



**CurveBeam AI Limited**

**ABN 32 140 706 618**

## **Appendix 4D**

### **Interim Financial Statements**

*for the half-year ending 31 December 2024*

**CurveBeam AI Limited**  
**Corporate directory**  
**31 December 2024**

Directors	Rob Lilley (Non-Executive Chair) Greg Brown (Chief Executive Officer and Managing Director) Arun Singh (COO, CTO-CT, President US & Europe Operations and Executive Director) Kate Robb (Non-Executive Director) Hashan De Silva (Non-Executive Director)
Chief Financial Officer & Company Secretary	Ura Auckland (Chief Financial Officer and Company Secretary)
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)	Faegre Drinker Biddle & Reath LLP One Logan Square, Ste 2000 Philadelphia, PA 19103 USA Phone: +1 215 988 2700
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>

**CurveBeam AI Limited**  
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**31 December 2024**

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## 1. Company details

Name of entity: CurveBeam AI Limited  
ABN: 32 140 706 618  
Reporting period: For the half-year ended 31 December 2024  
Previous period: For the half-year ended 31 December 2023

## 2. Results for announcement to the market

	December 2024 \$	December 2023 \$	Change \$	Change %
Revenues from ordinary activities	4,906,369	3,528,135	1,378,234	up 39%
(Loss)/profit from ordinary activities after tax attributable to the owners of CurveBeam AI Limited	(10,519,341)	(14,166,289)	3,646,948	down 26%
(Loss)/profit for the half-year attributable to the owners of CurveBeam AI Limited	(10,519,341)	(14,166,289)	3,646,948	down 26%

### Dividends

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

### Comments

The loss for the Group after providing for income tax amounted to \$10,519,341 (31 December 2023: \$14,166,289).

Refer to the Directors Report for a review of operations during the period.

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.76</u>	<u>(0.05)</u>

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 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.

## 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 financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The review report includes a paragraph in respect of material uncertainty over the ability to continue as a going concern.

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## 11. Attachments

*Details of attachments (if any):*

The Interim Report of CurveBeam AI Limited for the half-year ended 31 December 2024 is attached.

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## 12. Signed

Signed  \_\_\_\_\_

Date: 28 February 2025

Greg Brown  
Chief Executive Officer and Managing Director

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of CurveBeam AI Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

### **Directors**

The following persons were directors of CurveBeam AI Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

<b>Names</b>	<b>Position</b>
Rob Lilley	Non-Executive Chair
Greg Brown	Chief Executive Officer and Managing Director
Arun Singh	COO, CTO-CT and President (US & Europe Division); Executive Director
Kate Robb	Non-Executive Director
Hashan De Silva	Non-Executive Director

The Nomination and Remuneration Committee is made up of Hashan De Silva (Committee Chair), Kate Robb, and Rob Lilley, and the Audit and Risk Committee is comprised of Kate Robb (Committee Chair), Hashan De Silva, and Rob Lilley.

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

### **Principal activities**

The principal activities of the Group was the fully integrated development and manufacture of point-of-care specialised weight bearing medical imaging (CT) equipment, supported by a targeted range of AI enabled SaaS-based clinical assessment solutions.

### **Review of operations**

#### *December 2024 half-year results*

The revenue for the half year ending 31 December 2024 amounted to \$4.91 million (December 2023: \$3.53 million), being an increase of \$1.38 million.

The consolidated loss for the Group amounted to \$10.52 million (December 2023: \$14.17 million), being a decrease of \$3.65 million, primarily attributable to the following:

- Increase in gross margin of \$0.45 million, made up of an increase in revenue of \$1.38 million, offset by a cost of goods sold increasing \$0.93 million.
- Decrease in consulting and professional fees of \$0.95 million, and finance expenses of \$0.97 million, primarily as the comparative period included one-off costs related to the IPO and associated conversion of convertible notes.
- Decrease in human resource expenses (excluding share based payments) of \$0.84 million, primarily due to one-off prior period expenses to normalise US operation post acquisition, along with decrease in headcount in current period. This is partially offset by share based payment expenses increasing by \$0.24 million, due to additional share based compensation issues in the current period.

### **Significant changes in the state of affairs**

On 1 August 2024, the Group announced a Placement and Accelerated Non-Renounceable Entitlement Offer ("ANREO"), which raised a total of \$11.58 million, before costs of raising.

The Institutional Placement and Institutional Entitlement Offer portion of the ANREO raised \$9.94 million, of which \$7.94 million was received on 13 August 2024 by way of issue of 44,119,954 fully paid ordinary shares at \$0.18 each, and \$2 million was received on 30 October 2024 by way of issue of 11,111,111 fully paid ordinary shares at \$0.18 each.

The \$2 million relates to funds from a related entity of Hashan De Silva, a non-executive director of the company, and was subject to shareholder approval, received at the EGM on 3 October 2024.

The remaining \$1.64 million was the Retail Entitlement Offer portion of the ANREO, which closed on 22 August 2024, resulting in the issue of 9,126,773 shares on 28 August 2024.

On 16 October 2024 the Company issued 2,310,789 ordinary shares in settlement of the Contingent Merger Consideration related to the acquisition of CurveBeam LLC in October 2022.

