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**CurveBeam AI Limited**

**ABN 32 140 706 618**

**Appendix 4E**

**Preliminary Final Report - 30 June 2023**

**CurveBeam AI Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity:	CurveBeam AI Limited
ABN:	32 140 706 618
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

**2. Results for announcement to the market**

	2023 \$	2022 \$	Change \$	Change %
Revenues from ordinary activities	8,055,193	-	8,055,193	-
Net loss from ordinary activities after tax (NLAT) attributable to the owners of CurveBeam AI Limited	(52,048,595)	(8,544,646)	(43,503,949)	509%
Net loss for the year attributable to the owners of CurveBeam AI Limited	(52,048,595)	(8,544,646)	(43,503,949)	509%

*Dividends*

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

*Review of operations*

The loss for the Group after providing for income tax amounted to \$52,048,595 (30 June 2022: \$8,544,646).

Refer to the attached 'Commentary on Results' for a discussion of the operations for the year.

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(135.03)</u>	<u>(30.98)</u>

The Company completed its 1-for-100 share split in September 2022. The comparative balances have been adjusted by this share split.

**4. Control gained over entities**

Name of entities (or group of entities)                      CurveBeam LLC

Date control gained    12 October 2022

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(5,763,744)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	(5,461,223)

**5. Loss of control over entities**

Name of entities (or group of entities)                      CurveBeam Mobile LLC

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Date control lost 3 April 2023

CurveBeam Mobile LLC was a non-operating subsidiary of the US company which was deregistered on 3 April 2023.

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**6. 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.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The report is still in the process of being audited.

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**11. Attachments**

*Details of attachments (if any):*

The Commentary on Results, Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cashflows, Statement of Changes in Equity and selected Notes of CurveBeam AI Limited for the year ended 30 June 2023 are as attached.

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**12. Signed**

Signed 

Date: 23 August 2023

Greg Brown  
Chief Executive Officer and Managing Director

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**CurveBeam AI Limited**  
**Commentary on Results**  
**30 June 2023**

Commentary on Results

*Background*

Over the past two financial years, CurveBeam AI Limited (“CurveBeam AI” or “the Company”) has undertaken three significant transactions, being two convertible notes capital raisings in 2021 and 2022/2023 and the merger of CurveBeam LLC (with the former StraxCorp Pty Ltd to ultimately become CurveBeam AI Limited) in 2022 (“the Merger”). In addition, the Initial Public Offering (“IPO”) of the Company’s shares on the Australian Securities Exchange (“ASX”) was completed in August 2023.

The convertible note raising in 2022/2023 (“2022 Convertible Note”) and the Merger occurred during the financial period to 30 June 2023 (“FY23 period”), however both the convertible note raising in 2021 (“2021 Convertible Note”) and the IPO impacted and influenced the pro-forma and statutory results for the FY23 period.

*Preliminary Results v Forecast Pro-Forma and Statutory Results in Replacement Prospectus*

The Company included a A\$11.02m pro-forma revenue forecast for the FY23 period (“Pro-forma Revenue Forecast”) in the replacement prospectus lodged with the ASIC on 28 July 2023 for its IPO (“Replacement Prospectus”). The Company is pleased to report that it exceeded the Pro-forma Revenue Forecast by A\$0.46m (4%), achieving revenue (unaudited) of A\$11.48m for the FY23 period (comprising A\$3.43m of pre-merger revenue and A\$8.05m of Group revenue), which compares with A\$7.42m reported on a pro-forma merged basis in the previous financial year, representing a 55% increase year-on-year.

The Replacement Prospectus also provided both a forecast pro-forma net loss after tax of A\$17.43m (“Pro-forma NLAT”) and a forecast statutory net loss after tax of A\$25.46m (“Statutory NLAT”) for the FY23 period.

The Company reports a preliminary final Pro-forma NLAT of A\$16.08m\* for the FY23 period, which improved upon the forecast provided in the Replacement Prospectus by A\$1.35m (7%) reflecting deferred new initiatives spend. The Company reports a preliminary final Statutory NLAT for the period of A\$52.05m (unaudited), the movement substantially resulted from two one-off, non-cash, non-operational adjustments that created a A\$28.30m variance in the result. These adjustments did not impact the Pro-forma NLAT, and relate to:

- the fair value assessment of the Contingent Merger Consideration that had been treated in the proforma balance sheet in the Replacement Prospectus as an adjustment to Goodwill (within the Measurement Period provisions under IFRS 3), but which through further analysis has led to a A\$18.93m charge in the Profit and Loss Statement - refer to note 18 and 21 for further information on this A\$18.93m adjustment.
- the determination of a value for the embedded derivative represented by the Equity Conversion Right in the 2021 Convertible Notes and 2022 Convertible Notes, but which through further analysis has led to a A\$9.37m charge in the Profit and Loss Statement – refer to note 19 for further information on this A\$9.37m adjustment.

\* A reconciliation between the Statutory NLAT and Pro-Forma NLAT is as follows:

	\$A'm
<b>FY23 Statutory NLAT</b>	<b>(52.05)</b>
<i>Pro-forma adjustments:</i>	
Pre-acquisition loss for the period 1 July 2022 to 12 October 2022	(2.32)
Non-cash convertible note interest	4.53
Non-recurring merger costs	5.61
Incremental public company costs	(0.15)
Fair value assessment of contingent consideration	18.93
Fair value assessment of embedded derivative	9.37
<b>FY23 Pro-forma NLAT</b>	<b>(16.08)</b>

*Event Subsequent to Year End - Initial Public Offering*

As noted above, the Company undertook an IPO and listed on the ASX on 23 August 2023. Under the IPO, 52,083,333 new fully paid ordinary shares in the Company were issued at A\$0.48 per share, raising A\$25m.

