

# CONTROL BIONICS®

The background of the slide is a dark, semi-transparent image of a person's hands holding a prosthetic hand. The prosthetic is white and has a black sensor or control unit on the back of the hand. The person is wearing a blue and white plaid shirt. The overall tone is professional and technical.

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**PRESENTED BY:** Roger Hawke, Chairman and Jeremy Steele, CEO

**DATE PRESENTED:** 10 October 2023

**VERSION:** 1.0

# Acknowledgement of Country

I begin today by acknowledging the Gadigal people of the Eora Nation, Traditional Custodians of the land on which we meet today, and pay my respects to their Elders past, present and emerging. I extend that respect to Aboriginal and Torres Strait Islander peoples here today.





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# LEADERSHIP TEAM

## BOARD



**Roger Hawke**

Chairman  
Independent  
Non Executive Director



**Prof Rob Heard**

Independent  
Non Executive Director



**Jeremy Steele**

Managing Director  
CEO



**Peter Ford**

Founder &  
Non Executive Director



**Brett Crowley**

Company Secretary



**Damian Lismore**

Independent  
Non Executive Director



**Jeremy Steele**  
CEO

- Over 25 years of global corporate experience across a wide range of industries including healthcare and software
- Previously CEO of CardioScan, driving international expansion (from 1 to 10 countries)
- Led greenfield expansion as well as growth through acquisition, in market experience in North America, Asia, Europe and Australia



**Dominik Kucera**  
CFO

- 25 years experience in multi sector operations with Primary, Secondary and Tertiary industries
- CFO role for ASX and large private companies, senior financial positions in multinational entities
- Coverage of all facets of financial operations, including M&A and capital raising



**Todd Tyler**  
VP – North America

- 20 years experience in the healthcare industry
- Masters in Communication Sciences and Disorders
- Extensive experience in building and leading teams in the AAC space, having previously work for other industry operators



**James Schorey**  
CTO

- 25 years of experience
- Beginning his career as a software engineer, James as advance through multiple organisations and has led both software and hardware engineering teams
- James leads our product development efforts



*Triology*


Our flagship product



# Full Voting Report

Control Bionics Limited  
 Annual General Meeting

Security Class(es):  
 CBL - Fully Paid Shares

 Meeting Date: 10-Oct-2023

## VALID PROXY FORM

| Resolution  | For        |         | Against |         | Discretionary |         | Unusable For |         | Totals     |         | Exclusions |         | Abstain |         | No Instructions |         |
|---|------------|---------|---------|---------|---------------|---------|--------------|---------|------------|---------|------------|---------|---------|---------|-----------------|---------|
|   | Votes      | Holders | Votes   | Holders | Votes         | Holders | Votes        | Holders | Votes      | Holders | Votes      | Holders | Votes   | Holders | Votes           | Holders |
| 1 Remuneration Report                                     | 1,988,444  | 13      | 32,801  | 1       | 1,308,567     | 5       | 0            | 0       | 3,329,812  | 19      | 21,629,131 | 4       | 3,278   | 1       | 5,013           | 2       |
|   | 59.72%     | 68.42%  | 0.99%   | 5.26%   | 39.30%        | 26.32%  | 0.00%        | 0.00%   |            |         |            |         |         |         |                 |         |
| 2 Re-elect Roger Hawke as a Director                      | 23,614,853 | 17      | 38,801  | 2       | 1,308,567     | 5       | 0            | 0       | 24,962,221 | 24      | 0          | 0       | 0       | 0       | 5,013           | 2       |
|   | 94.60%     | 70.83%  | 0.16%   | 8.33%   | 5.24%         | 20.83%  | 0.00%        | 0.00%   |            |         |            |         |         |         |                 |         |
| 3 Re-elect Professor Robert Heard as a Director           | 23,614,853 | 17      | 38,801  | 2       | 1,308,567     | 5       | 0            | 0       | 24,962,221 | 24      | 0          | 0       | 0       | 0       | 5,013           | 2       |
|   | 94.60%     | 70.83%  | 0.16%   | 8.33%   | 5.24%         | 20.83%  | 0.00%        | 0.00%   |            |         |            |         |         |         |                 |         |
| 4 Approval of Issue of Options to Managing Director       | 22,993,848 | 12      | 41,748  | 3       | 1,309,567     | 6       | 0            | 0       | 24,345,163 | 21      | 0          | 0       | 617,058 | 3       | 5,013           | 2       |
|   | 94.45%     | 57.14%  | 0.17%   | 14.29%  | 5.38%         | 28.57%  | 0.00%        | 0.00%   |            |         |            |         |         |         |                 |         |
| 5 Approval of Control Bionics Employee Share Option Plan  | 1,974,055  | 10      | 41,748  | 3       | 1,309,567     | 6       | 0            | 0       | 3,325,370  | 19      | 21,629,131 | 4       | 7,720   | 1       | 5,013           | 2       |
|   | 59.36%     | 52.63%  | 1.26%   | 15.79%  | 39.38%        | 31.58%  | 0.00%        | 0.00%   |            |         |            |         |         |         |                 |         |
| 6 Additional Share Issue Capacity under Listing Rule 7.1A | 23,635,656 | 15      | 8,000   | 2       | 1,307,567     | 5       | 0            | 0       | 24,951,223 | 22      | 0          | 0       | 10,998  | 2       | 5,013           | 2       |
|   | 94.73%     | 68.18%  | 0.03%   | 9.09%   | 5.24%         | 22.73%  | 0.00%        | 0.00%   |            |         |            |         |         |         |                 |         |

