



30 April 2025

ASX ANNOUNCEMENT (ASX:CBL)

QUARTERLY ACTIVITIES REPORT & APPENDIX 4C QUARTER ENDED 31 MARCH 2025

Highlights

- **Cash was \$1.7m at the end of the quarter:** The business made solid progress on diversifying future revenue streams and containing costs.
- **Strongest U.S. revenue in years:** Revenue for the U.S. business over the six months to 31 March 2025 was the highest since FY23, delivered on a leaner cost base following A\$700k in annualised savings removed in November 2024.
- **Australia's best quarter of revenue since 2022:** Improved NDIS approval times and a strong sales pipeline drove this success.
- **Neuro Elite Athletics investment completed:** Launch customer, Utah Prep Academy, delivered outstanding results for its first batch of athletes.
- **First US NeuroNode Only customers now in pilot:** Two well established US operators now have our devices with their sales team and are actively marketing in the US.
- **NeuroStrip software launch:** Cloud-deployed version released, providing access to a new SaaS revenue stream along with hardware sales.
- **Cash receipts highest in 12 months:** Exceeding \$1.6m for the quarter (up from \$1.4m in Q2FY25), driven by improved sales in the US and Australia.
- **Board renewal:** Founder Peter Ford stepping down and replaced by a globally recognised Anaesthetist, Dr Stephanie Phillips.

Control Bionics Limited (ASX: CBL), is pleased to announce its Activity Report and Appendix 4C for the quarter ended 31 March 2025.

Commenting on the quarter, Control Bionics CEO, Jeremy Steele said:

"We are delivering strong sales, cash collection and meaningful progress on our growth initiatives.

We've found strong commercial appetite for our core IP, the NeuroNode, through our NeuroNode Only strategy. We've rolled out this technology now to multiple distributors (both in pilot and contract phases) in multiple geographies.

We are really excited about our Neuro Elite Athletics investment. Our launch customer in the US achieved extraordinary athletic results and we commence the program in Australia in early May with SEDA College, which has an exceptional athlete development program.”

Operational Performance

(a) North America

- **Revenue for the last 6 months to 31 March 2025 up 20% over the corresponding period**, driven by the HCPCS code approval from 1 October 2024.
- **Cost base efficiency:** A\$700k in annualised cost savings achieved, with margin expansion supporting the push toward breakeven.
- **First NeuroNode distributors now live.** These partners (in pilot phase) recognise the benefits to customers and their revenue in adding our NeuroNode to their existing portfolio of products.

(b) Australia

- **Q3FY25 delivers the best revenue for Australia since 2022.** NDIS approval times have significantly improved.
- **Significant ~\$1m pipeline:** Whilst the backlog continues to be cleared, we continue to add new opportunities with almost \$1m in applications awaiting NDIS approval.
- **Leasing and rental programs** continue to receive strong support from the market and the NDIS.

(c) Japan

- **Partnership with StrokeLab progressing** with NeuroStrip now deployed across all their clinicians. They will soon open a new facility in Osaka.
- **Clinical studies:** Stroke Lab commenced a 100-patient clinical study on NeuroStrip's rehabilitation benefits and is preparing a peer reviewed paper on its uses in **Parkinson's treatment**.

(d) Other markets

- **United Kingdom:** Rollout with SmartBox continues with devices deployed in key National Health Service (NHS) hubs and a Control Bionics roadshow across the UK occurring in early May.
- **Europe:** Active discussions continue with NeuroNode Only partners with French and German translation of our technology either completed or near completion.

(e) NeuroBounce – Building Sports Science Revenue

- **First customer success:** Utah Prep Academy, a prestigious US school with nationally ranked sports teams, is implementing the program permanently after excellent results.
- **Australian launch:** Our launch partner, SEDA College, will go live on 5 May.

- **Royalty Agreement with Neuro Elite Athletics:** Control Bionics will earn 7.5% of the program's gross revenue worldwide.

(f) NeuroStrip®

- **Product enhancements:** Enhanced encapsulation solution for the NeuroStrip hardware has been manufactured and will be trialled with early adopters in May. We expect this design is commercialisation ready.
- **Revenue generation:** We currently have multiple customers trialling our solution (hardware and software) in the US, Australia and Japan. We expect revenue from this new solution to commence in Q4 FY25.

Quarterly cashflows and cash at bank

The Group's results reflect the following:

- **Customer receipts:** Strong quarter amounting to over \$1.6m as sales volumes in both the US and Australia continue to improve.
- **Capital raise:** Private placement of \$2.0m in February 2025 bolstered cash balances.
- **Strategic investment:** Second USD\$20k tranche invested in Neuro Elite Athletics (NeuroBounce).
- **Cost benefits realised:** Full quarter impact of previously implemented cost-saving initiatives.

Cash at bank at 31 March was ~\$1.7m excluding the subsequent receipt of the final grant from the ALS Association of \$0.28m (US\$0.18m) in April 2025.