**CurveBeam AI Limited**  
**Corporate directory**  
**30 June 2023**

Directors	Rob Lilley (Non-Executive Chair) Greg Brown (Chief Executive Officer and Managing Director) Arun Singh (Chief Technology Officer (CT) and President (US and Europe Divisions); Executive Director) Kate Robb (Non-Executive Director) Hashan de Silva (Non-Executive Director)
Chief Financial Officer and Company Secretary	Ura Auckland
Chief Technology Officer - AI	Yu Peng
Registered office / Principal place of business	Level 10, 10 Queen Street Melbourne VIC 3000
US Operations	2800 Bronze Drive Suite 110 Hatfield PA 19440 USA
Auditor	PricewaterhouseCoopers Level 19 2 Riverside Quay Southbank VIC 3006
Solicitor (Australia)	Johnson Winter & Slattery Level 29 111 Eagle St Brisbane City QLD 4000
Legal Counsel (USA)	Sheppard Mullin 30 Rockefeller Plaza New York, NY 101120015 Phone: +1 2126538700
Stock exchange listing	CurveBeam AI Limited shares are listed on the Australian Securities Exchange (ASX code: CVB)
Website	<a href="https://curvebeamai.com/">https://curvebeamai.com/</a>

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**CurveBeam AI Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	Consolidated	
		2023	2022
		\$	\$
<b>Revenue</b>			
Revenue	2	8,055,193	-
Cost of sales	3	(3,661,865)	-
Gross profit		4,393,328	-
Other income	4	1,555,110	1,672,388
<b>Expenses</b>			
Consultant and professional expenses	5	(5,965,472)	(3,791,303)
Human resource expenses	6	(11,614,404)	(2,957,004)
Administrative, insurance and information technology expenses		(891,785)	(350,966)
Occupancy costs		(154,096)	(70,248)
Travel and entertainment expenses		(870,409)	(131,941)
Research and development external expenditure		(588,208)	(300)
Marketing expenses		(1,431,611)	(22,563)
Product and market registration expenses		(249,985)	(12,894)
IP costs		(301,416)	(16,485)
Other expenses		75,552	(81)
Depreciation and amortisation expense		(1,979,822)	(203,185)
Finance expenses	7	(5,730,709)	(2,660,064)
Fair value of contingent consideration	18	(18,925,734)	-
Fair value of embedded derivatives	19	(9,368,934)	-
<b>Loss before income tax expense</b>		<b>(52,048,595)</b>	<b>(8,544,646)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the year attributable to the owners of CurveBeam AI Limited</b>		<b>(52,048,595)</b>	<b>(8,544,646)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		1,341,079	-
Other comprehensive income for the year, net of tax		1,341,079	-
<b>Total comprehensive income for the year attributable to the owners of CurveBeam AI Limited</b>		<b>(50,707,516)</b>	<b>(8,544,646)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	24	(89.81)	(24.52)
Diluted earnings per share	24	(89.81)	(24.52)

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

**CurveBeam AI Limited**  
**Statement of financial position**  
**As at 30 June 2023**

	Note	Consolidated 2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	5,157,621	8,698,649
Trade and other receivables	9	4,177,538	1,548,003
Inventories	10	8,660,822	-
Other assets		1,479,927	947,973
<b>Total current assets</b>		<u>19,475,908</u>	<u>11,194,625</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	133,186	26,763
Right-of-use assets	11	1,012,455	-
Intangible assets	13	40,718,392	559,905
Other assets		23,513	11,044
<b>Total non-current assets</b>		<u>41,887,546</u>	<u>597,712</u>
<b>Total assets</b>		<u>61,363,454</u>	<u>11,792,337</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	6,356,972	831,325
Borrowings	15	79,827	856,655
Lease liabilities	16	279,852	-
Provisions		775,502	311,561
Contract liabilities	17	4,031,198	-
Contingent consideration	18	27,122,117	-
<b>Total current liabilities</b>		<u>38,645,468</u>	<u>1,999,541</u>
<b>Non-current liabilities</b>			
Borrowings	15	13,633,246	-
Lease liabilities	16	851,871	-
Provisions		21,059	21,372
Other financial liabilities	19	57,142,113	20,197,867
<b>Total non-current liabilities</b>		<u>71,648,289</u>	<u>20,219,239</u>
<b>Total liabilities</b>		<u>110,293,757</u>	<u>22,218,780</u>
<b>Net liabilities</b>		<u>(48,930,303)</u>	<u>(10,426,443)</u>
<b>Equity</b>			
Issued capital	20	17,358,996	7,313,539
Share-based payment reserves		1,280,110	355,582
Embedded derivative reserve		1,224,952	-
Foreign currency translation reserve		1,341,079	-
Accumulated losses		<u>(70,135,440)</u>	<u>(18,095,564)</u>
<b>Total deficiency in equity</b>		<u>(48,930,303)</u>	<u>(10,426,443)</u>

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

**CurveBeam AI Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	Issued capital \$	Share-based payment reserves \$	Accumulated losses \$	Total deficiency in equity \$
<b>Consolidated</b>				
Balance at 1 July 2021	6,991,485	425,711	(9,630,243)	(2,213,047)
Loss after income tax expense for the year	-	-	(8,544,646)	(8,544,646)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(8,544,646)	(8,544,646)
<i>Transactions with owners in their capacity as owners:</i>				
Transfer of convertible note raising costs to balance sheet	40,000	-	-	40,000
Share-based payments (note 25)	-	206,898	-	206,898
Shares issued from options exercised (note 20)	84,352	-	-	84,352
Transfer of options exercised to issued capital (note 20)	197,702	(197,702)	-	-
Transfer of expired options to accumulated losses	-	(79,325)	79,325	-
Balance at 30 June 2022	<u>7,313,539</u>	<u>355,582</u>	<u>(18,095,564)</u>	<u>(10,426,443)</u>