# CEO PRESENTATION

JEREMY STEELE





## OUR POWERFUL POSITION

- Making life changing connections has been core to our business mission since the business began
- Our continued advancement in technology only improves the way in which we can impact our customer's lives
- Everyone involved in our business (from employees through to shareholders) shares in the impact we can have
- No better way to demonstrate this than through our first NeuroNode customer in Japan, Mr Kiichi Osaka





## EXECUTIVE SUMMARY

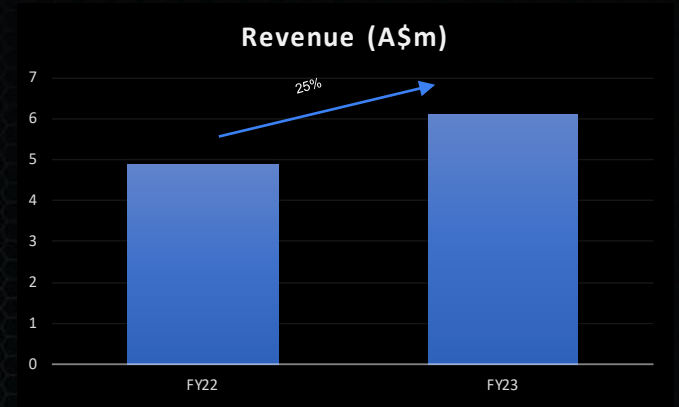
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- Control Bionics (ASX:CBL) is a pioneer in the field of neuroelectric control by using smart algorithms to detect, synthesise and convert electromyography (EMG) signals into code which can interact with and control a broad range of electronic devices
- Following an IPO on the ASX in late 2020, the business has built out its operations in the US and Australia and in FY23 **delivered ~\$6m in revenue, up over 50% from the year of its listing**
- CBL is a growth business. We've continually demonstrated an ability to grow and believe in our ability to continue to do so. We are moving towards breakeven.
- We have made great progress already on our FY24 strategic pillars announced in May 2023
- We are excited to be showing and launching some of our new technologies today, further demonstrating the growth opportunities available for CBL
- The Board of CBL are confident that the business will continue to extend its growth trajectory. There is **significant unmet demand for Control Bionics' products** and there are a number of exciting opportunities for **growth above and beyond organic growth** in our core business

## FY23 in review

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- Thousands of lives positively impacted with more than 300 systems sold in our key markets in FY23
- FY23 revenue up an impressive 25% over FY22
- US is the strongest market as the strength of our team and time in-market delivers
- Strong cost control saw losses narrow, our Australian operations delivers positive EBITDA for FY23
- Launch of DROVE, our autonomous wheelchair module
- Board revitalisation with new board member, Prof Rob Heard and CEO appointment



## STRATEGIC PRIORITIES FOR FY24

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In May 2023 we announced our strategic pillars for FY24, they were:

- Drive growth in the US to reach monthly breakeven
- Accelerate growth in Australia
- Deliver first commercial sales of DROVE
- Drive Neuronode sales globally as an unbundled accessory for use with any Augmentative and Assistive Communications ('AAC') system
- Enhance our software to support international growth, new products and new market segments beyond disability
- Assess opportunities to strengthen our 3<sup>rd</sup> party products that form part of our 'Trilogy' solution
- Build an organisation where our people are supported, rewarded, given opportunities to grow and respected



