ASX: CVB

29 January 2025

Appendix 4C & quarterly activity report – period ended 31 December 2024

Summary of key activities

- During Q2 FY25, CurveBeam AI received purchase orders (POs) for ten (**10**) devices, representing around A$5m in future sales. Eight (**8**) of the POs were HiRise™ with five **(5)** POs from Stryker. This is a record quarter for purchase orders of HiRise™.
- Total device POs were up 150% from four (**4**) in the prior corresponding period (pcp).
- Thirteen (**13**) POs were received for the six-month period to 31 December 2024 versus seven (**7**) in the pcp, up almost 100%.
- Following the signing of a non-binding Term Sheet during December, the Company has since entered a definitive agreement with Stryker Australia and New Zealand, announced to the ASX yesterday. This expands commercial arrangements with Stryker into CurveBeam AI's home market and New Zealand.
- Cash outflows from operations for Q2 FY25 was A$2.7m versus A$5.3m in Q2 FY24 (pcp) and A$4.7m in Q1 FY25. Receipts from customers was the highest recorded in a quarter to date at A$2.6m.
- Cash at the end of Q2 was A$8.8m, with a further A$6.0m of cash receipts expected in H2 FY25 from existing POs.
- The Company is continuing to complete validation of the enhanced HiRise™, required for custom protocols for hip and knee robotic surgical systems. The validation made steady progress over the holiday period, and it continues into early 2025 with the first 5 matched datasets, of 10 currently being processed.
- BMD regulatory strategy progressed during the quarter. As advised, the company completed a Q-Sub meeting on the proposed new BMD (MDCT) file with the FDA on 17 December 2024. The BMD (MDCT) file remains a 510(k) class II pathway, but additional comparison with BMD obtained via dual energy X-ray (DXA) has been requested by the FDA for around 20-25% of the trial patients. This expanded FDA trial requirement will need additional time, estimated at 6 months, to collect the additional testing and prepare the file. FDA submission for the BMD module (MDCT) is now targeted for mid-2025, with FDA clearance targeted for H1 CY26.

Melbourne, Australia & Hatfield, Pennsylvania: CurveBeam AI Limited (ASX: CVB, "**CurveBeam AI**" or the "**Company**"), a fully integrated developer and manufacturer of point-of-care specialised medical imaging (CT) equipment, supported by a range of AI enabled SaaS-based clinical assessment solutions, is pleased to announce its Appendix 4C and quarterly activity report for the period ended 31 December 2024 (**Q2 FY25**).

Purchase Orders and Receipts

During Q2 FY25, CurveBeam AI received ten (10) purchase orders (POs), five (5) coming through Stryker, representing a 150% increase over the prior corresponding period (pcp) of four (4) POs. The first half of FY25 had a total of thirteen (13) purchase orders, up almost 100% compared to

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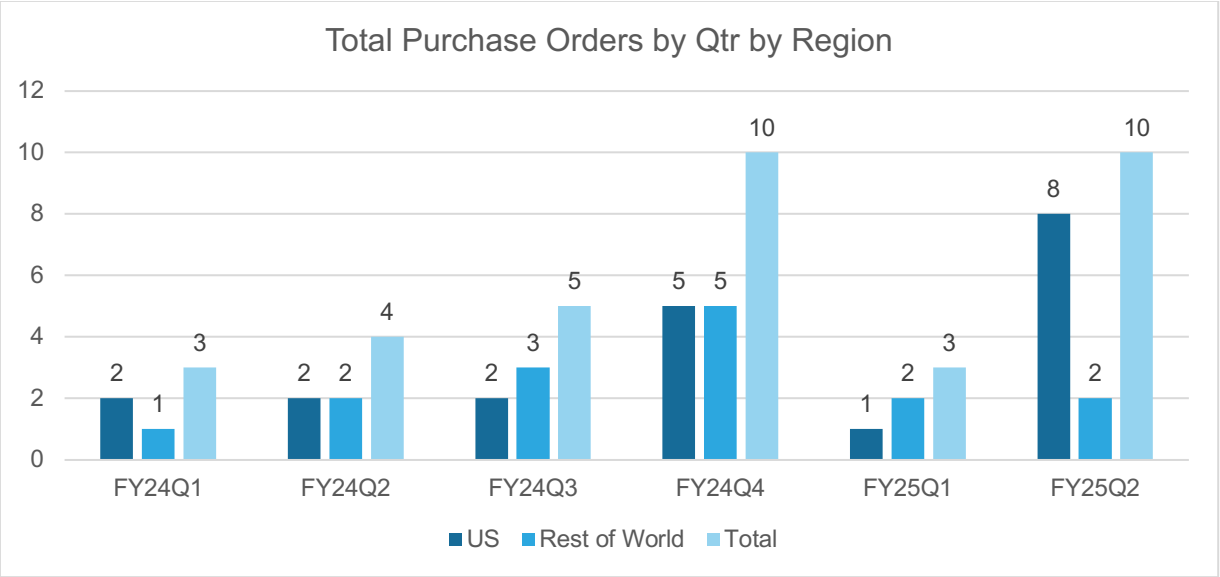
first half of FY24 of seven (7) purchase orders. Receipts from customers for Q2 FY25 were A$2.6m, up from A$2.4m in Q1 FY25.