	Issued capital \$	Share based payments reserves \$	Embedded derivative reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total deficiency in equity \$
<b>Consolidated</b>						
Balance at 1 July 2022	7,313,539	355,582	-	-	(18,095,564)	(10,426,443)
Loss after income tax expense for the year	-	-	-	-	(52,048,595)	(52,048,595)
Other comprehensive income for the year, net of tax	-	-	-	1,341,079	-	1,341,079
Total comprehensive income for the year	-	-	-	1,341,079	(52,048,595)	(50,707,516)
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments (note 25)	-	992,483	-	-	-	992,483
Shares issued on exercise of options	70,888	-	-	-	-	70,888
Transfer of options exercised to issued capital (note 20)	59,236	(59,236)	-	-	-	-
Shares issued on acquisition of business	10,212,167	-	-	-	-	10,212,167
Additional conversion options from issue of convertible notes	-	-	1,312,673	-	-	1,312,673
Transfer of expired options to accumulated losses	-	(8,719)	-	-	8,719	-
Cost of capital raising incurred during the year	(296,834)	-	(87,721)	-	-	(384,555)
Balance at 30 June 2023	<u>17,358,996</u>	<u>1,280,110</u>	<u>1,224,952</u>	<u>1,341,079</u>	<u>(70,135,440)</u>	<u>(48,930,303)</u>

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



**CurveBeam AI Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	Note	Consolidated 2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		6,827,699	-
Receipts for R&D tax offset		1,438,257	651,684
Interest received		112,634	11,491
Interest paid		(164,556)	(288,419)
Payments to suppliers and employees		<u>(29,888,124)</u>	<u>(8,365,568)</u>
Net cash used in operating activities	23	<u>(21,674,090)</u>	<u>(7,990,812)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(139,405)	(52,803)
Payment for intangible asset	13	(703,045)	(204,135)
Payments for security deposits		(117,162)	-
Cash acquired on acquisition of business		96,412	-
Related party promissory note paid		<u>(3,237,574)</u>	<u>-</u>
Net cash used in investing activities		<u>(4,100,774)</u>	<u>(256,938)</u>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of convertible notes (net of transactions costs)		23,326,107	15,829,497
Proceeds from/(repayments of) related party loans		122,688	100,000
Proceeds from R&D loan		-	952,520
Proceeds from exercise of option		70,888	84,351
Costs of the IPO capitalised to equity		(136,405)	-
Repayment of convertible notes		(96,890)	-
Payment of lease liabilities		(176,515)	-
Repayments of R&D and insurance premium funding loans		<u>(856,655)</u>	<u>(447,324)</u>
Net cash from financing activities		<u>22,253,218</u>	<u>16,519,044</u>
Net increase/(decrease) in cash and cash equivalents		(3,521,646)	8,271,294
Cash and cash equivalents at the beginning of the financial year		8,698,649	202,399
Effects of exchange rate changes on cash and cash equivalents		<u>(19,382)</u>	<u>224,956</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>5,157,621</u></u>	<u><u>8,698,649</u></u>

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

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**CurveBeam AI Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 1. General information**

The financial statements cover CurveBeam AI Limited as a Group consisting of CurveBeam AI Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is CurveBeam AI Limited's functional and presentation currency.

CurveBeam AI Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

<b>Registered office / Principal place of business</b>	<b>US operations</b>
Level 10, 10 Queen Street Melbourne VIC 3000	2800 Bronze Drive Suite 110 Hatfield PA 19440 USA

These financial statements do not include all the accounting policies and notes of the type normally included in annual financial statements. Accordingly, these consolidated financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022, and the interim report for the period ended 31 December 2022.

**Going Concern**

The Directors of the Group have prepared this financial report on the basis that the Group will continue to operate as a going concern and that the debts of the business will continue to be settled as and when they fall due. The Group recorded a net loss before tax for the year ended 30 June 2023 of \$52,048,595 (June 2022: \$8,544,646). The Group had net liabilities of \$48,930,303 as at 30 June 2023 (June 2022: net liabilities of \$10,426,443).

In accordance with its plans, the Group will require additional external debt and equity funding to support the execution of its strategy and its operational expenditure until it reaches scale and is in a profitable position.

Therefore, the continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon:

- the Group obtaining continued equity funding, which subsequent to year end included completion of its initial public offering on the ASX through which the Company raised A\$25 million and improved access to capital markets. Refer to note 22 for additional details.
- the conversion of the convertible notes into shares upon listing on the ASX.  
In concert with the initial public listing noted above, convertible notes converted into shares as detailed at note 22. The convertible notes had a liability balance of \$57,142,113 as at 30 June 2023.
- the successful commercial development of the intangible assets of the Group.  
In the mid-term the Group will balance generating increased margins from revenue growth, investment in expansion and access to further capital as a listed company if necessary.

As a result of these matters, the company expects its existing cash reserves and normal cash flows over the next 12 months from the date of signing to be sufficient to continue as a going concern.

**Note 2. Revenue**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
Sales of devices	6,097,860	-
Warranty service	1,104,273	-
Other operating revenue	853,060	-
	8,055,193	-
	8,055,193	-

**CurveBeam AI Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 2. Revenue (continued)**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
<b>Timing of revenue recognition</b>	<b>\$</b>	<b>\$</b>
Revenue at a point in time	6,950,920	-
Revenue over time	1,104,273	-
	<u>8,055,193</u>	<u>-</u>

**Note 3. Cost of sales**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Direct material costs	2,864,425	-
Other direct costs	550,796	-
Indirect warranty costs	66,441	-
Freight costs	180,203	-
	<u>3,661,865</u>	<u>-</u>

**Note 4. Other income**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Research and development tax incentives	1,518,022	1,435,941
Interest income	39,525	11,482
Realised foreign currency gains/(losses)	23,122	17,391
Unrealised foreign currency gains/(losses)	(25,559)	207,574
Other income	<u>1,555,110</u>	<u>1,672,388</u>