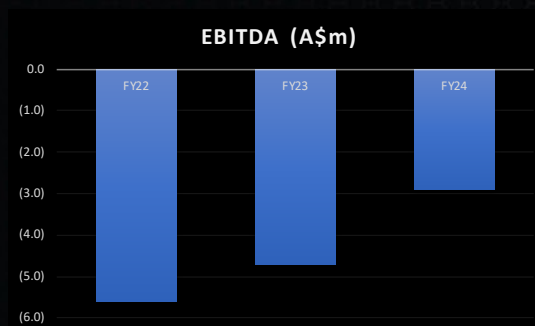
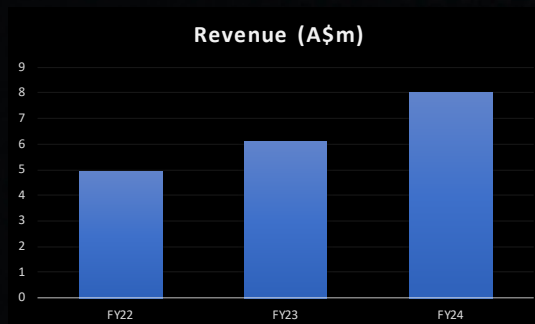
## STRATEGIC PRIORITIES FOR FY24

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Since May we have made progress on a number of fronts in our strategic pillars, most notably:

- Strong Q4FY23 sales for both the US and Australia including large wins from groups such as MND Qld
- Finalising comprehensive safety and electrical testing for DROVE in advance of TGA registration and first commercial sales
- Being awarded the 4<sup>th</sup> most innovative Australian Healthcare company in 2023 by the AFR
- Invested in our software with the iOS update released and firmware update in final testing
- Commenced investigations of alternate uses for our EMG device
- Developed new casing solution for our flagship products – opens up new revenue opportunities
- Finalised new miniaturised EMG technology being launched today

## FY24 Outlook



- Forecasting organic revenue growth in excess of 30% over FY23 in existing business – accelerating our growth rate
- Further revenue growth opportunities above this forecast include
  - First commercial sales of DROVE as we build towards 3<sup>rd</sup> party distribution relationships in Australia and potentially other markets
  - Our revitalised Japan strategy to gather pace from Q2FY24
  - Our technology investment in new hardware and software over the last 12 months to open new markets and new income streams (beyond disability)
- We continue to work towards monthly US breakeven during calendar 2024
- Disciplined business management to continue
- The business will require capital to reach breakeven

## TECHNOLOGY REVIEW

- At our core we are a technology business
- Innovation in our hardware and software is key to ensuring profitable growth and strengthening of our market position
- These are our current suite of products sold into the Augmentative and Assistive Communications ('AAC') market in Australia, the US and Japan





## TECHNOLOGY REVIEW

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- For those in attendance today, immediately following the AGM you'll have an opportunity to see our existing technology in action, including DROVE
- DROVE is a world first and its development assisted CBL to be named #4 in Australia's most innovative Healthcare companies in 2023
- Currently finalising TGA registration
- Expected first sales in the coming months
- International interest growing



## PRODUCT LAUNCH

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We are announcing the release of our new case system today. There are significant benefits to the business through this new design including increased competitiveness, additional sales (particularly in the US), greater features and it is a more robust design.



### Features

- Designed in house and made in Australia
- Light weight, robust materials
- Versatile design allowing for changes without expensive tooling
- Allows for further innovation in product design
- Availability Q2FY24

## Technology Review

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### Software development

- We've significantly 'upped our game' in software with new dedicated resources and new software releases since we launched this initiative May 2023
- Accomplishments include new iOS controller App, bringing inhouse all our core code base and a significant rewrite of the firmware controlling the device
- We have also just received a provisional patent for AI based software that allows for gamification of our core AAC technology which was developed inhouse by our Chief Technology Officer
- This uses a combination of our existing technology and AI to allow users to create their own digital art and stories. It creates content specific to the user and allows them to share output with teachers, parents and loved ones – we believe this to be a world first