Device Purchase Orders	FY24Q1	FY24Q2	FY24Q3	FY24Q4	FY25Q1	FY25Q2
US	2	2	2	5	1	8
Rest of World	1	2	3	5	2	2
Total	**3**	**4**	**5**	**10**	**3**	**10**



During the quarter, the Company continued to progress validation of the enhanced HiRise™ for a major robotic aided surgical system. In particular, steady progress was made over the holiday period, and it continues into early 2025 with the first 5 matched datasets of 10 currently being processed. The Company remains confident in completing the validation by the end of this quarter (Q3 FY25).

As previously advised, there are ~5,800 group orthopaedic practices in the US being targeted for the placement of HiRise™ scanners, in addition to ~5,200 hospital based systems. The Company is targeting this market through its co-promotion and distribution relationship with Stryker's foot and ankle division.

Most group practice prospects either have an existing hip and knee robotic surgical system or have plans for a robotic system in the foreseeable future. As such a single WBCT solution to meet all lower limb pre-surgical imaging requirements has emerged as a pre-requisite for many prospective customers in the pipeline. Accordingly, the Company is confident that the robotic systems validation of the enhanced HiRise™, once completed, will positively impact HiRise™ placements.

Collaborative steps towards Enhanced HiRise's validation for a major robotic aided surgical system made steady progress over the Christmas holiday period, and it continues into early 2025 with the first 5 matched datasets currently being processed. The Company remains confident in completing this validation by the end of this quarter (Q3 FY25).

BMD Software Module Development

Due to the current lack of access to HiRise datasets captured for robotic surgical systems, HiRise™ knee and hip CT scans have not been available for collecting trial data for the BMD SaaS module. As discussed in the quarterly activity report for Q1 FY 25, the Company's revised BMD regulatory

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strategy is to clear the first BMD module on multidetector CT (MDCT) scanners in H1 FY25, the primary technology used today for custom cut guides. This change in strategy was targeted for earlier, expanded access to SaaS revenues from existing MDCT placements in the US market in the earlier targeted timeline. The HiRise™ BMD FDA clearance is then targeted via a special 510(k) post the initial MDCT FDA clearance.

As advised, the company completed its scheduled Q-Sub meeting with the FDA on 17 December 2024 on the new MDCT pathway. The file remains on a 510(k) class II pathway, but additional comparison with BMD obtained from Dual energy X-ray (DXA) has been requested by the FDA for around 20-25%% of the trial patients. This new request will require more time to complete the file for submission to the FDA. The Company estimates filing for the BMD module (MDCT) in mid-2025, while FDA clearance is now targeted for H1 CY26.

Cashflow from Operations and Runway

Cash outflows from operations for Q2 FY25 were A$2.7m versus A$5.3m in Q2 FY24 (pcp) and A$4.7m in Q1 FY25. Receipts from customers were the highest recorded to date at A$2.6m, up from A$1.3m pcp and A$2.4m in Q1 FY25.