**Note 5. Consultant and professional expenses**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Consulting and contracting	1,144,360	1,324,904
Professional fees	4,821,112	2,466,399
	<u>5,965,472</u>	<u>3,791,303</u>

**CurveBeam AI Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 6. Human resource expenses**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
Human resource remuneration	9,325,981	2,386,893
Human resource on-costs	1,295,940	363,213
Share-based payments	992,483	206,898
	<u>11,614,404</u>	<u>2,957,004</u>

**Note 7. Finance expenses**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
Interest on convertible notes	4,568,699	2,166,327
Amortisation of capital raising costs	902,226	392,043
Other finance charges	259,784	101,694
	<u>5,730,709</u>	<u>2,660,064</u>

**Note 8. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current assets</i>		
Cash and cash equivalents	<u>5,157,621</u>	<u>8,698,649</u>

**Note 9. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current assets</i>		
Trade receivables	2,704,002	-
Less: Provision for doubtful debts	(191,283)	-
	<u>2,512,719</u>	<u>-</u>
Research and development tax incentive receivable	1,518,022	1,487,106
GST receivable	146,797	60,897
	<u>1,664,819</u>	<u>1,548,003</u>
	<u>4,177,538</u>	<u>1,548,003</u>

**CurveBeam AI Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 10. Inventories**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current assets</i>		
Raw materials - at cost	5,499,503	-
Work in progress - at cost	18,755	-
Finished goods - at cost	3,142,564	-
	<u>8,660,822</u>	<u>-</u>

**Note 11. Right-of-use assets**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	1,600,987	-
Less: Accumulated depreciation	(588,532)	-
	<u>1,012,455</u>	<u>-</u>

*Reconciliations*

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

<b>Consolidated</b>	Land and buildings \$	Total \$
Balance at 1 July 2021	-	-
Balance at 30 June 2022	-	-
Additions	840,145	840,145
Additions through business combinations (note 21)	364,358	364,358
Exchange differences	(16,724)	(16,724)
Depreciation expense	(175,324)	(175,324)
Balance at 30 June 2023	<u>1,012,455</u>	<u>1,012,455</u>

**CurveBeam AI Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 12. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Leasehold improvements - at cost	9,870	-
Less: Accumulated depreciation	(823)	-
	<u>9,047</u>	<u>-</u>
Tooling - at cost	975,922	-
Less: Accumulated depreciation	(937,771)	-
	<u>38,151</u>	<u>-</u>
Computer equipment - at cost	281,158	52,803
Less: Accumulated depreciation	(226,412)	(26,040)
	<u>54,746</u>	<u>26,763</u>
Furniture, fixtures and fittings - at cost	156,238	30,265
Less: Accumulated depreciation	(124,996)	(30,265)
	<u>31,242</u>	<u>-</u>
Computer software - at cost	13,950	13,950
Less: Accumulated depreciation	(13,950)	(13,950)
	<u>-</u>	<u>-</u>
	<u><u>133,186</u></u>	<u><u>26,763</u></u>

*Reconciliations*

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

<b>Consolidated</b>	Computer equipment \$	Computer software \$	Furniture, fixtures and fittings \$	Tools \$	Leasehold Improvements \$	Total \$
Balance at 1 July 2021	-	5,347	-	-	-	5,347
Additions	52,803	-	-	-	-	52,803
Depreciation expense	(26,040)	(5,347)	-	-	-	(31,387)
Balance at 30 June 2022	26,763	-	-	-	-	26,763
Additions	80,239	-	43,744	-	9,870	133,853
Additions through business combinations (note 21)	15,713	-	106,798	55,640	-	178,151
Exchange differences	(925)	-	(1,164)	(626)	-	(2,715)
Write off of assets	-	-	(90,523)	-	-	(90,523)
Depreciation expense	(67,044)	-	(27,613)	(16,863)	(823)	(112,343)
Balance at 30 June 2023	<u><u>54,746</u></u>	<u><u>-</u></u>	<u><u>31,242</u></u>	<u><u>38,151</u></u>	<u><u>9,047</u></u>	<u><u>133,186</u></u>

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**CurveBeam AI Limited**  
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**Note 13. Intangible assets**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Goodwill - at cost	20,180,303	-
Patents – Strax Fam's 1 to 5 - at cost	780,069	780,069
Less: Accumulated amortisation	(686,487)	(630,153)
	<u>93,582</u>	<u>149,916</u>
Patents – Regulatory Approvals - at cost	34,128	34,128
Less: Accumulated amortisation	(34,128)	(34,128)
	<u>-</u>	<u>-</u>
Patents – AI - at cost	497,899	495,478
Less: Accumulated amortisation	(181,549)	(85,489)
	<u>316,350</u>	<u>409,989</u>
Brand - at cost	1,999,681	-
Less: Accumulated amortisation	(142,991)	-
	<u>1,856,690</u>	<u>-</u>
Intellectual Property - at cost	16,780,418	-
Less: Accumulated amortisation	(1,199,915)	-
	<u>15,580,503</u>	<u>-</u>
Strategic Distribution Agreement - at cost	1,369,797	-
Less: Accumulated amortisation	(97,950)	-
	<u>1,271,847</u>	<u>-</u>
Permits - at cost	819,646	-
Less: Accumulated amortisation	(58,610)	-
	<u>761,036</u>	<u>-</u>
Marketing and Distribution Rights - Cost	705,087	-
Less: Accumulated amortisation	(47,006)	-
	<u>658,081</u>	<u>-</u>
	<u><u>40,718,392</u></u>	<u><u>559,905</u></u>

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**Note 13. Intangible assets (continued)**