## PRODUCT LAUNCH

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- We've talked over the last 18 months about further miniaturisation of our core IP, our EMG device the NeuroNode
- This unique TGA/FDA/CE Mark approved device combined accelerometer and EMG device is truly an innovation developed within the company
- I'm excited today to share with you the newest addition to our product portfolio, the NeuroStrip



### Features

- EMG, electrooculography (EOG), ECG and accelerometer
- Reduced unit cost
- Flexible electrode – materially increasing ease of use
- Significant miniaturisation over existing NN
- Opens up new markets for CBL in disability, biomedical and beyond

## NeuroStrip

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- Allows users increased choice of placement and ease of use for a device that is light and flexible
- More sensitive readings improving useability and use cases for medical applications and other uses outside the disability market
- EOG, ECG, EMG (and potentially electroencephalography 'EEG') as features in this design
- This opens up an opportunity for us to wholesale these devices for 3<sup>rd</sup> parties to use in their clinical operations and trials

## INVESTMENT HIGHLIGHTS

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- We are a well-established business in the Augmentative and Assistive Communications ('AAC') market with substantial operations in the US, Australia and opportunities in Japan
- Recent product innovations in hardware and software will enhance the opportunities in our core markets through the unbundling and sale of the NeuroNode as a standalone device
- The global AAC market is significantly underserved and CBL remains one of the decreasing number of independent players in the market
- There are existing and near-term opportunities for growth above forecast, including distributor acquisition and technology partnerships
- The miniaturisation of the NeuroNode combined with advances in our software has CBL well placed to quickly open up profitable revenue streams in clinical settings beyond disability
- Control Bionics is an exciting growth business. Consistent organic growth since IPO and significant opportunities for further accelerated growth in FY24 and beyond are key features of CBL as an investment opportunity

THANK YOU

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CONTROL  
BIONICS®

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**Chief Executive Officer Address  
AGM 10 October 2023**

Slide 7

I'd like to join our Chairman, Roger Hawke, in welcoming our shareholders to today's AGM. As you are no doubt aware, this is my first AGM, having commenced in January this year, and I'd like to thank the board and shareholders for their ongoing support and belief in the business and the team.

Slide 8

I thought I would start my presentation today talking about the powerful position the business has. As shareholders, employees, suppliers and other stakeholders, we are fortunate to be associated with a business that has such a meaningful impact on people's lives.

Further, by providing our customers access to technology that allows them to communicate, we also impact on many more lives – this no better demonstrated than telling you about our first NeuroNode customer in Japan.

I met Mr Osaka (pictured here) when I was in Tokyo in May this year. He was diagnosed with Motor Neuron Disease (ALS) some time ago, and in late 2022 he lost the ability to speak and communicate with his wife and family. When we were introduced to him by his doctor, he hadn't communicated with his family in 6 months.

When I visited him, he was using our NeuroNode to communicate. The only movement he has, is to smile and raise an eyebrow. By placing our Neuronode on his forehead, we opened up communication for him again. Using the Neuronode he thanked me for giving him back his voice and allowing him to connect directly with his family. He and his wife are grateful that Control Bionics brought this technology to Japan, as this option for him didn't exist.

It's hard to overstate the impact this customer experience had for me. For all of Control Bionics' shareholders, Mr Osaka's thanks extends to you.



#### Slide 9

I'd like to now provide a short summary on the business and what I will cover in my remarks today.

Control Bionics is a pioneer in the field of neuroelectric control by using smart algorithms to detect, synthesise and convert electromyography (EMG) signals into code which can interact with and control a broad range of electronic devices.

Following our IPO in late 2020, the business built out its operations in the US and Australia and in FY23 recorded revenue in excess of \$6m, which is up over 50% since we listed less than 3 years ago.

We are a growth business and have consistently demonstrated our ability to grow. We are moving towards breakeven.

Today is an exciting day for Control Bionics as we are launching some of our new technologies, more on this shortly.

As I walk through today's presentation, I encourage investors to be reminded that there is significant unmet demand for our existing products and as important, there are a number of exciting opportunities for growth above and beyond organic growth in our core business.

#### Slide 10

I'd like to spend a few moments reviewing our performance in FY23. The outcome I am most proud of is the thousands of lives we've positively impacted through the sales of our systems around the world. With more than 300 systems sold in financial year 2023, our customers, their families, carers, classmates and friends are all finding improved ways to communicate. With thousands of Control Bionics systems sold since we commenced operations, our impact grows exponentially.