In December 2024 the Company issued the following securities:

- 802,784 ordinary shares were issued on conversion of share rights.
- 2,191,358 shares as settlement of employee entitlements.
- 1,216,490 share rights were issued as STIs following performance reviews for KMP and senior leaders for FY2024, as well as FY2025 share based remuneration for the Non-Executive Chair. 767,016 ZEPO were also issued as FY2025 share based remuneration for Non-Executive Directors.
- 6,729,943 PPO were issued as LTI for KMP and senior leaders for FY2025.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2024 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.

**Auditor's independence declaration**

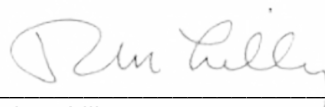
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Greg Brown  
Chief Executive Officer and Managing Director



Robert Lilley  
Non-Executive Chair

28 February 2025



## Auditor's Independence Declaration

As lead auditor for the review of CurveBeam AI Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of CurveBeam AI Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'S.P. A'.

Jon Roberts  
Partner  
PricewaterhouseCoopers

Melbourne  
28 February 2025

**CurveBeam AI Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**

		Consolidated December 2024 \$	December 2023 \$
	Note		
<b>Revenue</b>			
Revenue	4	4,906,369	3,528,135
Cost of sales	5	<u>(2,724,490)</u>	<u>(1,792,259)</u>
Gross profit		<u>2,181,879</u>	<u>1,735,876</u>
Other income and expenses	6	822,392	630,627
<b>Expenses</b>			
Human resource expenses	7	8,090,843	8,691,257
Consultant and professional expenses	8	1,100,164	2,054,682
Administrative, insurance and information technology expenses	9	727,364	810,285
Marketing expenses		620,151	782,401
Research and development external expenditure		238,504	479,735
Travel and entertainment expenses		513,091	468,067
Occupancy costs		97,655	85,787
Product and market registration expenses		97,309	78,059
IP costs		229,900	223,514
Finance expenses	10	362,989	1,331,984
Depreciation and amortisation expense	11	1,500,359	1,378,892
Fair value of contingent consideration	19	(54,717)	5,979
Fair value of embedded derivatives		-	142,150
<b>Total expenses</b>		<u>13,523,612</u>	<u>16,532,792</u>
<b>Loss before income tax expense</b>		(10,519,341)	(14,166,289)
Income tax expense		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the half-year attributable to the owners of CurveBeam AI Limited</b>		(10,519,341)	(14,166,289)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(228,315)</u>	<u>27,684</u>
Other comprehensive income for the half-year, net of tax		<u>(228,315)</u>	<u>27,684</u>
<b>Total comprehensive income for the half-year attributable to the owners of CurveBeam AI Limited</b>		<u>(10,747,656)</u>	<u>(14,138,605)</u>
		Cents	Cents
Basic earnings per share	23	(2.90)	(5.63)
Diluted earnings per share	23	(2.90)	(5.63)

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

**CurveBeam AI Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2024**

		<b>Consolidated</b>	
	<b>Note</b>	<b>December</b>	<b>June 2024</b>
		<b>2024</b>	<b>\$</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		8,847,899	6,448,450
Trade and other receivables	12	1,830,898	3,904,182
Inventories	13	13,277,698	10,761,317
Other assets		2,441,572	2,247,592
Total current assets		<u>26,398,067</u>	<u>23,361,541</u>
<b>Non-current assets</b>			
Trade and other receivables	12	1,228,255	-
Property, plant and equipment	14	1,289,453	750,605
Right-of-use assets		582,541	723,152
Intangible assets	15	37,183,819	38,342,146
Other assets		25,075	151,740
Total non-current assets		<u>40,309,143</u>	<u>39,967,643</u>
<b>Total assets</b>		<u>66,707,210</u>	<u>63,329,184</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	3,701,360	3,147,688
Borrowings	17	714,065	1,095,802
Lease liabilities - office premises		241,626	279,982
Provisions		887,773	910,557
Contract liabilities	18	3,283,721	2,351,987
Contingent consideration	19	-	380,201
Total current liabilities		<u>8,828,545</u>	<u>8,166,217</u>
<b>Non-current liabilities</b>			
Contract liabilities	18	1,767,401	1,636,768
Borrowings	17	14,807,805	13,992,639
Lease liabilities - office premises		456,228	564,909
Provisions		63,775	49,042
Total non-current liabilities		<u>17,095,209</u>	<u>16,243,358</u>
<b>Total liabilities</b>		<u>25,923,754</u>	<u>24,409,575</u>
<b>Net assets</b>		<u>40,783,456</u>	<u>38,919,609</u>
<b>Equity</b>			
Issued capital	20	136,609,248	125,096,896
Share-based payment reserves		4,872,037	3,784,327
Embedded derivative reserve		1,224,952	1,224,952
Foreign currency translation reserve		973,925	1,202,240
Accumulated losses		<u>(102,896,706)</u>	<u>(92,388,806)</u>
<b>Total equity</b>		<u>40,783,456</u>	<u>38,919,609</u>

