

1. Company details

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

ACN: 108 649 421

Reporting period: For the year ended 31 December 2024

Previous period: For the year ended 31 December 2023

2. Results for announcement to the market

					2024	2023
		\$	%		\$	\$
Revenues from ordinary activities	Up	132,409	20%	to	810,297	677,888
Loss from ordinary activities after tax for the year attributable to the owners of Codeifai Limited	Down	1,879,206	42%	to	(2,580,426)	(4,459,632)
Loss for the year attributable to the owners of Codeifai Limited	Down	1,879,206	42%	to	(2,580,426)	(4,459,632)

Comments

The loss for the Consolidated Entity, after providing for income tax for the year ended 31 December 2024 amounted to \$2,580,426 (2023: \$4,459,632). Revenue for the year was \$810,297 (2023: \$677,888) which represents a 20% increase from the prior year.

3. Net tangible assets/(liabilities)

	2024	2023
	Cents	Cents
Net tangible assets/(liabilities) per ordinary security	(0.081)	(0.429)

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

There was no gain or loss of control of entities during the year.

5. Dividends

Current year

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

Previous year

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

6. Dividend reinvestment plans

There are no dividend reinvestment plans for the year ended 31 December 2024 (2023: Nil).

7. Details of associates and joint venture entities

No changes.

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 prior year. 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 financial statements for the year ended 31 December 2024 are in the process of being audited.

10. Attachments

Details of attachment (if any):

Not applicable.

Signed



John Houston

Date: 28 February 2025



Codeifai Limited

ACN: 108 649 421

Full Year Preliminary Report 31 December 2024

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Codeifai Limited
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For the year-ended 31 December 2024

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Codeifai Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Revenue	3	810,297	677,888
Expenses			
Consulting		(400,509)	(367,625)
Depreciation and amortisation expense		(8,039)	(38,032)
Directors' fees		(71,889)	(80,000)
Employee benefits expense		(748,639)	(886,281)
Finance costs	4	(736,874)	(648,577)
Impairment of goodwill and other intangible assets	10	(685,696)	(907,797)
Marketing costs		(327,183)	(104,398)
Investor relations		(44,390)	(101,668)
Production costs		(79,900)	(17,322)
Professional fees		(255,262)	(211,782)
Rental and short-term lease expenses		(116,707)	(139,288)
Research and development costs		(803,859)	(804,885)
Regulatory expenses		(86,288)	(90,232)
Share-based payments		-	(50,667)
Travelling expenses		(26,836)	(73,907)
Other expenses		(327,296)	(585,184)
Foreign exchange (loss)/gain		1,328,644	(29,875)
Loss before income tax	5	(2,580,426)	(4,459,632)
Income tax (expense)/benefit		-	-
Loss after income tax from continuing operations for the year attributable to the owners of Codeifai Limited		(2,580,426)	(4,459,632)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(464,690)	(60,368)
Other comprehensive income for the full-year, net of tax		(464,690)	(60,368)
Total comprehensive loss for the year attributable to the owners of Codeifai Limited		(3,045,116)	(4,520,000)
		Cents	Cents
Basic and diluted earnings per share	17	(0.15)	(0.69)

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

Codeifai Ltd
Consolidated statement of financial position
As at 31 December 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	385,901	567,572
Trade and other receivables	7	632,195	358,323
Other assets	8	106,803	97,494
Inventories	9	137,503	175,262
		1,262,402	1,198,651
Non-current assets			
Plant and equipment		12,886	17,023
Intangibles	10	5,005,796	5,173,093
		5,018,682	5,190,116
Total assets		6,281,084	6,388,767
Liabilities			
Current liabilities			
Trade and other payables	11	3,064,455	2,582,658
Financial liabilities	12	747,190	2,024,424
		3,811,645	4,607,082
Total liabilities		3,811,645	4,607,082
Net assets		2,469,439	1,781,685
Equity			
Issued capital	13	88,660,044	85,426,969
Reserves	14	2,259,001	2,433,896
Accumulated losses		(88,449,606)	(86,079,180)
Total equity		2,469,439	1,781,685

