16 December 2024

Expansion into High Growth U.S. Sports and Japanese Rehabilitation Markets

Control Bionics Limited (ASX:CBL) ("Control Bionics" or "the Company"), is excited to announce two significant milestones marking the first commercial agreements for our NeuroStrip® technology. These strategic partnerships expand our presence into the high-growth U.S. sports performance and Japanese neurological rehabilitation markets respectively with industry leaders.

These partnerships diversify the Company's market focus and are expected to generate **material revenue through new recurring subscription fees and hardware sales**. The company will also gain exclusive access to anonymised patient and athlete data to drive future automation and the development of advanced AI models.

Highlights

1. **Strategic Investment in Neuro Elite Athletics**

- **Investment:** Control Bionics has acquired a 20% stake in Neuro Elite Athletics—the U.S.-based company behind the NeuroBounce program for US$250,000, including cash and in-kind contributions. This investment will rapidly accelerate the rollout of the NeuroBounce program, initially targeting markets across the U.S.

- **Proven Results:** NeuroBounce's proprietary program, exclusively utilising Control Bionics' products, is the world's only computerised electromyography (EMG) training solution proven to increase vertical leap by 5–15 cm and enhance explosiveness in just eight sessions. It is delivering exceptional outcomes and giving U.S. athletes a competitive edge in sports such as basketball, volleyball, and football.

- **Market Potential:** Targets the lucrative U.S. sports market:

  - **28,500 college sports teams with over 600,000 athletes,** focusing initially on NCAA Division I sports, including some 10,000 basketball players and 4,000 women's volleyball players on scholarships.

  - **166 professional sports teams** with approximately **4,700 active players (NBA, NFL, MLB, NHL)**.

  - **300,000 high school teams** with 7.9 million participants, offering long-term growth potential.

- **Revenue Model**: NeuroBounce generates revenue through set-up fees, recurring Software as a Service (SaaS) subscriptions, and per-athlete fees, with each program expected to generate approximately US$25,000 annually. Control Bionics

will receive direct revenue from hardware sales, software subscriptions, and its share of NB distributions.

- **Australian and Japanese Expansion:** Exclusive rights to market NeuroBounce in Australia and Japan, leveraging long-standing IP for new markets.

2. **Memorandum of Understanding with Stroke Lab**

- **Partnership:** Agreement with Tokyo-based **Stroke Lab,** a premier rehabilitation facility, to localise NeuroStrip® technology for the Japanese market.

- **Expertise**: Stroke Lab is a recognised leader in neurological rehabilitation, with a strong digital presence (over **50,000 social media followers**) and an extensive industry network.

- **Future Growth**: Establishes a framework for a **joint operating agreement by Q1 2025**, strengthening Control Bionics' foothold in Japan's advanced rehabilitation market.

These **partnerships are with existing customers** and will leverage Control Bionics' advanced NeuroStrip® technology to drive better sports performance, patient outcomes, and, provide the platforms for expansion into other markets.

Strategic Importance

These agreements mark a pivotal step in Control Bionics' mission to harness neurotechnology for human empowerment. The Neuro Elite Athletics partnership opens the door to the lucrative U.S. sports market, while the Stroke Lab agreement enhances the Company's leadership in advanced rehabilitation technologies.

Comments from Leadership

Control Bionics CEO Jeremy Steele:
"These collaborations underscore Control Bionics' ability to enter and lead high-growth markets. With NeuroBounce's proven success in sports and Stroke Lab's rehabilitation expertise, we are driving innovation while delivering value for our shareholders."

Mr Steele went on to say "By strengthening our relationships with existing customers, it offers us the opportunity to more rapidly scale Control Bionics. In addition, delivering on our objective of diversifying into new markets and generating recurring revenue we are building a business that has a very promising future."

NeuroBounce Founder Steven Bennett:
"Partnering with Control Bionics allows us to scale NeuroBounce's proven program and bring its benefits to athletes and institutions worldwide."