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

**CurveBeam AI Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2024**

	Issued capital \$	Share based payments reserves \$	Embedded derivative reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
<b>Consolidated</b>						
Balance at 1 July 2023	17,358,996	1,280,110	1,224,952	1,349,276	(69,313,599)	(48,100,265)
Loss after income tax expense for the half-year	-	-	-	-	(14,166,289)	(14,166,289)
Other comprehensive income for the half-year, net of tax	-	-	-	27,684	-	27,684
Total comprehensive income for the half-year	-	-	-	27,684	(14,166,289)	(14,138,605)
<i>Transactions with owners in their capacity as owners:</i>						
Share based payment transactions (note 24)	-	1,383,864	-	-	-	1,383,864
Shares issued on acquisition of business	26,178,281	-	-	-	-	26,178,281
Shares issued on conversion of convertible notes into ordinary shares (note 20)	58,241,659	-	-	-	-	58,241,659
Shares issued on initial public offer (note 20)	25,000,000	-	-	-	-	25,000,000
Cost of capital raising incurred during the year (note 20)	(1,638,786)	-	-	-	-	(1,638,786)
Balance at 31 December 2023	<u>125,140,150</u>	<u>2,663,974</u>	<u>1,224,952</u>	<u>1,376,960</u>	<u>(83,479,888)</u>	<u>46,926,148</u>
	Issued capital \$	Share based payments reserves \$	Embedded derivative reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
<b>Consolidated</b>						
Balance at 1 July 2024	125,096,896	3,784,327	1,224,952	1,202,240	(92,388,806)	38,919,609
Loss after income tax expense for the half-year	-	-	-	-	(10,519,341)	(10,519,341)
Other comprehensive income for the half-year, net of tax	-	-	-	(228,315)	-	(228,315)
Total comprehensive income for the half-year	-	-	-	(228,315)	(10,519,341)	(10,747,656)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity(note 20)	11,584,413	-	-	-	-	11,584,413
Share-based payments (note 24)	544,749	1,099,151	-	-	-	1,643,900
Shares issued on acquisition of business (note 19)	323,510	-	-	-	-	323,510
Transfer of expired options to accumulated losses	-	(11,441)	-	-	11,441	-
Cost of capital raising incurred during the year (note 20)	(940,320)	-	-	-	-	(940,320)
Balance at 31 December 2024	<u>136,609,248</u>	<u>4,872,037</u>	<u>1,224,952</u>	<u>973,925</u>	<u>(102,896,706)</u>	<u>40,783,456</u>

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

**CurveBeam AI Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2024**

		Consolidated	
	Note	December 2024 \$	December 2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		4,996,801	2,947,152
Receipts for R&D tax offset		1,832,713	1,574,252
Interest received		130,430	203,109
Interest paid		(83,976)	(44,527)
Payments to suppliers and employees (inclusive of GST)		<u>(14,353,195)</u>	<u>(17,355,347)</u>
Net cash used in operating activities		<u>(7,477,227)</u>	<u>(12,675,361)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	14	(20,458)	(81,707)
Payment for intangible asset	15	(11,612)	-
Payments for deposit to acquire intangible asset		(158,686)	-
Receipts for security deposits		<u>128,206</u>	<u>-</u>
Net cash used in investing activities		<u>(62,550)</u>	<u>(81,707)</u>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of convertible notes (net of transactions costs)		-	(17,752)
Proceeds from R&D and insurance premium funding loan		79,037	696,289
Proceeds from capital raise		11,584,413	25,000,000
Costs of capital raising (capitalised to equity)		(898,398)	(1,806,685)
Payment of lease liabilities		(178,972)	(176,001)
Repayments of R&D and insurance premium funding loans		<u>(827,970)</u>	<u>(696,289)</u>
Net cash from financing activities		<u>9,758,110</u>	<u>22,999,562</u>
Net increase in cash and cash equivalents		2,218,333	10,242,494
Cash and cash equivalents at the beginning of the financial half-year		6,448,450	5,157,621
Effects of exchange rate changes on cash and cash equivalents		<u>181,116</u>	<u>(442,340)</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>8,847,899</u></u>	<u><u>14,957,775</u></u>

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

## 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 half-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:

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

## Principal activities

The principal activities of the Group was the fully integrated development and manufacture of point-of-care specialised weight bearing medical imaging (CT) equipment, supported by a targeted range of AI enabled SaaS-based clinical assessment solutions.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2025.

## Note 2. Material accounting policy information

These condensed consolidated interim financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These condensed consolidated interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

## New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## 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.

For the six months ending 31 December 2024, the Group recorded revenue of \$4,906,369 (December 2023: \$3,528,135), a net loss before tax of \$10,519,341 (December 2023: \$14,166,289), and cash outflows from operations of \$7,477,227 (December 2023: \$12,675,361).

The Group had net assets of \$40,783,456 as at 31 December 2024 (June 2024: net assets of \$38,919,609).

The Group continues to validate the enhanced HiRise for use with a major robotic aided surgical system in knee and hip surgery is targeted for completion in Q3 FY25. The validation of the enhanced HiRise is anticipated to help overcome a major hurdle that has hindered HiRise device placements in FY24, and in the six months ending 31 December 2024.

## Note 2. Material accounting policy information (continued)

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:

- being able to complete validation of the enhanced HiRise in Q3 FY25, leading to targeted increase in revenue, primarily driven by enhanced HiRise placements (which received FDA clearance in July 2024) through near-term market opportunities through our US distributor and growing international customer base, along with restrained and ongoing management of costs;
- the Group obtaining additional equity or debt funding to meet working capital needs; or
- the long-term successful commercial development of the intangible assets of the Group. In the mid-term the Group will balance generating increased margins from revenue growth with strategic investments.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors believe that the Group will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

## Note 3. Operating segments

### Identification of reportable operating segments

The Group has one operating segment, being the research, design, manufacture and sale of cone beam CT imaging equipment for orthopaedic specialties, which includes the development, validation and preparation for commercialisation of a HRpQCT Medical Device and Software as a Service (SaaS) platform.