Strategic Focus for 2025

Control Bionics is focused on **six key strategic priorities** in FY25:

- **Achieve profitability in core markets** – Strengthening the **U.S., Australia, and Japan operations** to ensure each market achieves **EBITDA and cash flow positivity**.
- **Scaling the NeuroNode Business** – Expanding **NeuroNode-only sales** across key regions.
- **DROVE Commercialisation** – First **DROVE sales & partnerships** in Australia and submission of **FDA application** by mid-2025.
- **NeuroStrip® Expansion** – Driving adoption in **sports science, rehabilitation, and health diagnostics**.
- **Accelerating Growth** – Identifying strategic **partnerships, acquisitions, and licensing opportunities** to more rapidly scale the business.
- **Building a High-Performance Organisation** – Strengthening leadership, operations, and execution to support sustainable long-term growth.

ASX Additional information

Expenditure on business activities

Pursuant to Listing Rule 4.7C.1, a summary of the expenditure incurred on the above business activities for the quarter:

| Expenditure Category | Amount \$'000 |
|------------------------------|----------------------|
| Staff costs | 1,513 |
| Product manufacturing | 785 |
| Administration and corporate | 357 |
| Research and development | 67 |
| Advertising and marketing | 78 |

Related Party Payments

Related party payments as noted in Item 6.1 of the Appendix 4C comprise a total amount of \$124,034 paid to Executive Directors and their related parties and Board fees to Non-Executive Directors.

This ASX announcement has been approved for release by the Board of Directors of Control Bionics Limited.

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 has a 20% investment in Neuro Elite Athletics to drive rapid growth of their NeuroBounce program in the US and Australia.

Control Bionics operates in North America, Australia and Japan.

Investors and Media

Jeremy Steele – CEO and Managing Director
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For further information visit the website: <https://www.controlbionics.com/>

Appendix 4C

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

Name of entity

Control Bionics Limited

ABN

45 115 465 462

Quarter ended ("current quarter")

31 March 2025

| Consolidated statement of cash flows | Current quarter (\$A'000) | Year to date (9 months) (\$A'000) |
|---|------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 1,637 | 4,381 |
| 1.2 Payments for | | |
| (a) research and development | (67) | (230) |
| (b) product manufacturing and operating costs | (785) | (2,428) |
| (c) advertising and marketing | (78) | (307) |
| (d) leased assets | (7) | (11) |
| (e) staff costs | (1,513) | (4,634) |
| (f) administration and corporate costs | (357) | (1,173) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 3 | 9 |
| 1.5 Interest and other costs of finance paid | (14) | (46) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | 740 |
| 1.8 Other (provide details if material) ¹ | - | - |
| 1.9 Net cash from / (used in) operating activities | (1,181) | (3,699) |

| | | | |
|------------|---|-------------|--------------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | (32) | (189) |
| | (c) property, plant and equipment | (4) | (6) |
| | (d) investments | - | (78) |
| | (e) intellectual property | (19) | (104) |
| | (f) other non-current assets | - | - |
| 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) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (55) | (377) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 2,000 | 5,442 |
| 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 | (5) | (181) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | (70) | (591) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 1,925 | 4,670 |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 972 | 1,058 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,181) | (3,699) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (55) | (377) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,925 | 4,670 |
| 4.5 | Effect of movement in exchange rates on cash held | (2) | 7 |
| 4.6 | Cash and cash equivalents at end of period | 1,659 | 1,659 |

| | | | |
|------------|--|------------------------------------|-------------------------------------|
| 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 | 1,659 | 972 |
| 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) | 1,659 | 972 |

| | | |
|---|---|------------------------------------|
| 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 | 124 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>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.</i> | | |

| | | | |
|-----------|---|---|--|
| 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 (Insurance Funding Arrangement) – see below | 165) | 165 |
| 7.4 | Total financing facilities | 165 | 165 |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 7.6 | <p>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.</p> <p>On 17 February 2025, Control Bionics Limited reactivated an insurance funding arrangement with Attvest Finance ("Attvest") whereby Attvest provide funding to renew policies. The outstanding balance of the insurance funding facility is \$164,644 as at 31 March 2025. Interest is payable at a rate of 4.33% and the funding facility is due for repayment on or before 31 December 2025.</p> | | |

| | | |
|--|--|---------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,182) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 1,659 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 1,659 |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | 1.4 |
| <i>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.</i> | | |
| 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: | | |
| No, customer receipts continue to improve quarter over quarter as sales volumes in Australia have remained consistent on a monthly basis improving from the early part of the financial year. In addition, the Company anticipates revenue from its diversified lines of business, including NeuroNode-only sales in the US and Europe and software licensing which will contribute to reducing the cash outflows from operating activities. In addition the business received ~\$280k from the ALSA in grant funding in April 2025. | | |
| 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: | | |
| CBL actively manages capital levels and ensures the market is kept fully informed so that informed discussions with investors can occur. CBL believes it can raise capital in the short term (if required), to ensure that it can continue to fund its operations. | | |
| 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: | | |
| Yes, the Company expects to continue its operations through maintaining consistent sales levels in its core business and additional revenues through its diversified lines of business. This coupled with ongoing cash conservation strategies and securing financing from a variety of options and source if and when needed provide the support necessary to continue to meet the Company's business objectives. | | |
| <i>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.</i> | | |

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: 30 April 2025

Authorised by: By the Board