As set out in our annual report, our FY23 revenue was up over 25% in FY23, an acceleration of our growth over FY22, which still was experiencing COVID headwinds. The US delivered outstanding growth as our business and team continues to mature in the world's largest AAC market.

What is encouraging is that we delivered this growth without growing costs. We are getting smarter and more efficient at delivering our revenue and this cost management will continue into FY24. Our Australian operations were EBITDA positive for FY23.

#### Slide 11

In May 2023 we announced our strategic pillars for FY24, they were:

- Drive growth in the US to reach monthly breakeven
- Accelerate growth in Australia
- Deliver first commercial sales of DROVE
- Deliver Neuronode sales globally as an unbundled accessory for use with any Augmentative and Assistive Communications (AAC) system
- Enhance our software to support international growth, new products and new market segments beyond disability
- Assess opportunities to strengthen our 3<sup>rd</sup> party products that form part of our 'Trilogy' solution
- Build an organisation where our people are supported, rewarded, given opportunities to grow and respected



## Slide 12

Since May we have made some great progress against these initiatives, most notably:

- Strong Q4FY23 sales for both the US and Australia including large wins from groups such as MND Qld
- Finalising comprehensive safety and electrical testing for DROVE in advance of TGA registration and first commercial sales
- Being awarded the 4<sup>th</sup> most innovative Australian Healthcare company in 2023 by the AFR
- Invested in our software with the iOS update released and firmware update in final testing
- Commenced investigations of alternate uses for our EMG device
- Developed new casing solution for our flagship products – opens up new revenue opportunities
- Finalised new miniaturised EMG technology being launched today

## Slide 13

I'm really keen to talk about what we have planned for FY24, as I believe it will demonstrate consolidation of the efforts that have been made over recent years in the business.

We are forecasting organic revenue growth in excess of 30% over FY23. This continued accelerated growth demonstrates the success we've had of embedding our products and market position in our chosen geographies.

In addition to the growth forecast in our core markets of the US and Australia we are confident that we will deliver further growth above this forecast through the following strategies already underway:

- First commercial sales of DROVE as we build 3<sup>rd</sup> party distribution relationships in Australia and potentially other markets
- Our revitalised Japan strategy gathering pace
- Our recent (and ongoing) technology investment in new hardware and software to open up new income streams (within disability as well as elsewhere)

A clear focus of the management and board is to build the business to a breakeven position during calendar 2024, with FY24 EBITDA losses forecast to narrow again over FY23.

We are forecasting to require additional capital to reach this point.

## Slide 14

We're excited today to be talking about our technology, including providing shareholders with the first look at products being announced today.

I am sure you are all aware of our product range pictured on this slide. For those shareholders joining us at our technology showcase at the end of the AGM, we have the full product suite set up and our staff would be delighted to give you a hands-on demonstration.

I'm confident that all shareholders are keen to see how we are continuing to innovate our products and software, so let me get to it.



#### Slide 15

In April this year, we launched DROVE, our autonomous wheelchair module. For those in attendance today, I encourage you to join us immediately following the AGM where you'll have an opportunity to see a full working DROVE wheelchair set up across the foyer.

We are currently finalising our TGA registration, choosing to hold ourselves to a higher standard than required given this is the first time this solution has been deployed commercially.

I'd like to share the video we made as part of our launch, and we thank Brodie and her family for participating in this.

- Play video

Brodie has used the DROVE system extensively at her home the family's feedback has been helpful and very encouraging. We expect first sales in the coming months, with international interest in the product growing.

#### Slide 16

Today we are announcing the release of our new case system. With the advancement of manufacturing techniques since we first released our Trilogy product, we have been able to revisit how our hardware is protected. This new case is designed by our in-house industrial designer and manufactured here in Australia. The materials are lightweight and more robust than the current design.

Why this new design is important is that it significantly increases our competitiveness against the market. We are expecting increased sales, particularly in the US.

#### Slide 17

As I've already talked about today, software development is an important feature for our business. Prior to 2023 I think we had underinvested in our software platforms, however I am really pleased we've made with the progress since May this year.

In July we released the latest version of our iOS (Apple) NeuroNode Controller app. This advanced useability of Apple products significantly and is already out in the market.