However it operates across three geographical regions, being the United States, Europe and Australia. These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (who is identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

### Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

### Geographical information

	Sales to external customers		Geographical non-current assets	
	December 2024	December 2023	December 2024	June 2024
	\$	\$	\$	\$
United States of America	2,061,928	3,065,488	39,516,560	38,881,617
Australia	15,000	-	740,066	60,992
Europe	2,829,441	462,647	52,517	1,025,034
	<u>4,906,369</u>	<u>3,528,135</u>	<u>40,309,143</u>	<u>39,967,643</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

**Note 4. Revenue**

	Consolidated December 2024 \$	Consolidated December 2023 \$
Sales of devices	3,859,932	2,764,189
Warranty service	837,849	653,972
Other operating revenue	208,588	109,974
	<u>4,906,369</u>	<u>3,528,135</u>

**Timing of revenue recognition**

	Consolidated December 2024 \$	Consolidated December 2023 \$
Revenue at a point in time	4,068,520	2,874,163
Revenue over time	837,849	653,972
	<u>4,906,369</u>	<u>3,528,135</u>

**Note 5. Cost of sales**

	Consolidated December 2024 \$	Consolidated December 2023 \$
Direct material costs	1,848,084	1,355,148
Other direct costs	131,235	62,260
Indirect warranty costs	121,717	290,809
Freight costs	181,902	84,042
Direct warranty costs	441,552	-
	<u>2,724,490</u>	<u>1,792,259</u>

**Note 6. Other income and expenses**

	Consolidated December 2024 \$	Consolidated December 2023 \$
Research and development tax incentives	871,385	872,872
Interest income	130,574	203,109
Realised foreign currency gains/(losses)	(4,305)	(11,438)
Unrealised foreign currency gains/(losses)	57,640	(267,376)
Doubtful debt expense	(232,902)	(166,540)
	<u>822,392</u>	<u>630,627</u>

**Note 7. Human resource expenses**

	Consolidated December 2024 \$	Consolidated December 2023 \$
Human resource remuneration	5,494,230	6,410,242
Human resource on-costs	953,058	880,569
Share-based payments	1,643,555	1,400,446
	<u>8,090,843</u>	<u>8,691,257</u>

**Note 8. Consultant and professional expenses**

	Consolidated December 2024 \$	Consolidated December 2023 \$
Consulting and contracting	482,629	711,343
Professional fees	617,535	1,343,339
	<u>1,100,164</u>	<u>2,054,682</u>

Consultant and professional fees in December 2023 figure above includes \$497,111 of fees incurred in relation to the IPO on the ASX completed during the period.

**Note 9. Administrative, insurance and information technology expenses**

	Consolidated December 2024 \$	Consolidated December 2023 \$
Administrative expenses	123,303	297,453
Information technologies and systems	396,195	328,723
Insurance expense	207,866	184,109
	<u>727,364</u>	<u>810,285</u>

**Note 10. Finance expenses**

	Consolidated December 2024 \$	Consolidated December 2023 \$
Interest on convertible notes	-	847,804
Amortisation of capital raising costs	-	127,341
Other finance charges	93,211	99,797
Interest on long-term borrowings	269,778	257,042
	<u>362,989</u>	<u>1,331,984</u>

**Note 11. Depreciation and amortisation expense**

	Consolidated December 2024 \$	December 2023 \$
Depreciation on right-of-use assets	144,878	145,709
Depreciation on property, plant and equipment	141,450	46,037
Depreciation on operating lease assets	10,574	-
Amortisation of acquired intangible assets	1,057,095	1,039,860
Amortisation of patents	146,362	147,286
	<u>1,500,359</u>	<u>1,378,892</u>

**Note 12. Trade and other receivables**

	Consolidated December 2024 \$	June 2024 \$
<i>Current assets</i>		
Trade receivables	732,544	2,038,440
Finance lease receivable	216,930	-
Less: Loss allowance	(110,157)	(195,834)
	<u>839,317</u>	<u>1,842,606</u>
Research and development tax incentive receivable	810,461	1,771,788
GST receivable	181,120	289,788
	<u>991,581</u>	<u>2,061,576</u>
	<u>1,830,898</u>	<u>3,904,182</u>
<i>Non-current assets</i>		
Finance lease receivable	1,228,255	-
	<u>3,059,153</u>	<u>3,904,182</u>

**Note 13. Inventories**

	Consolidated December 2024 \$	June 2024 \$
<i>Current assets</i>		
Raw materials - at cost	11,336,145	8,295,138
Work in progress - at cost	54,239	6,114
Finished goods - at cost	1,800,039	2,315,178
Spare parts and consumables	87,275	144,887
	<u>13,277,698</u>	<u>10,761,317</u>