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

Codeifai Ltd
Consolidated statement of changes in equity
For the year ended 31 December 2024

Consolidated	Issued capital	Foreign currency translation reserve	Issued options reserve	Performance rights reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
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 year	-	-	-	-	(2,580,426)	(2,580,426)
Other comprehensive income for the year, net of tax	-	(464,690)	-	-	-	(464,690)
Total comprehensive loss for the year	-	(464,690)	-	-	(2,580,426)	(3,045,116)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued, net of transaction costs	3,233,075	-	-	-	-	3,233,075
Performance rights exercised during the year	-	-	-	-	-	-
Performance rights lapsed during the year	-	-	-	-	-	-
Performance rights issued during the year	-	-	-	-	-	-
Options granted during the year	-	-	499,795	-	-	499,795
Options lapsed during the year	-	-	(210,000)	-	210,000	-
Balance at 31 December 2024	88,660,044	1,252,472	857,262	149,267	(88,449,606)	2,469,439

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

Codeifai Ltd
Consolidated statement of changes in equity
For the year ended 31 December 2024

Consolidated	Issued capital \$	Foreign currency translation reserve \$	Issued options reserve \$	Performance rights reserve \$	Accumulated losses \$	Total equity \$
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 year	-	-	-	-	(4,459,632)	(4,459,632)
Other comprehensive income for the year, net of tax	-	(60,368)	-	-	-	(60,368)
Total comprehensive loss for the year	-	(60,368)	-	-	(4,459,632)	(4,520,000)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued, net of transaction costs	1,479,930	-	-	-	-	1,479,930
Options exercised during the year	70,000	-	-	(70,000)	-	-
Performance rights lapsed during the year	-	-	-	(343,560)	343,561	1
Performance rights issued during the year	-	-	-	144,000	-	144,000
Options granted during the year	-	-	357,467	-	-	357,467
Options lapsed during the year	-	-	-	-	-	-
Balance at 31 December 2023	85,426,969	1,717,162	567,467	149,267	(86,079,180)	1,781,685

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

Codeifai Ltd
Consolidated statement of cash flows
For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		464,551	909,193
Payments to suppliers and employees		(2,428,384)	(2,974,960)
Interest received		2,360	16,550
Finance costs		(139,431)	(207,628)
Net cash used in operating activities	16	(2,100,904)	(2,256,845)
Cash flows from investing activities			
Payments for plant and equipment		(4,396)	(6,025)
Payment for intangible assets		-	(300,000)
Proceeds from disposal of plant and equipment		495	1,552
Net cash used in investing activities		(3,901)	(304,473)
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		703,075	1,499,930
Proceeds from borrowings		875,000	1,000,000
Net cash from financing activities		1,578,075	2,499,930
Net (decrease)/increase in cash and cash equivalents			
		(526,730)	(61,388)
Cash and cash equivalents at the beginning of the financial year		567,572	641,408
Effect of movements in exchange rates on cash held		345,059	(12,448)
Cash and cash equivalents at the end of the financial year	6	385,901	567,572

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 year ended 31 December 2024

Note 1. Basis of Preparation

This preliminary report has been prepared in order to comply with ASX listing rules.

This report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investment activities of the consolidated entity as the full financial report.

The financial report has been prepared on an accrual basis and is based on historical cost, except for financial instruments measured at fair value through profit or loss. All amounts are presented in Australian dollars and are rounded to the nearest dollar unless otherwise stated.

1(a) Going concern

The preliminary financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the preliminary financial report, the Group is in a net current liability position of \$2,549,243 (31 December 2023: \$3,408,431) and has net operating cash outflows of \$2,100,904 (31 December 2023: \$2,256,845). The Group generated a loss after tax for the year of \$2,580,426 (31 December 2023: \$4,459,632). The Group's cash position decreased to \$385,901 as at 31 December 2024 (31 December 2023: \$567,572).