Neuro Elite Athletics Partnership: Revolutionising Sports Performance

About the Program

NeuroBounce was founded by **Steven Bennett**, a global authority in EMG training, and co-led by entrepreneur **Rex Hale**. The program uses cutting-edge EMG technology to train the brain to optimise motor neuron recruitment in muscles used for jumping. This significantly enhances athletic performance across sports such as basketball, volleyball, football and running.

Key benefits:

- **5–15 cm vertical leap increases** in just eight sessions.
- **Improved explosiveness, power, and reaction times**, delivering measurable results for athletes at all levels. Its impact is especially profound for elite athletes, where even the slightest improvement can make a difference in competition.

Business model

The proprietary program targets U.S. sports facilities with a three-tier revenue model:

- Set-up fees – includes training, facility setup, and hardware.
- Monthly Software as a Service (SaaS) fee – ongoing access to webinars, support, and data analytics.
- Per athlete fee – for consumables, user data and performance tracking.

Control Bionics' Benefits

- Recurring revenue from hardware sales and SaaS fees.
- Strategic equity ownership in Neuro Elite Athletics, with an **anticipated payback period of less than 12 months**.
- Exclusive licencing arrangement for the NeuroBounce program in **Australia and Japan.**

NeuroBounce Founder: A world leader in EMG Training and Rehabilitation

Steven Bennett is a licensed physical therapist with over 25 years of expertise in neuromuscular rehabilitation and athletic performance enhancement, he is a recognised leader in **computerised EMG technology**.

Trained under the pioneering Dr. Bernard Bruker at the Houston Rehabilitation Institute, Steven gained global recognition for using EMG to restore function in spinal cord injury patients. His groundbreaking research on increasing vertical leap in athletes was presented at the National American Physical Therapy Association Convention and has been applied

successfully to enhance athletic performance and neurological recovery since 1995.

As Director and President of the Southwest Neurological Rehabilitation Center, Steven led life-changing programs in EMG and Functional Electrical Stimulation (FES), earning accolades in documentaries and publications for helping patients regain function, often years post-injury.

As Chief Program Developer at NeuroBounce, Steven applies his expertise to create advanced EMG-based training programs that deliver measurable results in vertical jump height, power, and explosiveness, solidifying NeuroBounce as a leader in sports performance innovation.

Figure 1: The NeuroStrip® is our miniaturised, award-winning technology combining accelerometer and EMG capabilities, unlocking limitless applications across sports, health, and beyond our core disability market.

The electrode is attached directly to the skin, detecting the faintest of signals, with best-in-class data telemetry fed straight to an app.

Figure 2: For the NeuroBounce program, NeuroStrip® technology is used to train the brain to turn on previously unused muscle fibres. With more of an athlete's muscles being used, combined with NeuroBounce's strengthening protocols, an athlete can get long lasting results quickly, backed by a 30-day money back guarantee.