**Note 14. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>December 2024</b>	<b>June 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Leasehold improvements - at cost	9,870	9,870
Less: Accumulated depreciation	(3,784)	(2,797)
	<u>6,086</u>	<u>7,073</u>
Tooling - at cost	1,061,211	976,806
Less: Accumulated depreciation	(1,019,970)	(947,404)
	<u>41,241</u>	<u>29,402</u>
Computer equipment - at cost	317,230	288,287
Less: Accumulated depreciation	(290,393)	(272,036)
	<u>26,837</u>	<u>16,251</u>
Furniture, fixtures and fittings - at cost	161,701	156,313
Less: Accumulated depreciation	(134,725)	(124,963)
	<u>26,976</u>	<u>31,350</u>
R&D Equipment - at cost	672,919	632,100
Less: Accumulated depreciation	(134,790)	(70,979)
	<u>538,129</u>	<u>561,121</u>
Marketing Fixed Asset - at cost	474,811	116,705
Less: Accumulated depreciation	(77,744)	(11,297)
	<u>397,067</u>	<u>105,408</u>
Operating Lease Asset- at cost	264,217	-
Less: Accumulated depreciation	(11,100)	-
	<u>253,117</u>	<u>-</u>
	<u><u>1,289,453</u></u>	<u><u>750,605</u></u>

*Reconciliations*

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

	Computer equipment	R&D equipment	Furniture, fixtures and fittings	Tools	Leasehold Improvements	Operating Lease Asset	Marketing fixed asset	Total
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2024	16,251	561,121	31,350	29,402	7,073	-	105,408	750,605
Additions	-	-	-	20,458	-	-	-	20,458
Reclassified from inventory	18,816	-	-	-	-	264,217	350,466	633,499
Exchange differences	355	33,018	-	1,287	-	(672)	2,927	36,915
Depreciation expense	(8,585)	(56,010)	(4,374)	(9,906)	(987)	(10,428)	(61,734)	(152,024)
Balance at 31 December 2024	<u>26,837</u>	<u>538,129</u>	<u>26,976</u>	<u>41,241</u>	<u>6,086</u>	<u>253,117</u>	<u>397,067</u>	<u>1,289,453</u>

**Note 15. Intangible assets**

	<b>Consolidated</b>	
	<b>December</b>	<b>June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Goodwill - at cost	20,180,303	20,180,303
Patents – Strax Fam's 1 to 5 - at cost	780,069	780,069
Less: Accumulated amortisation	(770,965)	(742,806)
	9,104	37,263
Patents – AI - at cost	529,486	510,531
Less: Accumulated amortisation	(327,321)	(276,604)
	202,165	233,927
Brand - at cost	1,999,681	1,999,681
Less: Accumulated amortisation	(443,765)	(342,959)
	1,555,916	1,656,722
Intellectual Property - at cost	16,780,418	16,780,418
Less: Accumulated amortisation	(3,723,874)	(2,877,957)
	13,056,544	13,902,461
Strategic Distribution Agreement - at cost	1,369,797	1,369,797
Less: Accumulated amortisation	(303,982)	(234,930)
	1,065,815	1,134,867
Permits - at cost	819,646	819,646
Less: Accumulated amortisation	(181,894)	(140,575)
	637,752	679,071
Marketing and Distribution Rights - Cost	751,927	705,726
Less: Accumulated amortisation	(275,707)	(188,194)
	476,220	517,532
	<u>37,183,819</u>	<u>38,342,146</u>

**Note 15. Intangible assets (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial half-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 2023	409,932	1,856,690	15,580,503	1,271,847	761,036	658,081	20,180,303	40,718,392
Additions	12,530	-	-	-	-	-	-	12,530
Exchange differences	58	-	-	-	-	2,051	-	2,109
Amortisation expense	(151,330)	(199,968)	(1,678,042)	(136,980)	(81,965)	(142,600)	-	(2,390,885)
Balance at 1 July 2024	271,190	1,656,722	13,902,461	1,134,867	679,071	517,532	20,180,303	38,342,146
Additions	11,612	-	-	-	-	-	-	11,612
Amortisation expense	(75,665)	(100,806)	(845,917)	(69,052)	(41,319)	(70,698)	-	(1,203,457)
Exchange differences	4,132	-	-	-	-	29,386	-	33,518
Balance at 31 December 2024	<u>211,269</u>	<u>1,555,916</u>	<u>13,056,544</u>	<u>1,065,815</u>	<u>637,752</u>	<u>476,220</u>	<u>20,180,303</u>	<u>37,183,819</u>

**Impairment test for goodwill**

Goodwill has been allocated to the group CGU segment for impairment testing.

Goodwill and indefinite life intangible assets, being intellectual property, were acquired as part of the acquisition of CurveBeam LLC on 12 October 2022.

The Directors have identified no impairment indicators for the half year ending 31 December 2024 and note the following factors in their assessment:

- There have been no significant detrimental changes in the technology, regulatory environment or economies in which the Group operates;
- The CT imaging market remains strong and a large number of prospective customers remain viable targets;
- There have no obsolescence, restructuring or other internal indicators of impairment.

**Note 16. Trade and other payables**

	<b>Consolidated</b>	
	<b>December</b>	<b>June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	932,090	1,929,947
Sales tax payable	308,225	374,609
Accruals	1,951,509	647,075
Payroll and related liabilities	509,536	196,057
	<u>3,701,360</u>	<u>3,147,688</u>

**Note 17. Borrowings**

	<b>Consolidated</b>	
	<b>December</b>	<b>June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Loan from related parties	658,799	254,378
Loan for insurance premium funding	55,266	-
Loan against R&D tax incentive(a)	-	841,424
	<u>714,065</u>	<u>1,095,802</u>
<i>Non-current liabilities</i>		
Loan from related parties	14,807,805	13,992,639
	<u>15,521,870</u>	<u>15,088,441</u>

As at 31 December 2024, CurveBeam LLC, a subsidiary of the Group, had a USD denominated loan payable to Arun Singh, the COO of the Group, amounting to \$15,466,604.