Notwithstanding the historical losses to date the directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- Continuing progress in sales pipeline. Subsequent to year end, the group signed a 3-year contract for Tracer sale with an expected minimum of \$130k revenue a year
- The group has the ability to make further reductions in expense if necessary.
- Subsequent to year end, the group has strategically terminated the MIT licence which will further reduce cash outflows in future periods;
- The chairman has provided a loan facility of \$750,000 with a term of 12 months to the group commencing in January 2025;
- The group has signed a loan facility agreement to provide up to \$2 million (subject to shareholder approval) to assist working capital;
- The Company is able to raise additional funding if required. The Company has demonstrated its ability to successfully raise capital in current and prior periods, and there is no evidence to suggest that the Company would not be able to raise necessary capital required to continue to fund its operations and obligations

Codeifai Limited
Notes to the consolidated financial statements
For the year ended 31 December 2024

The above information will be updated for additional activity undertaken and disclosed in the full 2024 annual report.

Note 2. 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.

Geographical information

2024

Reportable segments

	Australia	People's Republic of China	Thailand	United States of America	Total
<i>In \$</i>					
External revenue	143,098	464,370	-	-	607,468
Interest income	2,300	-	60	-	2,360
Other income	469	-	-	200,000	200,469
Total revenue	145,867	464,370	60	200,000	810,297

2023

Reportable segments

	Australia	People's Republic of China	Thailand	United States of America	Total
<i>In \$</i>					
External revenue	129,898	251,314	-	-	381,212
Interest income	16,478	-	72	-	16,550
Other income	280,126	-	-	-	280,126
Total revenue	426,502	251,314	72	-	677,888

Codeifai Limited
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For the year ended 31 December 2024

(a) Assets

2024	Reportable segments				
	Australia	People's Republic of China	Thailand	United States of America	Total
<i>In \$</i>					
Current assets	557,788	385,836	235,111	83,667	1,262,402
Non-current assets	2,045	9,388	1,453	5,005,796	5,018,682
Total assets	<u>559,833</u>	<u>395,224</u>	<u>236,564</u>	<u>5,089,463</u>	<u>6,281,084</u>

2023	Reportable segments				
	Australia	People's Republic of China	Thailand	United States of America	Total
<i>In \$</i>					
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	<u>769,715</u>	<u>306,008</u>	<u>191,503</u>	<u>5,121,541</u>	<u>6,388,767</u>

Note 3. Revenue

	2024	2023
	\$	\$
<i>Revenue</i>		
Sale of goods and services	607,468	381,212
<i>Other revenue</i>		
Interest	2,360	16,550
Other income	200,469	280,126
	<u>810,297</u>	<u>677,888</u>

Note 4. Finance cost

		Consolidated	
	Note	2024	2023
		\$	\$
Interest and finance charges paid/payable for financial liabilities	5	736,874	648,577
		<u>736,874</u>	<u>648,577</u>

Codeifai Limited
Notes to the consolidated financial statements
For the year ended 31 December 2024

Note 5. Loss for the year

The loss for the year includes the following expenses:

		Consolidated	
	Note	2024	2023
		\$	\$
Finance costs	4	736,874	648,577
Research and development costs		803,859	804,885
Depreciation and amortisation		8,039	38,032
Impairment of intangible assets		685,696	907,797
Rental expense on operating leases – minimum lease payments		116,707	139,288
Loss/(gain) on extinguishment of financial liabilities via equity settlement		-	-
		<u>2,351,175</u>	<u>2,538,579</u>

Note 6. Cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
Cash on hand	1,721	1,786
Cash at bank	384,180	565,786
	<u>385,901</u>	<u>567,572</u>

Note 7. Trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
Trade receivables	299,138	178,677
Less: allowance for doubtful debts	(78,955)	(72,218)
	220,183	106,459
GST/VAT receivables	158,523	101,882
Collateral shares	164,965	69,930
Other receivables	88,524	80,052
	<u>632,195</u>	<u>358,323</u>

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Codeifai Limited
Notes to the consolidated financial statements
For the year ended 31 December 2024

Note 8. Other assets

	Consolidated	
	2024	2023
	\$	\$
Escrow account	-	929
Rental deposits	35,550	34,070
Prepaid rent	4,408	10,384
Prepayments	66,845	52,111
	<u>106,803</u>	<u>97,494</u>