Appendix 4C Comparative Summary - FY2024 & FY2025		FY2024				FY2025	
		Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Q1 Actual	Q2 Actual
1.1	**Receipts from Customers**	1,655	1,329	2,204	1,953	2,410	2,589
1.2	**Payments for:**						
a)	R&D	(161)	(124)	(340)	(156)	(376)	(257)
b)	Product manufacturing and operating costs	(2,628)	(1,143)	(1,647)	(1,357)	(2,582)	(1,990)
c)	Advertising & Marketing	(139)	(472)	(497)	(242)	(392)	(260)
d)	Leased Assets						
e)	Staff costs	(3,442)	(4,362)	(3,197)	(3,315)	(2,926)	(3,562)
f)	Admin & corporate costs	(2,592)	(2,244)	(1,102)	(1,515)	(939)	(1,069)
	Subtotal - Outflows	(8,962)	(8,345)	(6,783)	(6,585)	(7,215)	(7,138)
1.3	Dividends received						
1.4	Interest Received	57	146	104	67	58	68
1.5	Interest & other costs of finance paid						(86)
1.6	Income Taxes Paid						
1.7	Government Grants & Tax Incentives		1,576				1,833
1.8	Other						
	Subtotal - Other	57	1,722	104	67	58	1,815
1.9	**Cash from (used in) Operations**	(7,250)	(5,294)	(4,475)	(4,565)	(4,747)	(2,734)
2.6	Cash flows from investing activities	(78)	(15)	319	(547)	(20)	-
3.1	Cash flows from financing activities	23,857	(998)	685	(126)	8,723	991
4.5	Exchange Movements	(143)	(279)	293	(93)	(272)	455
4.1	**Opening Cash**	5,158	21,544	14,958	11,780	6,448	10,132
	Net increase (decrease) in cash in the period	16,386	(6,586)	(3,178)	(5,331)	3,684	(1,288)
4.6	**Closing Cash**	21,544	14,958	11,780	6,449	10,132	8,844
	Quarters of Cash (Operating)	(2.97)	(2.83)	(2.63)	(1.41)	(2.13)	(3.23)

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Cash outflows at item 1.2 (above) totalled A$7.1m down from A$8.3m pcp, and A$7.2m in Q1 FY25. Material points to note in respect of cash outflows include:

1. Staff costs were up against Q1 by A$0.6m due to the quarter including 7 fortnights payroll versus 6, and with some restructuring costs from the re-organisation announced in the Q1 quarterly update falling into Q2.
2. Product Manufacturing and Operating Costs were down A$0.6m against Q1.

Q2 saw the receipt of A$1.8m from the R&D Tax incentive, of which A$0.8m went to repayment of the loan against it reported in cashflows from financing activities.

Cash at the end of Q2 of A$8.8m resulted in a calculation of quarters of funding remaining at item 8.5 of 3.2 quarters.

The Company expects to receive a further A$6.0m, based on current exchange rates, in receipts from customers over H2 FY25 from existing POs as devices are shipped and installed; before any further purchase orders in Q3 or Q4, the Company can generate greater receipts from customers in H2 than the $5.0m in H1.

Use of Funds (Listing Rule 4.7C.2)

The table below shows the Company's actual use of funds since the date of the Company's admission to 31 December 2024 against the updated use of funds schedule included in the Pre-Quotation Disclosure released to ASX on 21 August 2023, which as of this quarter are fully acquitted.

Use of Funds ($000)		**Per Pre-Quotation Disclosure***	% of funds raised	**Use of Funds for the period to**	% of funds used
Sales and marketing		13,165	*45%*	6,041	*21%*
New product development and R&D		4,203	*14%*	8,545	*29%*
Intellectual property costs		1,947	*7%*	758	*3%*
Costs of the Offer		3,469	*12%*	3,021	*10%*
Other working capital	***	6,456	*22%*	10,875	*37%*
Total		**29,240**		**29,240**	

* As disclosed on Pre-Quotation Disclosure released on 21 August 2023, this reflects the Offer Proceeds of $25,000k, along with $4,240k cash on hand prior to receipt of Offer

** Use of Funds includes IPO proceeds from listing date through to the end of the current quarter.

*** Other working capital is comprised of the following items: Inventory, Corporate & Administration, Finance, Quality & Regulatory, Warranty/Technical Support, IT, and Lease Payments.