The loan is not secured over any assets or property of the subsidiary. It is repayable by the subsidiary on a quarterly basis, subject to quarterly sales exceeding \$2,500,000 USD, 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 18. Contract liabilities**

	<b>Consolidated</b>	
	<b>December</b>	<b>June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Customer deposits	1,687,423	1,048,685
Extended warranty	1,596,298	1,303,302
	<u>3,283,721</u>	<u>2,351,987</u>
<i>Non-current liabilities</i>		
Extended warranty	1,767,401	1,636,768
	<u>5,051,122</u>	<u>3,988,755</u>

**Note 18. Contract liabilities (continued)**

	Customer deposits	Extended warranty	Total
Opening balance - 1 July 2023	1,018,908	3,012,290	4,031,198
Release of revenue recognised in period	(5,170,977)	(1,355,919)	(6,526,896)
Additional deposits received and invoices raised in period	5,181,609	1,278,679	6,460,288
Effects of FX	19,145	5,020	24,165
Closing balance - 30 June 2024	<u>1,048,685</u>	<u>2,940,070</u>	<u>3,988,755</u>
Release of revenue recognised in period	(4,068,517)	(837,849)	(4,906,366)
Additional deposits received and invoices raised in period	4,723,805	1,148,916	5,872,721
Effects of FX	(16,550)	112,562	96,012
Closing balance - 31 December 2024	<u><u>1,687,423</u></u>	<u><u>3,363,699</u></u>	<u><u>5,051,122</u></u>

**Note 19. Contingent consideration**

	December 2024 \$	June 2024 \$
Contingent consideration		
Opening balance	380,201	27,122,117
Conversion to equity (note 20)	(323,510)	(26,178,281)
Fair value adjustments	(54,717)	(563,421)
FX changes	(1,974)	(214)
Closing balance	<u><u>-</u></u>	<u><u>380,201</u></u>

Under AASB 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.

**Note 20. Issued capital**

	December 2024 Shares	June 2024 Shares	Consolidated December 2024 \$	June 2024 \$
Ordinary shares	387,436,416	317,773,647	139,528,442	127,075,770
Cost of capital raising	-	-	(2,919,194)	(1,978,874)
	<u><u>387,436,416</u></u>	<u><u>317,773,647</u></u>	<u><u>136,609,248</u></u>	<u><u>125,096,896</u></u>

## Note 20. Issued capital (continued)

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	67,140,754		17,655,830
Conversion of 2021 convertible notes into ordinary shares*	16 August 2023	67,310,092	\$0.4281	28,818,035
Conversion of 2022 convertible notes into ordinary shares*	16 August 2023	76,701,382	\$0.3836	29,423,624
Issue of shares on acquisition of business	16 August 2023	54,538,086	\$0.4800	26,178,281
Issue of shares on initial public offer	23 August 2023	52,083,333	\$0.4800	25,000,000
Balance	30 June 2024	317,773,647		127,075,770
Issue of shares on completion of capital raise	13 August 2024	44,119,954	\$0.1800	7,941,592
Issue of shares on completion of capital raise	28 August 2024	9,126,773	\$0.1800	1,642,821
Issue of shares on acquisition of business**	16 October 2024	2,310,789	\$0.1400	323,510
Issue of shares on completion of capital raise***	30 October 2024	11,111,111	\$0.1800	2,000,000
Issue of shares on vesting of share rights	13 December 2024	802,784	\$0.0000	-
Issue of shares as settlement of wages and services	13 December 2024	1,455,979	\$0.1300	189,277
Issue of shares as settlement of wages and services	14 December 2024	735,379	\$0.1400	102,953
Transfer of value of share rights to issued capital	14 December 2024	-	\$0.0000	252,519
Balance^	31 December 2024	387,436,416		139,528,442

\* The value of the 2021 and 2022 Convertible Notes transferred to equity includes the embedded derivative component of convertible notes. The actual issue price on IPO was \$0.312 and \$0.336, for the 2021 and 2022 Convertible Notes, respectively. The share price noted above reflects the effective share price used for accounting purposes.

\*\* Relates to the acquisition of CurveBeam LLC, completed in 12 October 2022, refer to note 19 for details.

\*\*\* Relates to the second tranche of the Placement announced on 1 August 2024, issued in October 2024 following shareholder approval

^ The closing balance of shares on hand as per the ASX of 389,798,542 also includes 2,466,000 of loan funded shares, which are recorded by the Group for accounting purposes under the share based payment reserve, until the vesting conditions of the shares are met. The ASX figure also does not include 103,874 shares issued for acquisition of CurveBeam LLC, but pending registration with the shareholder.

### 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.

### Share buy-back

There is no current on-market share buy-back.

