

Pre-Quotation Disclosure

The following information is provided to ASX Limited (**ASX**) for release to the market in connection with the official quotation, on a normal settlement basis, of fully paid ordinary shares (**Shares**) of CurveBeam AI Limited (**Company**) (ASX:CVB).

Capitalised terms not defined in this document have the meaning given to them in the replacement prospectus lodged with the Australian Securities and Investments Commission on 28 July 2023 (**Prospectus**).

The Offer closed on 7 August 2023 and 52,083,333 Shares were issued under the Offer on 16 August 2023 at an issue price of A\$0.48 per Share. A total of A\$25 million has been raised under the Offer (before Offer costs).

1 Capital Structure

The Company confirms that in addition to the 52,083,333 Shares issued under the Offer:

- (a) 5,947,693 options were issued on 16 August 2023 (**Plan Options**) under the Company's New Incentive Plan dated 11 May 2023 (**Plan**);
- (b) 582,611 rights to receive Shares subject to the satisfaction of applicable conditions were issued on 16 August 2023 under the Plan (**Rights**); and
- (c) all principal and accrued interest on the Convertible Notes converted to 144,011,473 Shares on 16 August 2023; and
- (d) the Company has 12,400,763 Noteholder Options on issue.

Accordingly, as at 16 August 2023 (following completion of the Offer, the issue of the Plan Options and the Rights and the conversion of the Company's Convertible Notes), the capitalisation of the Company is as follows:

Shares	320,138,492
Plan Options	16,690,665
Rights	582,611
Noteholder Options	12,400,763

2 Securities subject to ASX escrow

The number of Company securities subject to ASX restrictions and the restriction period applied to those securities are set out below. Some of the securities listed below are also subject to the voluntary escrow described in section 3.

	Shares	Share rights	Plan options	Noteholder options	Options total
Securities escrowed until:					
31 October 2023	8,433,924	-	-	4,685,495	4,685,495
10 November 2023	11,447,794	-	-	-	-
7 February 2024	2,619,821	-	-	1,455,452	1,455,452
21 February 2024	3,544,391	-	-	-	-
23 February 2024	9,669,464	-	-	5,371,923	5,371,923
5 June 2024	84,049	-	-	-	-
15 August 2024	33,481,162	-	-	-	-
24 months from date of quotation	67,993,892	43,750	10,305,839	887,893	11,193,732
Total subject to ASX escrow	137,274,497	43,750	10,305,839	12,400,763	22,706,602

3 Securities subject to voluntary escrow

The number of Company securities subject to voluntary escrow restrictions and the restriction period applied to those securities are set out below. Some of the securities below are also subject to the ASX restrictions described above in section 2.

	Shares	Share rights	Plan options	Noteholder options	Options total
Securities escrowed until:					
9 months from date of quotation	58,971,104	-	-	3,720,234	3,720,234
12 months from date of quotation	1,449,723	-	-	49,603	49,603
24 months from date of quotation	77,735,560	43,750	13,708,075	925,095	14,633,170
Total subject to voluntary escrow	138,156,387	43,750	13,708,075	4,694,932	18,403,007

4 Listing Rule Waivers

4.1 Listing Rule 1.1, Condition 12

ASX has granted the Company a waiver from Listing Rule 1.1, Condition 12 to the extent necessary to permit the Company to have:

- (a) 189,750 options issued under an employee option plan to employees, directors and consultants with an exercise price of less than A\$0.20 per Share (**Employee Options**) on issue at the time that the Company is admitted to the Official List of the ASX, on condition that the terms and conditions of the Employee Options are clearly disclosed in the Company's Replacement Prospectus; and
- (b) 582,611 Rights issued under an employee option plan to employees and a director with an exercise price of less than A\$0.20 per Share on issue at the time that the Company is admitted to the Official List of the ASX, on condition that the terms and conditions of the Rights are clearly disclosed in the Company's Replacement Prospectus.

4.2 *Listing Rule 6.16*

ASX has granted the Company a waiver from Listing Rule 6.16 to the extent necessary to permit the Company to have 96,000 options on issue under an employee option plan that do not comply with Listing Rule 6.16 on condition that:

- (a) the full terms of the 2016 employee option plan (**ESOP**) are released to the market as pre-quotations disclosure; and
- (b) the Company undertakes to not issue any further securities under the ESOP which do not comply with Listing Rule 6.16.

4.3 *Listing Rule 6.21*

ASX has granted the Company a waiver from Listing Rule 6.21 to the extent necessary to permit the Company to have 96,000 options on issue under an employee option plan to employees, directors and consultants that do not comply with Listing Rule 6.21 on condition that:

- (a) the full terms of the ESOP are released to the market as pre-quotations disclosure; and
- (b) the Company undertakes to not issue any further securities under the ESOP which do not comply with Listing Rule 6.21.

4.4 *Listing Rule 6.22*

ASX has granted the Company a waiver from Listing Rule 6.22 to the extent necessary to permit the Company to have 96,000 options on issue under an employee option plan to employees, directors and consultants that do not comply with Listing Rule 6.22 on condition that:

- (a) the full terms of the ESOP are released to the market as pre-quotations disclosure; and
- (b) the Company undertakes to not issue any further securities under the ESOP which do not comply with Listing Rule 6.22.

5 Use of proceeds schedule

Copied below is an updated use of proceeds schedule, which should be read as replacing the use of proceeds schedule set out at sections 1.9 and 8.2 of the Replacement Prospectus.

CurveBeam AI Limited		As per replacement prospectus dated 28 July 2023		Inclusive of cash on hand prior to receipt of Offer funds	
Sources		(A\$'000)	Uses	(A\$'000)	Uses
Cash proceeds received from issue of New Shares by the Company Under the Offer		25,000	100%	25,000	85%
Cash on hand prior to receipt of Offer funds		-		4,240	15%
Total		25,000		29,240	*
Use of proceeds		(A\$'000)	% of funds raised	(A\$'000)	% of funds raised
Sales and marketing		11,332	45%	13,165	45%
New product development and R&D		4,103	16%	4,203	14%
Intellectual property costs		1,947	8%	1,947	7%
Costs of the Offer		3,269	13%	3,469	12%
Other working capital		4,349	17%	6,456	22%
Total		25,000		29,240	

* The replacement prospectus dated 28 July 2023 disclosed a pro-forma cash balance of \$40,002,000 on the balance sheet at table 5.12.
This figure includes the Offer proceeds of \$25,000,000 and 2022 Convertible Note Tranche 2 proceeds of \$14,109,000, among other adjustments detailed at table 5.14.
However it does not include the operational expenditure between December 2022 to August 2023, amounting to around \$10,762,000.
Inclusive of this figure the cash balance amounts to \$29,240,000, as disclosed above.

For more information, please contact:

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