Note 9. Inventories

	Consolidated	
	2024	2023
	\$	\$
Finished goods – at cost	137,503	175,262
Less: provision for slow-moving stock	-	-
	<u>137,503</u>	<u>175,262</u>

Note 10. Intangibles

	Consolidated	
	2024	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 relationships – 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	9,586,618	8,713,450
Less: Accumulated impairment losses	(4,580,822)	(3,540,357)
	<u>5,005,796</u>	<u>5,173,093</u>
NVISO 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>

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Codeifai Limited
Notes to the consolidated financial statements
For the year ended 31 December 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	License 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	-	-	-
Accumulated amortisation	-	-	-
Impairment loss	(685,696)	-	(685,696)
Effect of movement in exchange rates	518,399	-	518,399
Balance at 31 December 2024	5,005,796	-	5,005,796

Patent Licence Rights

As MotifMicro development and paid commercial trials persist during the year ended 31 December 2024, the patent licence rights have not commenced amortisation, however impairment adjustments have been recorded to reflect its assessed 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 were lower than the carrying amount and therefore an impairment adjustment was considered necessary as at 31 December 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 forecast sales pipeline for FY2025 with an annual long-term growth rate of 12.5% until 2029 that follows the industry growth rate with a long-term annual growth rate of 2% thereafter;
- Discounted cash flow modelling to 2037 with no terminal value;
- A WACC of 25% (post-tax) assuming a long-term debt/equity ratio of nil; and
- The group securing sufficient funding in future periods to continue as a going concern.

Codeifai Limited
Notes to the consolidated financial statements
For the year ended 31 December 2024

Licence Agreement

The Board has determined an impairment provision against the entire value of the Nviso licence as there is little prospect of a viable product being created from that licence in a reasonable time frame given our current focus on existing projects especially ConnectQR and roadmap priorities. We do not foresee allocating technical resources to this endeavour in the foreseeable future.

Note 11. Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
Trade payables	1,358,651	945,774
Other payables and accruals	1,705,804	1,636,884
	<u>3,064,455</u>	<u>2,582,658</u>

Note 12. Financial liabilities

	Consolidated	
	2024	2023
	\$	\$
Convertible note - (i)	200,223	-
Related party convertible note - (i)	81,034	-
Related party loans - (ii)	465,933	2,024,424
	<u>747,190</u>	<u>2,024,424</u>

(i): The convertible notes for \$150,000 and \$25,000 dated May 29th and June 27th 2024 respectively with Flannery Foundation Pty Limited, each have a maturity date of November 1st 2025 and have an interest rate of 25% payable on maturity. The notes have a face value of \$1.00 per note and are convertible subject to shareholder approval at 0.0015 per share.

(ii): The short-term borrowings from a related party as at 31 December 2024 is \$380,000 (31 December 2023: \$2,000,000) at the interest of 27.61% per annum (31 December 2023: 17.48%) (or part thereof) for a total of \$380,000 as at balance date. 750,000,000 options are expected to be issued as a facility fee, subject to shareholders' approval at an upcoming EGM expected before May 2025.

Codeifai Limited
Notes to the consolidated financial statements
For the year ended 31 December 2024

Note 13. Equity – Issued capital

Consolidated	2024	2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares – fully paid	<u>3,150,314,015</u>	<u>790,461,469</u>	<u>88,660,044</u>	<u>85,426,969</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 January 2024	790,461,469	85,426,969
Share issued to ATM subscription	1 May 2024	17,500,000	33,075
Share placements	28 June 2024	1,500,000,000	2,250,000
Share placements	9 August 2024	333,333,333	500,000
Share issued to ATM subscription	19 November 2024	130,000,000	130,000
Share placements	26 November 2024	121,115,538	121,116
Share placements	10 December 2024	107,903,675	99,271
Issuance as payment to service provider	20 December 2024	150,000,000	150,000
Less: Transaction costs on shares issued			(50,387)
Balance	31 December 2024	<u>3,150,314,015</u>	<u>88,660,044</u>