## Note 21. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 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 22. Non-cash investing and financing activities

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

**Note 22. Non-cash investing and financing activities (continued)**

	Consolidated					
	December 2024	December 2023				
	\$	\$				
Cash and cash equivalents	8,847,899	14,957,775				
Borrowings (note 17)	(15,521,870)	(13,543,187)				
Lease liabilities	(697,854)	(984,060)				
	<u>(7,371,825)</u>	<u>430,528</u>				
	Liabilities from financing activities			Other assets		
	Borrowings	Leases	Other financial liabilities	Sub-total	Cash at bank	Total
	\$	\$	\$	\$	\$	\$
<b>31 December 2023</b>						
Net debt as at 1 July 2023	(13,713,073)	(1,131,723)	(57,142,113)	(71,986,909)	5,157,621	(66,829,288)
Financing cash flows	-	176,001	17,752	193,753	10,242,494	10,436,247
Foreign exchange and other adjustments	482,198	5,549	-	487,747	(442,340)	45,407
Debt settled for shares	-	-	58,241,656	58,241,656	-	58,241,656
Finance expense	(356,839)	(33,887)	(975,145)	(1,365,871)	-	(1,365,871)
Interest payments (presented as operating cashflows)	44,527	-	-	44,527	-	44,527
Fair value changes	-	-	(142,150)	(142,150)	-	(142,150)
Net debt as at 31 December 2023	<u>(13,543,187)</u>	<u>(984,060)</u>	<u>-</u>	<u>(14,527,247)</u>	<u>14,957,775</u>	<u>430,528</u>
	Liabilities from financing activities			Other assets		
	Borrowings	Leases	Other financial liabilities	Sub-total	Cash at bank	Total
	\$	\$	\$	\$	\$	\$
<b>31 December 2024</b>						
Net debt as at 1 July 2024	(15,088,441)	(844,891)	-	(15,933,332)	6,448,450	(9,484,882)
Financing cash flows	748,933	178,972	-	927,905	2,402,727	3,330,632
Foreign exchange and other adjustments	(929,120)	(9,442)	-	(938,562)	-	(938,562)
Finance expense	(337,218)	(22,493)	-	(359,711)	(3,278)	(362,989)
Interest payments (presented as operating cashflows)	83,976	-	-	83,976	-	83,976
Closing balance as at 31 December 2024	<u>(15,521,870)</u>	<u>(697,854)</u>	<u>-</u>	<u>(16,219,724)</u>	<u>8,847,899</u>	<u>(7,371,825)</u>

**Note 23. Earnings per share**

	Consolidated	Consolidated
	December 2024	December 2023
	\$	\$
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of CurveBeam AI Limited	<u>(10,519,341)</u>	<u>(14,166,289)</u>

**Note 23. Earnings per share (continued)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	362,530,757	251,771,857
Weighted average number of ordinary shares used in calculating diluted earnings per share	362,530,757	251,771,857
	Cents	Cents
Basic earnings per share	(2.90)	(5.63)
Diluted earnings per share	(2.90)	(5.63)

**Note 24. Share-based payments**

**Options**

The New Incentive Plan was established by the Group and approved by shareholders at a general meeting on 11 May 2023, whereby the Group may, at the discretion of the Nomination and Remuneration Committee, grant rights and 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. They are subject to service conditions of up to 36 months.

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 on 10 May 2023, and as a part of the New Incentive Plan on 16 August 2023 and on 13 February 2024.

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

	Number of options	
	December 2024	December 2023
Outstanding at the beginning of the financial half-year	16,813,415	10,742,972
Granted	7,296,959	6,072,693
Outstanding at the end of the financial half-year	24,110,374	16,815,665
Exercisable at the end of the financial half-year	7,936,263	4,849,642

**Note 24. Share-based payments (continued)**

December  
2024

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
16/04/2017	31/10/2024	\$0.3200	45,900	-	-	(45,900)	-
02/07/2018	02/07/2024	\$0.3200	3,300	-	-	(3,300)	-
02/07/2018	02/07/2025	\$0.3200	3,400	-	-	-	3,400
10/05/2023	10/05/2029	\$0.5430	1,630,862	-	-	-	1,630,862
10/05/2023	10/05/2030	\$0.5430	1,630,862	-	-	-	1,630,862
10/05/2023	10/05/2029	\$0.5430	1,000,000	-	-	-	1,000,000
10/05/2023	10/05/2029	\$0.5430	1,223,147	-	-	-	1,223,147
10/05/2023	10/05/2030	\$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
11/05/2023	11/05/2029	\$0.5430	120,000	-	-	-	120,000
11/05/2023	11/05/2029	\$0.5430	120,000	-	-	-	120,000
11/05/2023	11/05/2029	\$0.5430	120,000	-	-	-	120,000
16/08/2023	16/08/2029	\$0.8016	5,853,943	-	-	-	5,853,943
16/08/2023	16/08/2029	\$0.0000	93,750	-	-	-	93,750
14/06/2024	13/02/2030	\$0.0000	218,750	-	-	-	218,750
13/12/2024	13/12/2030	\$0.0000	-	767,016	-	-	767,016
13/12/2024	13/12/2030	\$0.3100	-	6,529,943	-	-	6,529,943
13/12/2024	13/12/2029	\$0.3100	-	200,000	-	-	200,000
			16,813,415	7,496,959	-	(49,200)	24,261,174
Weighted average exercise price			\$0.6222	\$0.2859	\$0.0000	\$0.3200	\$0.5209