*Reconciliations*

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

	Patents	Brand	IP	Strategic Distribution Agreement	Permits	Marketing and distribution rights	Goodwill	Total
<b>Consolidated</b>	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	527,568	-	-	-	-	-	-	527,568
Additions	204,135	-	-	-	-	-	-	204,135
Amortisation expense	(171,798)	-	-	-	-	-	-	(171,798)
Balance at 30 June 2022	559,905	-	-	-	-	-	-	559,905
Additions	-	-	-	-	-	703,045	-	703,045
Additions through business combinations (note 21)	-	1,999,681	16,780,418	1,369,797	819,646	-	20,180,303	41,149,845
Exchange differences	1,372	-	-	-	-	2,042	-	3,414
Amortisation expense	(151,345)	(142,991)	(1,199,915)	(97,950)	(58,610)	(47,006)	-	(1,697,817)
Balance at 30 June 2023	<u>409,932</u>	<u>1,856,690</u>	<u>15,580,503</u>	<u>1,271,847</u>	<u>761,036</u>	<u>658,081</u>	<u>20,180,303</u>	<u>40,718,392</u>

**Note 14. Trade and other payables**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current liabilities</i>		
Trade payables	2,422,291	92,351
Sales tax payable	1,052,298	-
Accruals	1,205,092	651,743
Payroll and related liabilities	1,677,291	62,065
Superannuation payable	-	25,166
	<u>6,356,972</u>	<u>831,325</u>



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**Note 15. Borrowings**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Loan from related parties	79,827	-
Loan for insurance premium funding	-	102,033
Loan against R&D tax incentive(a)	-	754,622
	<u>79,827</u>	<u>856,655</u>
<i>Non-current liabilities</i>		
Loan from related parties	13,633,246	-
	<u>13,713,073</u>	<u>856,655</u>

As at 30 June 2023, a subsidiary of the Group had a loan payable to Arun Singh, the COO of the Group, amounting to \$13,713,073.

The loan is not secured over any assets or property of the subsidiary. It is repayable by the subsidiary on a quarterly basis, and required to be settled in full by 19 June 2033. Interest accrues on the principal amount at 3.72% per annum, compounded monthly.

**Note 16. Lease liabilities**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Lease liability	279,852	-
<i>Non-current liabilities</i>		
Lease liability	851,871	-
	<u>1,131,723</u>	<u>-</u>

**Note 17. Contract liabilities**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Customer deposits	808,641	-
Deferred warranty	3,012,290	-
Other contract liabilities	210,267	-
	<u>4,031,198</u>	<u>-</u>

**CurveBeam AI Limited**  
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**Note 17. Contract liabilities (continued)**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
Balance acquired on acquisition of subsidiary	6,228,896	-
Release of revenue recognised in period	(7,824,718)	-
Additional deposits received and invoices raised in period	6,980,341	-
Effects of FX and elimination	(1,353,321)	-
	<u>4,031,198</u>	<u>-</u>

**Note 18. Contingent consideration**

	2023	2022
	\$	\$
Contingent consideration		
Opening balance	-	-
Additions during the period*	8,431,925	-
Decreases during the period	(235,542)	-
Fair value adjustment at year end**	18,925,734	-
Closing balance	<u>27,122,117</u>	<u>-</u>

\* Relates to contingent consideration payable on acquisition of CurveBeam LLC completed in October 2022. Refer to note 21 for further information.

\*\* Fair value adjustment of the contingent consideration as at 30 June 2023 was based on the following inputs:

- Assessment of the total number of shares to be issued on conversion of convertible notes; a total 56,995,091 shares to be issued on conversion of convertible notes based on factors in place as at 30 June 2023. This is an additional 30,969,119 shares compared to the assessment on initial acquisition accounting, reflecting changes to shares to be issued to convertible note holders, as the actual terms of the IPO were determined, and amounts to an increase in the fair value of \$10,091,495.
- Assessment of the fair value per share at period end; 48 cents was used as the fair value per share, reflecting the IPO price which was finalised on 14 July 2023, with the signing of the underwriting agreement and lodgement of the prospectus with ASIC. This amounts to an increase in the fair value of \$8,834,239.

Under IFRS 3, the characteristics of the contingent consideration do not allow the fair value adjustment to be recorded in goodwill under the 'measurement period' provisions as a part of provisional accounting for business combinations.

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**Note 19. Other financial liabilities**

	2021 Convertible Notes (1) \$	2022 Convertible Notes (2) \$	Total \$
Breakdown of convertible note value:			
Carrying value of financial liability host	12,157,067	17,755,241	29,912,308
Fair value of embedded derivative on inception (liability)	6,909,933	5,932,086	12,842,019
Capital raising costs	(560,056)	(1,156,119)	(1,716,175)
Interest on convertible notes	5,392,308	1,342,719	6,735,027
Fair value adjustment at period end	4,325,831	5,043,103	9,368,934
Gross financial liability as of 30 June 2023	<u>28,225,083</u>	<u>28,917,030</u>	<u>57,142,113</u>

Breakdown of convertible note value:			
Carrying value of financial liability host	12,157,067	-	12,157,067
Fair value of embedded derivative on inception (liability)	6,909,933	-	6,909,933
Capital raising costs	(1,035,460)	-	(1,035,460)
Interest on convertible notes	2,166,327	-	2,166,327
Gross financial liability as of 30 June 2022	<u>20,197,867</u>	<u>-</u>	<u>20,197,867</u>

