 billion/year industry and are increasingly starting to replace digital ad spend ⁽¹⁾
- ConnectQR recently added URL shortening (which also generates monetisable data). URL shortening is a US\$7 billion a year market ⁽²⁾
- 44.6% of internet users across the globe (aged 16-54) scan at least one QR code every month as of 2023⁽³⁾
- ConnectQR is now integrated into Canva, Google Analytics, Google Tag Manager and Meta Pixel

Codeifai Limited (ASX: CDE) ('Codeifai') is pleased to announce it has signed a Loan Facility agreement for up to \$2m with Harbour Capital Opportunities Fund Pty Limited ("HCOF"). Full details of the facility terms are set out in Appendix A.

Under the Loan Facility Agreement (which is subject to shareholder approval), 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-service SaaS AI analytic driven ConnectQR business.

The Company is committed to transforming its business strategy to take advantage of its digital-first, fast-growing Artificial Intelligence data analytics industry and transitioning away from its traditional physical Brand Protection authentication services. The recent launch of ConnectQR represents Codeifai's initial step in this new direction.

For personal use only

Why ConnectQR?

ConnectQR generates and manages QR codes and offers URL shortening in each paid tier, whilst integrating powerful analytics. QR Codes (and Short URLs) provide brands with a way to connect with their customers in a fast, convenient and mutually beneficial way.

QR (Quick Response Codes) are 2D barcodes that can store detailed information, including URLs, contact information and text through data encoding. They are now used extensively for business and marketing campaigns to improve interactivity and customer engagement. QR code analytics can provide detailed insights into how and when consumers engage, their location, device type, and other user details, allowing for real-time refinement of marketing strategies.

ConnectQR offers a robust QR code generator that provides QR code tracking and other integration capabilities. Different customisation options improve brand visibility through inclusion of logos, custom colours and guided designs. ConnectQR uses generative AI technology to create artistic designs that are tailor-made to enhance subscribers' interaction with customers.

ConnectQR has also launched a form builder feature:

- Enables users to capture first-party data directly from audience
- Allows collection of valuable insights, improved engagement and compliance with privacy regulations whilst optimising marketing strategies through AI powered data-driven decisions

ConnectQR is integrated into Canva, Google Analytics, Google Tag Manager, and Meta Pixel. ConnectQR is the only Canva integration for serialised QR codes.

QR Code Industry

Nearly 40% of QR code scans around the world are linked to marketing campaigns ⁽⁴⁾. The adoption of QR codes for marketing is driven by a global slowdown in digital ad spending, and Companies are turning to direct partnerships with creators instead.

The global QR code market is rapidly growing and QR code creation increased by 283% from 2021 to 2022 and increased by 43% in 2023 ⁽⁵⁾

For personal use only

The growth of the QR Code industry is being driven primarily by:

- Increased global penetration of smartphones
- Ease of use, cost-effectiveness, and versatility of QR codes
- The rapid adoption of QR codes across new industries (e.g., contactless payment)
- Technological advancements, e.g. AI integration, security enhancements
- Decline in cash payments and increase in electronic payment methods

HCOF was set up with the aim to assist small-cap companies in emerging markets and sectors with growth capital to assist them in achieving short, medium and long-term goals.

Codeifai is also pleased to announce it has appointed Oakley Capital Partners Pty Limited ("Oakley Capital") as its corporate advisor for a 12 month term which includes a "sign on" fee of 25m shares and matching 1:1 options to be issued subject to shareholder approval after the next General Meeting of the Company. Oakley Capital will support the Company with its funding and corporate advisory requirements as it transitions its business into the new "Digital First" direction and assist in identifying new corporate and commercial opportunities for business growth.

CDE Executive Chairman and Group CEO John Houston said: *"We are pleased with the support of HCOF and Oakley to facilitate the growth of our exciting new Self-service SaaS business underpinned by Codeifai's recent addition of URL shortening in a rapidly growing sector."*

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

References:

- (1) <https://optinmonster.com/affiliate-marketing-statistics/>
- (2) <https://www.businessresearchinsights.com/market-reports/url-shortening-services-market-104165>
- (3) [40+ Important QR Code Statistics For 2024 \(Updated\)](#)
- (4) <https://profiletree.com/qr-code-in-marketing-statistics-global>
- (5) <https://persuasion-nation.com/qr-code-statistics/>

Ends.

For further information please contact:

CDE investor enquiries
investors@codeifai.com

Ben Jarvis
0413 150 448
Ben.jarvis@sdir.com.au
Six Degrees Investor Relations

About Codeifai Limited

For personal use only

Codeifai Limited (ASX: CDE) is listed on the Australian Stock Exchange and has developed and sells of a suite of physical, digital and AI-based Brand Solutions with a vast range of applications. 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 A: Loan Facility Summary

Total Loan Amount	Up to \$2 million
Loan Schedule	Monthly drawdowns of \$250,000
Term	12 months from each draw down
Interest	6% p.a.
Security	The Notes will be unsecured
Repayment	Unless otherwise agreed by the Parties in writing, the Borrower must repay the draw down and accrued interest on or before the date which is 12 months from the date each draw down is advanced. The Lender may at any time convert, in whole or in part, any outstanding drawn amount (plus any accrued interest) into shares at a 25% discount to the lowest 5-day VWAP from the preceding 20 trading days.
Lender Establishment Fee	3% on amounts drawn; 10% of Total Facility Size in shares to be issued within 10 business days of shareholder approval (issued @ 25% discount to 10-day VWAP as at day prior to issue); 50 million options (post-consolidation basis, same terms as upcoming options entitlement offer)
Lender	HARBOUR CAPITAL OPPORTUNITIES FUND PTY LTD (ACN 675 988 744)

ENDS