



17 December 2024

First Half FY25 Business Update – Strong growth in the US

Control Bionics Limited (ASX:CBL) (“Control Bionics” or “the Company”), an Australian leader in Electromyography (EMG) medical device technology, today provides an update on its performance for the first half of FY25 (1H FY25) ahead of an investor briefing on 17 December disclosing the same information

Revenue Performance

- Driven by robust trading in the US during the second quarter of this fiscal year, we anticipate **US revenue for 1H FY25 will exceed the corresponding period in FY24 by more than 15%**. This reflects increasing demand for our solutions, the new NeuroNode only sales enabled by the new HCPCS code and growing market penetration.
- **Revenue in the second half of calendar 2024 is expected to be almost 30% higher than the first 6 months of CY2024.** US sales were bolstered by a significant new customer (a US University) which made the first of what we expect will be meaningful orders for our US subsidiary.
- With December typically our strongest month in the US we **expect to generate positive EBITDA for the month in America.**
- NDIS approvals remain inconsistent and well outside service guarantee timelines. Currently, we have almost \$1.2m either with the **NDIS** for approval or will shortly be with them for approval. The **Australian Government has promised to resolve processing issues by early 2025.**
- Despite these challenges, **Australian** revenue trends are encouraging, with **revenue in the second half of calendar 2024 expected to grow over 20% compared to the first half.** This growth underscores the resilience of our sales efforts and client engagement strategies.

Operational Initiatives

- As our strategy continues to evolve and we move to diversify our revenue into areas outside of Augmentative and Assistive Communication, we have **trimmed costs in the US with an annualised benefit of approximately A\$700,000.** We will see the full benefit of these reductions in H2 FY25.

DROVE

- Four demonstration sites are now operational across Australia, providing potential clients and clinicians with hands-on opportunities to experience the capabilities of our autonomous wheelchair technology in real-world settings.
- We are pleased to announce our **first distribution partnership with Motion Specialities in Queensland**, marking a significant milestone in expanding our reach and customer accessibility.



- The initial NDIS funding applications for DROVE are progressing, laying the groundwork for further commercialisation of this technology.
- In the US, we are **finalising our partnership with Cleveland Metro Health as our clinical trial partner for FDA approval**. This partnership represents a critical step in advancing DROVE towards regulatory milestones and market readiness and remain on target to submit our FDA application by mid-2025.

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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