December  
2023

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
15/04/2016	15/04/2024	\$0.1600	3,400	-	-	-	3,400
15/04/2016	15/06/2024	\$0.1600	56,800	-	-	-	56,800
15/04/2016	21/06/2024	\$0.1600	35,800	-	-	-	35,800
16/04/2017	31/10/2024	\$0.3200	45,900	-	-	-	45,900
02/07/2018	02/07/2024	\$0.3200	3,300	-	-	-	3,300
02/07/2018	02/07/2025	\$0.3200	3,400	-	-	-	3,400
10/05/2023	10/05/2029	\$0.5430	1,630,862	-	-	-	1,630,862
10/05/2023	10/05/2030	\$0.5430	1,630,862	-	-	-	1,630,862
10/05/2023	10/05/2029	\$0.5430	1,000,000	-	-	-	1,000,000
10/05/2023	10/05/2029	\$0.5430	1,223,147	-	-	-	1,223,147
10/05/2023	10/05/2030	\$0.5430	1,223,147	-	-	-	1,223,147
10/05/2023	10/05/2029	\$0.5430	2,058,824	-	-	-	2,058,824
10/05/2023	10/05/2029	\$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
16/08/2023	16/08/2029	\$0.8016	-	5,853,943	-	-	5,853,943
16/08/2023	16/08/2029	\$0.0000	-	218,750	-	-	218,750
			10,742,972	6,072,693	-	-	16,815,665
Weighted average exercise price			\$0.5385	\$0.7727	\$0.0000	\$0.0000	\$0.6231

**Note 24. Share-based payments (continued)**

Set out below are the options exercisable at the end of the financial half-year:

Grant date	Expiry date	December 2024 Number	December 2023 Number
15/04/2016	15/04/2024	-	3,400
15/04/2016	15/06/2024	-	56,800
15/04/2016	21/06/2024	-	35,800
16/04/2017	31/10/2024	-	45,900
02/07/2018	02/07/2024	-	3,300
02/07/2018	02/07/2025	3,400	3,400
10/05/2023	10/05/2029	7,380,363	4,526,354
10/05/2023	10/05/2029	240,000	120,000
16/08/2023	16/08/2029	93,750	54,688
14/06/2024	13/02/2030	218,750	-
		<u>7,936,263</u>	<u>4,849,642</u>

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 5.03 years (Dec 2023: 5.67 years).

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value using a Black-Scholes model at the grant date, are as follows. For Zero Exercise Price Options ('ZEPO') granted during the year, valuation was based on share price on grant date, being \$0.48 for ZEPO's granted on 16 August 2023 and \$0.20 for ZEPO's granted on 14 June 2024.

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
13/12/2024	13/12/2030	\$0.1300	\$0.3100	111.70%	-	4.35%	\$0.100
13/12/2024	13/12/2029	\$0.1300	\$0.3100	111.70%	-	4.35%	\$0.093
13/12/2024	13/12/2030	\$0.1300	\$0.0000	111.70%	-	4.35%	\$0.130

**Loan Funded Plan**

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. On listing on the ASX, the Class A shares were converted to ordinary shares, however remain subject to the same vesting terms and voting rights, including service conditions of up to 36 months.

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.

Loan fund shares are limited recourse loan, which are considered options under AASB 2 - Share-based payment. The fair value of the option on grant date ranged from \$0.202 to \$0.257, and the exercise price of the option is \$0.325.

Set out below are summaries of loan funded Class A Shares during the current and prior period:

	Consolidated December 2024 Number	Consolidated December 2023 Number
Balance	<u>2,466,000</u>	<u>2,466,000</u>

**Note 24. Share-based payments (continued)**

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 5.22 years (December 2023: 6.21 years). 2,102,667 of the loan funded shares are able to be exercised at period end (December 2023: 1,480,334 vested).

As at 31 December 2024, the value of the loans in the loan funded share plan amounted to \$801,450 (December 2023: \$801,450).

**Share Rights**

	<b>Consolidated</b>	
	<b>December</b>	<b>December</b>
	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Outstanding at the beginning of the financial half-year	1,394,350	-
Granted during year	1,216,490	655,528
Vested and converted into shares	(802,766)	-
Outstanding at the end of the financial half-year	<u>1,808,074</u>	<u>655,528</u>

The share rights issued during the period do not have an exercise price, and were valued at the share price on grant date of \$0.13. The vesting conditions include continuous employment for between 3 months and 24 months. They do not have an expiry date.

As at 31 December 2024, no share rights had vested and were awaiting conversion into shares (December 2023: 18,230).



## ***Independent auditor's review report to the members of CurveBeam AI Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of CurveBeam AI Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of CurveBeam AI Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



### ***Material uncertainty relating to going concern***

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$10,519,341 and net cash outflows from operations of \$7,447,227 during the 6 months ended 31 December 2024 and is dependent on completing validation of the enhanced HiRise and obtaining additional equity or debt funding to meet working capital needs.

These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of PricewaterhouseCoopers, written in a cursive script.

PricewaterhouseCoopers

A stylized, handwritten signature of Jon Roberts, written in a cursive script.

Jon Roberts  
Partner

Melbourne  
28 February 2025

**CurveBeam AI Limited**  
**Directors' declaration**  
**31 December 2024**

In the directors' opinion:

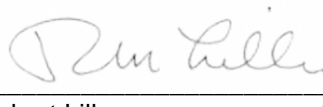
- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Greg Brown  
Chief Executive Officer and Managing Director



Robert Lilley  
Non-Executive Chair

28 February 2025