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 14. Equity – Reserves

		Consolidated	
	Note	2024	2023
		\$	\$
Issued options reserve	(a)	857,262	567,467
Share-based payment reserve	(b)	149,267	149,267
Foreign currency translation reserve	(c)	1,252,472	1,717,162
		<u>2,259,001</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 year ended 31 December 2024

Details	Date	Options	\$
Balance	1 January 2024	657,875,316	567,467
Options issued to related parties for loan establishment fee	28 June 2024	500,000,000	499,795
Options lapsed	30 June 2024	(315,315,316)	-
Options lapsed	5 July 2024	(70,000,000)	-
Options lapsed	5 July 2024	(70,000,000)	(210,000)
Balance	31 December 2024	<u>702,560,000</u>	<u>857,262</u>

(b) Performance rights 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	<u>149,267</u>
Balance	31 December 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 15. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries:

Name	Principal Place of Business / Country of Incorporation	Ownership Interest	
		2024	2023
YPB Limited	Hong Kong	100	100
YPB Technology (Beijing) Ltd	People's Republic of China	100	100
Product ID & Quality Systems (Beijing) Ltd	People's Republic of China	100	100
YPB Group (USA) Inc.	USA	100	100
YPB Intellectual Product Protection Inc.	USA	100	100
YPB Group International Co., Ltd	Thailand	100	100
YPB Group Co., Ltd	Thailand	100	100
nTouch Pty Ltd	Australia	100	100
YPB Product Development Pty Ltd	Australia	100	100

Codeifai Limited
Notes to the consolidated financial statements
For the year ended 31 December 2024

Note 16. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2024	2023
	\$	\$
Loss after income tax benefit for the year	(2,580,426)	(4,459,632)
Adjustments for:		
Foreign exchange differences	(1,328,644)	11,833
Depreciation and amortisation expense	8,039	38,032
Impairment of intangible assets	685,696	907,767
Assets written off	-	18,761
Share-based payments	-	50,667
Significant non-cash finance costs	572,777	3,340
Equity-settled transactions	150,000	357,467
Other non-cash income	(200,000)	-
Change in operating assets and liabilities, net of the effects of purchase and disposals of subsidiaries:		
(Increase)/decrease in trade and other receivables	(143,386)	(29,337)
(Increase)/decrease in other assets	(9,309)	277,191
(Increase)/decrease in inventories	37,759	18,201
Increase/(decrease) in trade and other payables	706,590	548,865
Net cash used in operating activities	<u>(2,100,904)</u>	<u>(2,256,845)</u>

Note 17. Earnings per share

	2024	2023
	\$	\$
Loss after income tax attributable to the owners of YPB Group Limited	<u>(2,580,426)</u>	<u>(4,459,632)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic/diluted earnings per share	1,732,770,270	641,712,423
	Cents	Cents
Basic/Diluted earnings per share	(0.15)	(0.69)

There are 702,560,000 in share options issued but not included in diluted earnings per share as these would have an antidilutive effect on earnings per share. These potential ordinary shares are anti-dilutive as their conversion to ordinary shares would decrease loss per share.

Codeifai Limited
Notes to the consolidated financial statements
For the year ended 31 December 2024

Note 18. Subsequent events

The following events have occurred since 31 December 2024:

1. On 30 January 2025, Codeifai and M.I.T. (Massachusetts Institute of Technology) agreed to mutually terminate the exclusive Patent licences over the following Patents and Patent families:

M.I.T Case No. 11917 US Patent No 7709544 including various non-US Patents
M.I.T. Case No 15231L US Patent 14/214594 including various non-US Patents
And initiate a strategic review of its material science Division in accordance with the Company's previously announced strategy of "Digital & Engagement First strategy.

The Directors consider that the termination of the M.I.T. license does not impact the carrying value of the intangible asset as the Company wholly owns 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

2. Loan facility from Executive Chairman

On January 2nd 2025 the Company announced that the Executive Chairman provided the Company with a \$750,000 loan facility with a term of 12 months.

Other than the above, no other matter or circumstance has arisen since 31 December 2024 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.