	Financial liability host	Embedded derivative (liability)	Embedded derivative (equity)	Total
Roll-forward of convertible note balance				
Opening balance as at 1 July 2021	-	-	-	-
Additional proceeds received during the year	19,067,000	-	-	19,067,000
Fair value transfer of embedded derivative on inception	(6,909,933)	6,909,933	-	-
Capital raising costs	(1,427,510)	-	-	(1,427,510)
Interest on convertible notes	2,166,327	-	-	2,166,327
Amortisation of capital raising costs during period	392,050	-	-	392,050
Closing balance at 30 June 2022	<u>13,287,934</u>	<u>6,909,933</u>	<u>-</u>	<u>20,197,867</u>
Additional proceeds received during the year	25,000,000	-	-	25,000,000
Fair value transfer of embedded derivative on inception	(7,244,759)	5,932,086	1,312,673	-
Capital raising costs	(1,582,942)	-	(87,721)	(1,670,663)
Interest on convertible notes	4,568,700	-	-	4,568,700
Fair value adjustment of embedded derivative at period end	-	9,368,934	-	9,368,934
Amortisation of capital raising costs during period	902,227	-	-	902,227
Closing balance as at 30 June 2023	<u><u>34,931,160</u></u>	<u><u>22,210,953</u></u>	<u><u>1,224,952</u></u>	<u><u>58,367,065</u></u>

*(1) 2021 Convertible Notes*

The Convertible Note – Pre-IPO – 2021 relates to a capital raising completed in the 30 June 2022 financial year, refer to the June 2022 annual report for additional information on this financial instrument.

*(2) 2022 Convertible Notes*

On 30 October 2022 the Company completed Tranche 1 of the 2022 Post-Merger Pre-IPO capital raising, by way of issue of the Convertible Notes – Pre IPO – 2022 (2022 Convertible Notes), under a Convertible Note Deed signed on 25 August 2021 for a total raising of \$10,701,000 (before costs).

On 24 February 2023 the Company completed Tranche 2 of the 2022 Post-Merger Pre-IPO capital raising, by way of issue of the Convertible Notes – Pre IPO – 2022 (2022 Convertible Notes), under a Convertible Note Deed signed on 25 August 2021 for a total raising of \$14,299,000 (before costs).

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**Note 19. Other financial liabilities (continued)**

Interest accrues on the 2022 Convertible Notes T1 at 5% per annum compounded on a six-monthly basis and is capitalised to the loan value.

The 2022 Convertible Notes convert into fully paid ordinary shares in the capital of the Company upon either the occurrence of a trade sale or IPO.

In either scenario, the 2022 Convertible Notes will be automatically converted into ordinary shares at set rates, at the lower of either:

- the Relevant Percentage of 70% of the IPO or trade sale price (being a discount of 30%), or
- pre-IPO fully diluted pre money valuation of \$125m divided by the fully diluted pre money number of shares outstanding on date of issue.

The 2022 Convertible Note holders may also elect to convert into shares anytime prior to 60 days before maturity date.

The 2022 Convertible Notes can be redeemed for cash upon either a default event, or upon maturity, 36 months from completion.

The 2022 Convertible Notes also included free-attaching options on a \$1 worth of options for each \$6 invested. These were valued using the Black-Scholes model.

Given the structure of the 2022 Convertible Notes, it was determined that in line with Australian Accounting Standards Board guidelines (AASB 9 Financial instruments ("AASB 9") and Financial Instruments: Presentation ("AASB 132")), the Convertible Notes are to be treated as liabilities with an embedded derivative component, which is also classified as a liability. As a part of this process, it was determined that the effective interest rate applicable to the convertible notes on a standalone basis would be 15%.

The free-attaching options were determined to be embedded derivative classified as a liability.

Key inputs and assumptions for fair value measurements

Significant inputs used in the fair value measurements of the liability component of the embedded derivative include:

- the share price, which was deemed to be \$0.48 as at 30 June 2023, for both 2021 and 2022 Convertible Notes, based on the circumstances as at 30 June as detailed in note 18, and
- the conversion discount, which was 35% for the 2021 Convertible Notes, and 30% for the 2022 Convertible Notes.

Significant inputs used in the fair value measurement of the equity component of the embedded derivative include:

- exercise price of \$0.96;
- volatility of 75%; and
- share price of \$0.325 on convertible note issue date in November 2022 / February 2023.

**Note 20. Issued capital**

	<b>2023</b>	<b>Consolidated</b>		
	<b>Shares</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares	67,140,754	354,609	17,655,830	7,313,539
Cost of capital raising	-	-	(296,834)	-
	<u>67,140,754</u>	<u>354,609</u>	<u>17,358,996</u>	<u>7,313,539</u>

**CurveBeam AI Limited**  
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**Note 20. Issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	347,133		7,031,485
Issue of shares on exercise of options	11 April 2022	308	\$10.8300	3,337
Issue of shares on exercise of options	30 April 2022	33	\$16.0000	528
Issue of shares on exercise of options	30 April 2022	5,384	\$10.8300	58,309
Issue of shares on exercise of options	31 May 2022	769	\$10.8300	8,328
Issue of shares on exercise of options	31 May 2022	266	\$16.0000	4,256
Issue of shares on exercise of options	17 June 2022	257	\$10.8300	2,783
Issue of shares on exercise of options	21 June 2022	103	\$10.8300	1,115
Issue of shares on exercise of options	22 June 2022	356	\$16.0000	5,696
Transfer of value of options on exercise	30 June 2022	-	\$0.0000	197,702
Balance	30 June 2022	354,609		7,313,539
Share split on a 1-for-100 basis*	30 September 2022	35,106,291	\$0.0000	-
Shares issued on acquisition of business	12 October 2022	27,840,700	\$0.3250	9,048,227
Shares pending issue for acquisition of business**	12 October 2022	3,581,354	\$0.3250	1,163,940
Issue of shares on exercise of options	15 May 2023	26,700	\$0.1600	4,272
Issue of shares on exercise of options	31 May 2023	39,100	\$0.1600	6,256
Issue of shares on exercise of options	31 May 2023	5,100	\$0.1083	552
Issue of shares on exercise of options	31 May 2023	186,900	\$0.3200	59,808
Transfer of value of options on exercise	30 June 2023	-	\$0.0000	59,236
Balance	30 June 2023	<u>67,140,754</u>		<u>17,655,830</u>

\* Following shareholder approval, on 30 September 2022 the Company split the shares held on a 1-for-100 basis.