The Company continues to apply funds to meet the business objectives that sit behind the use of funds statement. The Board continues to believe that the Company is still on track to deliver on its business objectives, though sales and marketing expenditure is slower than initially planned, with management applying investment carefully to meet the needs of the market and achieve market penetration.

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Payments to related parties (Listing Rule 4.7C.3)

In accordance with Listing Rule 4.7C.3 and as outlined in Section 6.1 of the Appendix 4C, the Company made payments to related parties totalling A$326,000, comprising executive and non-executive directors' fees, salary, and superannuation.

CurveBeam AI presented to investors at Bell Potter Healthcare Conference

During the quarter, CurveBeam AI CEO and MD, Greg Brown, presented as part of the Bell Potter Healthcare Conference, which saw a range of life sciences companies present to an audience of institutional and sophisticated investors.

A copy of the presentation was released to ASX on 20 November 2024. A replay of the presentation can be viewed at: https://www.youtube.com/watch?v=-lj-21N9_gQ

Definitions

As previously noted, CurveBeam AI's key metrics are defined and interpreted as follows:

- Purchase order – a signed purchase order (PO) for a CT scanner (device). The Company considers POs to be a key metric as it reflects actual sales at any given time.
- Receipts from customers – any cash consideration received from a customer by CurveBeam AI. This can include initial deposits required at the time of an order being placed.
- Revenue – Revenue is recognised after the device (e.g., HiRise™) is delivered, installed and training has been completed. Depending on the customer site requirements, there can be several months' delay from a signed purchase order to recognition of revenue. Thus, revenue may not be reflective of sales progress in each period.

The Company will report on POs and cash receipts in its Appendix 4C (quarterly) lodgements, while revenue will be reported in the Appendix 4E (full year report) and Appendix 4D (half year report).

Release approved by the Board of Directors.

About CurveBeam AI Limited

CurveBeam AI (ASX:CVB) develops, manufactures and sells specialised medical imaging (CT) scanners, coupled with AI SaaS-based clinical assessment solutions, to support medical practitioners in the management of musculoskeletal conditions. The Company's flagship CT scanner, HiRise™, performs weight bearing CT scans as well as traditional non weight bearing CT scans, providing a range of advantages over the use of traditional CT or MRI devices. CurveBeam AI has more than 70 employees with its corporate office, AI and IP functions located in Melbourne, VIC, Australia and global operations headquarters in Hatfield, Pennsylvania, USA.

For further information go to https://curvebeamai.com

Investor / media enquiries

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
CURVEBEAM AI LIMITED (ASX : CVB)	
ABN	**Quarter ended ("current quarter")**
32 140 706 618	**31 December 2024**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,589	4,999
1.2	Payments for		
	(a) research and development	(257)	(633)
	(b) product manufacturing and operating costs	(1,990)	(4,572)
	(c) advertising and marketing	(260)	(652)
	(d) leased assets	-	-
	(e) staff costs	(3,562)	(6,488)
	(f) administration and corporate costs	(1,069)	(2,008)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	68	126
1.5	Interest and other costs of finance paid	(86)	(86)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,833	1,833
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(2,734)**	**(7,481)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	(148)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	128
2.6	**Net cash from / (used in) investing activities**	**0**	**(20)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,000	11,584
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(159)	(899)
3.5	Proceeds from borrowings	79	79
3.6	Repayment of borrowings	(830)	(830)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payments of lease liabilities)	(99)	(220)
3.10	**Net cash from / (used in) financing activities**	**991**	**9,714**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	10,132	6,448
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,734)	(7,481)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	(20)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	991	9,714
4.5	Effect of movement in exchange rates on cash held	455	183
4.6	**Cash and cash equivalents at end of period**	**8,844**	**8,844**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	8,844	10,132
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**8,844**	**10,132**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	326
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,734)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,844
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,844
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.23

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29th January 2025

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.