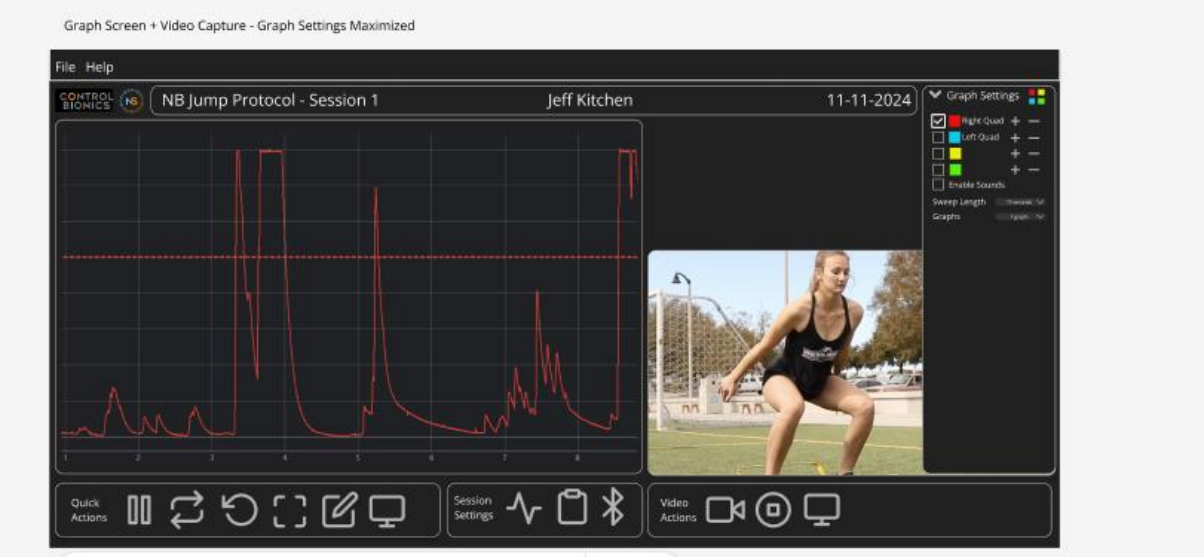

Figure 3: The simultaneous video capture function inside the NeuroStrip App gives users and clinicians meaningful correlation between activity and EMG data.

Stroke Lab Agreement: Advancing Japanese Rehabilitation

About Stroke Lab

Founded by **Tadafumi Kaneko**, a leader in neurological rehabilitation, Stroke Lab is a premier rehabilitation facility combining neurology and therapy to deliver evidence-based, personalised care.

Its strengths include:

- Proven expertise in **surface EMG technology** for stroke recovery.
- Strong digital presence with over **50,000 social media followers** and extensive industry partnerships.
- Over **500 therapist graduates**, enhancing its influence in the sector.

Strategic Collaboration

This partnership adapts NeuroStrip® for the Japanese market, combining Control Bionics' innovative technology with Stroke Lab's clinical expertise.

Figure 4: The new NeuroStrip® technology will be used for rehabilitation purposes starting in Japan with our existing customer, Stroke Lab. EMG data is used to provide biofeedback to a patient to understand muscle activation to retrain muscles that have lost function due to the impact of a stroke.

Further Information

Learn more about NeuroStrip®: www.vimeo.com/controlbionics/neurostrip

Learn more about NeuroBounce: www.neurobounce.com

This announcement is authorised by CBL CEO Jeremy Steele.

About Control Bionics:

Control Bionics is a medical device company assisting patients whose ability to communicate verbally or via text and social media is compromised by illnesses such as Motor Neurone Disease (MND) and Amyotrophic Lateral Sclerosis (ALS). Our core patented NeuroNode technology is a wireless wearable device that detects minute signals sent from the brain to any skeletal muscle and is captured as EMG (Electromyography) output. This output is then sent wirelessly via the NeuroNode to a personal computer, enabling speech and other computer controlled functions like email and texting. Our technology is integrated with eye gaze technology whereby the eye gaze enables a cursor to be moved about a computer screen, driven much like a mouse, and the NeuroNode acts as like the mouse button. Control Bionics is the only such product to harness three modalities – touch, eye and NeuroNode control – which combined yield unique benefits in terms of the ability of patients to express themselves with significantly faster speed and less fatigue.

Control Bionics recently extended its offering to mobility with the launch of DROVE – the autonomous wheelchair module. DROVE allows powered users the independence to operate their wheelchairs in their own homes for the first time. DROVE recently got approved by the TGA as a Class I medical device.

Control Bionics is currently commercialising its most recent advancement in its technology, the NeuroStrip®. This wearable, miniaturised EMG device provides the business with the opportunity to enter new markets such as health diagnostics, sports performance and rehabilitation to name only a few potential markets.

Control Bionics operates in North America, Australia, Singapore and Japan.

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