\*\* These shares were formally issued on 22 February 2023.

*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 21. Business combinations**

**Acquisition of CurveBeam LLC**

On 12 October 2022, CurveBeam AI Limited acquired 100% of the ordinary shares of CurveBeam LLC ('CurveBeam') for a total upfront consideration of \$10,212,167 settled by way of 31,422,054 shares, plus contingent consideration of \$8,431,924, comprising of additional shares.

CurveBeam researches, designs, and manufactures cone beam CT imaging systems for orthopaedic specialties, and since 2018 has been in an especially important two-way collaboration with the Company as the developer and manufacturer of the HR-pQCT platform to be paired with the SaaS platform. The merger is both a vertical and concentric merger that expands product and market access, global infrastructure, customer base, and installed global CT base for targeting expansion of the SaaS delivered AI solutions.

As at 30 June 2023, the consolidated entity has analysed whether all identifiable intangible assets have been recognised and vendor warranties and representations met, noting that the Company has until 12 October 2023 to finalise its merger accounting. Accordingly, the initial accounting for the acquisition of CurveBeam remains provisional, having regard to the size and complexity of the acquisition.

The acquired business contributed revenue of \$8,055,193 and a loss after tax of \$5,763,744 to the consolidated entity for the period from acquisition to 30 June 2023, and would have contributed revenue \$11,485,193 and a loss after tax of \$8,124,666 if the acquisition date had been the beginning of the annual reporting period. Goodwill is not deductible for tax purposes.

**CurveBeam AI Limited**  
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**Note 21. Business combinations (continued)**

Details of the acquisition are as follows:

The provisional fair values of the identifiable net assets acquired are detailed below:

	<b>Fair value</b> <b>\$</b>
Cash at bank	96,412
Trade and other receivables	2,228,487
Inventory	5,077,544
Other assets	245,152
Right-of-use assets	364,358
Plant and equipment	178,150
Brands	1,999,681
Intellectual property	16,780,418
Strategic distribution agreement	1,369,797
Permits	819,646
Trade and other payables	(5,832,602)
Deferred revenue	(6,228,896)
Lease liabilities	(457,686)
Warranty provision	(322,984)
Borrowings	(17,750,036)
Other financial liabilities	<u>(103,652)</u>
Net liabilities acquired	(1,536,211)
Goodwill	<u>20,180,303</u>
Acquisition-date fair value of the total consideration transferred	<u><u>18,644,092</u></u>
Representing:	
CurveBeam AI Limited shares issued to vendor	10,212,167
- Contingent Merger Consideration (b)	441,129
- Contingent Merger Consideration (c)	330,881
- Further Top up Merger Consideration (c)	<u>7,659,915</u>
	<u><u>18,644,092</u></u>

a) The fair value of shares issued on 12 October 2022 was estimated to be \$0.325, based on arm's length transactions on or about this date.

b) 1,357,321 shares have been deferred from issue, contingent on the finalisation of the audit for the 30 June 2024 financial year. It is highly likely these shares will be issued and so have been included in purchase consideration, valued at \$0.325 per share, and classified as a liability on the balance sheet.

c) Additional shares are to be issued upon conversion of convertible notes to ordinary shares. The exact amount to be converted is dependent on the number of convertible notes to be converted on IPO, at the date of acquisition the number of shares to be issued was estimated to be 24,587,063. This was valued at \$0.325 per share, and classified as a liability on the balance sheet.

Fair value adjustments for the contingent consideration detailed above was completed at 30 June 2023, refer to note 18 for further details.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

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**Note 22. Events after the reporting period**

On 23 August 2023, CurveBeam AI Limited ('CVB') will be admitted to the Official List of ASX Limited ('ASX'). Official quotation of CVB's ordinary fully paid shares due to commence at 11:00 AM AEST on 23 August 2023, following completion of its Initial Public Offer for \$25 million.

Immediately prior to the allotment of the IPO Offer Shares on 16 August 2023, 440,670 convertible notes and their accrued interest converted into 144,011,473 fully paid ordinary shares and 54,473,895 fully paid ordinary shares were issued to the former stockholders of CurveBeam LLC.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 23. Reconciliation of loss after income tax to net cash used in operating activities**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(52,048,595)	(8,544,646)
Adjustments for:		
Depreciation and amortisation	1,979,822	203,185
Non-cash finance expense	5,530,930	2,632,190
Share based payments expense	992,483	206,898
Foreign exchange differences	112,258	(224,956)
Net fair value loss on financial liabilities	28,294,668	-
Net fair value loss on financial assets	33,010	-
Gain on disposal of subsidiary	(90,517)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,335,852)	(875,103)
Increase in inventories	(3,858,215)	-
Increase in prepayments and other assets	(1,089,870)	(911,435)
Decrease in trade and other payables	(116,628)	(619,800)
Increase in employee benefits	58,264	21,994
Increase/(decrease) in other provisions	(135,848)	120,861
Net cash used in operating activities	<u>(21,674,090)</u>	<u>(7,990,812)</u>

**Note 24. Earnings per share**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of CurveBeam AI Limited	<u>(52,048,595)</u>	<u>(8,544,646)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>57,952,597</u>	<u>34,854,024</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>57,952,597</u>	<u>34,854,024</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(89.81)	(24.52)
Diluted earnings per share	(89.81)	(24.52)

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**Note 24. Earnings per share (continued)**

\*The weighted average number of ordinary shares for 30 June 2022 has been restated for the effect of the 1-for-100 share split completed in September 2022, in accordance with AASB 133 'Earnings per share'.

**Note 25. Share-based payments**

**Options**

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Options were granted to Key Management Personnel (KMP) and Non Executive Directors (NEDs) of CurveBeam AI Limited as part of the Company's Omnibus Incentive Plan as at 10 May 2023.