We are currently in final testing of the next release of our firmware that significantly improves power management of our NeuroNode, allowing users to go longer without the need to charge.

We have also just received a provisional patent for AI based software that allows for gamification of our core AAC technology which was developed inhouse by our Chief Technology Officer.

This uses a combination of our existing technology and AI to allow users to create their own digital art and stories. It creates content specific to the user and allows them to share content this with teachers, parents and loved ones – we believe this to be a world first.

Finally, we are currently in development of the next generation of the NeuroNode Controller app which we improve useability and assist us in unbundling the NeuroNode for sales to thirds parties. We expect these sales to commence in early calendar 2024, although these have not been factored into the forecasts I just shared.





## Slide 18

My management philosophy is very much about focusing on a small number of things and doing them really well. What attracted me to Control Bionics immediately was the strength of its core IP – the NeuroNode. This unique TGA/FDA/CE Mark approved device is largely unparalleled globally. The combination of an accelerometer and EMG device sets it apart and I could immediately see the opportunity to quickly broaden its clinical applications.

In order to create new income streams for Control Bionics, we need to go through a process of miniaturisation to increase the suitability of the product in alternate clinical settings.

I delighted today to share with you the newest addition to our product portfolio, the NeuroStrip.

For those in the room, you will be able to immediately see the benefits of this significantly smaller device. Let me explain the features:

- Capable of capturing/recording EMG, electrooculogram (EOG), ECG and includes an accelerometer
- Reduced unit cost over the existing device
- Flexible electrode – materially increasing ease of use
- Significant miniaturisation over existing NN – weight of 5g (about a piece of paper)
- Opens up new markets for CBL in disability, biomedical and beyond

## Slide 19

I'd like to demonstrate this now, if you give me a moment to open up the Controller App.

As you can see as I hold the two devices next to each other, there is a significant difference in the look and feel. The electrode is flexible – think of it like a bandaid. This allows for increased choice of placement, with the wearer likely to 'forget' it is even on.

I have already set up the NeuroStrip on my system, so you can see that obvious movement is generating a signal. What is really encouraging with this new design is that we are able to materially improve on the sensitivity of the readings. While I appreciate this is getting quite technical, the Neuronode has a sensitivity of 10 – 1,000 micro volts. This is sufficient for all recordings necessary for EMG.

Our new design significantly increases the sensitivity of readings. Testing to date has the sensitivity below 1 microvolt. This is in the range of EEG where intention is measured, rather than slight movement. While this alone is not unique, the flexibility of the NeuroStrip, with the electronics and electrodes held tightly together on the skin is.

We think this will open up opportunities for us to supply into the Brain Computer Interface market should further testing continue to validate this technology.



To demonstrate how this gets really interesting is where intention turns into signal. Whilst I appreciate it's hard to see from a distance, even a micro-movement is generating a signal. What I will be interested to see as we investigate more clinical use cases is how close to intention can we get for a signal to be generated.

This device will have a battery life of 24 hours before needing to be recharged and has continuous recording of both raw and processed EMG data – ideally suited for a variety of clinical uses.

I recently searched research databases online for clinical studies/research papers/ clinical assessments for surface EMG – what the NeuroNode and NeuroStrip record. There are more than 100,000 separate papers that mention these. I believe there to be a significant opportunity for Control Bionics to move into this space with the recent advancement in our hardware and software – this will be a focus for us in 2024.

Slide 20

I'd like to end my presentation today with a recap of what I believe to be the key investment highlights for Control Bionics and its shareholders:

- We are a well-established business in the Augmentative and Assistive Communications ('AAC') market with substantial operations in the US, Australia and opportunities in Japan
- Recent product innovations in hardware and software will enhance the opportunities in our core markets through the unbundling and sale of the NeuroNode as a standalone device
- The global AAC market is significantly underserved and CBL remains one of the decreasing number of independent players in the market
- There are existing and near-term opportunities for growth above forecast, including distributor acquisition and technology partnerships
- The miniaturisation of the NeuroNode combined with advances in our software has CBL well placed to quickly open up profitable revenue streams in clinical settings beyond disability
- Control Bionics is an exciting growth business. Consistent organic growth since IPO and significant opportunities for further accelerated growth in FY24 and beyond are key features of CBL as an investment opportunity

That concludes my formal remarks. I'd be happy to take questions and then I welcome you to join me across the foyer to experience our technology firsthand.