Set out below are summaries of options granted under the plan:

2023

Grant date	Expiry date*	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other**	Balance at the end of the year
26/04/2021	26/04/2027	\$0.3250	8,580	-	-	(8,580)	-
26/04/2021	25/04/2028	\$0.3250	2,860	-	-	(2,860)	-
26/04/2021	26/04/2029	\$0.3250	2,860	-	-	(2,860)	-
31/12/2020	31/12/2025	\$0.3250	10,790	-	-	(10,790)	-
15/04/2016	15/04/2023	\$0.1600	66	-	(3,300)	3,234	-
15/04/2016	15/04/2024	\$0.1600	34	-	-	3,366	3,400
15/04/2016	15/06/2023	\$0.1600	567	-	(26,700)	26,133	-
15/04/2016	15/06/2024	\$0.1600	568	-	-	56,232	56,800
15/04/2016	01/08/2023	\$0.1083	51	-	(5,100)	5,049	-
15/04/2016	21/06/2023	\$0.1600	358	-	(35,800)	35,442	-
15/04/2016	21/06/2024	\$0.1600	358	-	-	35,442	35,800
16/04/2017	07/06/2023	\$0.3200	1,836	-	(183,600)	181,764	-
16/04/2017	31/10/2024	\$0.3200	459	-	-	45,441	45,900
16/04/2017	02/07/2023	\$0.3200	33	-	(3,300)	3,267	-
02/07/2018	02/07/2024	\$0.3200	33	-	-	3,267	3,300
02/07/2018	02/07/2025	\$0.3200	34	-	-	3,366	3,400
10/05/2023	09/05/2029	\$0.5430	-	1,630,862	-	-	1,630,862
10/05/2023	09/05/2030	\$0.5430	-	1,630,862	-	-	1,630,862
10/05/2023	11/05/2029	\$0.5430	-	1,000,000	-	-	1,000,000
10/05/2023	09/05/2029	\$0.5430	-	1,223,147	-	-	1,223,147
10/05/2023	09/05/2030	\$0.5430	-	1,223,147	-	-	1,223,147
10/05/2023	11/05/2029	\$0.5430	-	2,058,824	-	-	2,058,824
10/05/2023	11/05/2029	\$0.5430	-	1,467,530	-	-	1,467,530
10/05/2023	11/05/2029	\$0.5430	-	120,000	-	-	120,000
10/05/2023	11/05/2029	\$0.5430	-	120,000	-	-	120,000
10/05/2023	11/05/2029	\$0.5430	-	120,000	-	-	120,000
			29,487	10,594,372	(257,800)	376,913	10,742,972

\* Exercise price shown inclusive of 1-for-100 share split complete in September 2022.

\*\* Other changes include impact of 1-for-100 share split complete in September 2022.

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**CurveBeam AI Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 25. Share-based payments (continued)**

2022

Grant date	Expiry date	Exercise price*	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/04/2021	26/04/2027	\$32.5000	8,580	-	-	-	8,580
26/04/2021	25/04/2028	\$32.5000	2,860	-	-	-	2,860
26/04/2021	26/04/2029	\$32.5000	2,860	-	-	-	2,860
31/12/2020	31/12/2025	\$32.5000	10,790	-	-	-	10,790
15/04/2016	15/04/2022	\$10.8300	3,614	-	(3,614)	-	-
15/04/2016	15/04/2022	\$10.8300	2,181	-	(2,078)	(103)	-
15/04/2016	15/04/2022	\$16.0000	66	-	(33)	(33)	-
15/06/2016	15/06/2021	\$10.8300	512	-	(512)	-	-
15/06/2016	15/06/2022	\$10.8300	514	-	(514)	-	-
15/06/2016	15/06/2022	\$16.0000	743	-	(266)	(477)	-
21/06/2016	21/06/2022	\$16.0000	356	-	(356)	-	-
21/06/2016	21/06/2021	\$10.8300	52	-	(52)	-	-
21/06/2016	01/08/2022	\$10.8300	51	-	(51)	-	-
15/04/2016	15/04/2023	\$16.0000	66	-	-	-	66
15/04/2016	15/04/2024	\$16.0000	34	-	-	-	34
15/04/2016	15/06/2023	\$16.0000	567	-	-	-	567
15/04/2016	15/06/2024	\$16.0000	568	-	-	-	568
15/04/2016	01/08/2023	\$10.8300	51	-	-	-	51
15/04/2016	21/06/2023	\$16.0000	358	-	-	-	358
15/04/2016	21/06/2024	\$16.0000	358	-	-	-	358
16/04/2017	07/06/2023	\$32.0000	1,836	-	-	-	1,836
16/04/2017	31/10/2024	\$32.0000	459	-	-	-	459
16/04/2017	02/07/2023	\$32.0000	33	-	-	-	33
02/07/2018	02/07/2024	\$32.0000	33	-	-	-	33
02/07/2018	02/07/2025	\$32.0000	34	-	-	-	34
			37,576	-	(7,476)	(613)	29,487

**Class A Shares**

On 12 October 2022, following from shareholder approval for its Long Term Incentive Plan, the Company issued 2,880,000 Class A shares to senior managers and employees of CurveBeam AI Limited, under a loan funded share plan. Class A shares have no rights to vote.

The loans to acquire the shares are to be repaid by the repayment dates set out in the loan agreement. If the loan is not repaid by the repayment date, the Company will have recourse only to the cash proceeds received by the employee from a disposal of the loan funded shares and the distribution or after-tax amount in respect of a cash dividend received by the employee in respect of the loan funded shares.

Set out below are summaries of loan funded A class shares granted during the period.

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Granted during the year	2,880,000	-
Cancelled/forfeited during the year	(414,000)	-
	<u>2,466,000</u>	<u>-</u>

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