

31 July 2026

QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

QUARTER ENDED 30 JUNE 2026

Highlights

- **Capital raise strengthens balance sheet:** Control Bionics completed Tranche 1 of its A\$9.8 million capital raising on 30 June 2026 (~29.6 million shares), with Tranche 2 (~96.7 million shares) subject to shareholder approval at a General Meeting on 6 August 2026.
- **Board strengthened with global neurotechnology expertise:** Professor Nicholas Opie, co-founder of Synchron and Head of the Vascular Bionics Laboratory at the University of Melbourne, joined the Board as a Non-Executive Director and strategic advisor effective 14 May 2026.
- **US wholesale momentum building:** Wholesale revenue increased through June and into July. Following the US summer, further expansion is expected with our main partners Tobii and PRC.
- **NextLevel iOS device program progressing:** Following the first Letter of Intent for 1,000 devices executed earlier in the year, the NextLevel tablet is on track to launch in Q1FY27.
- **European expansion continuing:** Following inclusion in the German Statutory Health Insurance Medical Aids Directory, the Company expects to sign a wholesale distribution agreement in Germany in Q1FY27.
- **NeuroStrip commercial activity expanding:** Further NeuroStrip signings were secured during July, supporting continued commercial rollout across sports performance, rehabilitation and research settings.
- **R&D-secured loan facility:** The Company entered into a \$400,000 loan facility secured against its anticipated FY26 R&D tax incentive refund.
- **Revenue and cash receipts:** Cash receipts totalled \$1.0 million for the quarter, with net operating cash outflows of \$1.6 million, reflecting continued NDIS approval delays in Australia and a slower-than-expected transition from retail to wholesale in North America.

Control Bionics Limited (ASX: CBL) is pleased to announce its Quarterly Activities Report and Appendix 4C for the quarter ended 30 June 2026.

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

We are reporting on a quarter that reflects both the near-term impact of known industry headwinds and clear evidence that our long-term commercial strategy is gaining traction.

As flagged previously, revenue for the June quarter was impacted by continued NDIS approval delays in Australia and a slower-than-anticipated transition of our North American business from retail to a distributor-led wholesale model. NDIS approval delays directly impact customer orders, representing approximately \$1.1 million that are currently with, or are waiting to be submitted, to the NDIS for approval. These factors are reflected in the net operating cash outflow for the quarter. We expect the NDIS environment to remain challenging in the near term, and the North American transition to continue over coming quarters as our distribution partners build out their ordering cadence.

At the same time, we are encouraged by clear signs that this transition is starting to convert into volume. For the first time our wholesale revenue exceeded our retail revenue in the US in June. Whilst this may not occur every month for another quarter, we are confident our partnerships will continue to drive revenue growth for the business.

Our NextLevel iOS device program is approaching a key milestone with the launch of the NextLevel tablet, and we continue to build out our European footprint, with a wholesale distribution appointment in Germany expected in Q1FY27. We have also continued to expand our NeuroStrip commercial activity, with further sales signings in July supporting the platform's expansion across sports performance, rehabilitation and research.

We were also very pleased to welcome Professor Nicholas Opie to the Board during the quarter. Nick is one of the most respected figures globally in brain-computer interface technology and applied neurotechnology, and his appointment strengthens our technical, clinical and commercialisation capability as we continue to broaden our platform beyond assistive communication into sports performance and rehabilitation.

Finally, the completion of Tranche 1 of our capital raise on 30 June 2026, together with the expected completion of Tranche 2 in August, strengthens our balance sheet and, based on our current plan, and subject to shareholder approval and completion of Tranche 2, is expected to remove the need for further equity raisings to reach cash flow positivity. Overall, the Company remains focused on disciplined execution, converting the commercial groundwork of recent quarters into revenue, while managing costs and progressing towards our key strategic milestones.

Operational Performance

(a) North America

North America continued to progress its transition to a distributor-led AAC model during the quarter. Wholesale NeuroNode volumes through Tobii Dynavox and PRC-Salttillo increased through June and into July, and the Company expects this trend to build further as Tobii's state-based expansion and the PRC-Salttillo launch progresses in August. The NextLevel iOS speech device program also advanced, with the NextLevel tablet on track for Q1FY27, following the first Letter of Intent and advance payment received earlier in the year.

While the transition to a distributor-led model continued to impact near-term revenue mix during the quarter, the Company expects this to support improved scalability as partner ordering volumes increase.

(b) Australia

Performance in Australia continued to be impacted by ongoing delays in NDIS approvals, resulting in timing impacts on revenue recognition during the quarter. Underlying demand remains supported by a strong pipeline of funding applications, and the Company continues to engage with industry bodies and stakeholders to advocate for improved approval timeframes.

The Company also continued to expand its NeuroStrip commercial activity during the quarter, with further sales signings in July supporting continued growth across sports performance organisations, rehabilitation providers and research institutions. There are currently more than 10 groups active on our NeuroStrip platform in Australia.

(c) Japan

The Japan business continues to focus on market development, with revenue during the quarter reflecting the timing of customer funding cycles and decision-making processes. The Company progressed NeuroStrip engagement in Japan during the quarter, with the Japanese-language version now being used by existing collaborators alongside the Windows version for data collection, and testing continuing with no issues identified to date. The Company also completed Japanese-language translations of its NeuroStrip marketing and sales collateral to support this engagement, and continued discussions with a local health and sports network regarding a potential sales and promotion partnership for NeuroStrip in Japan.

(d) Other markets

Following the inclusion of NeuroNode in the German Statutory Health Insurance Medical Aids Directory, the Company expects to sign a wholesale distribution agreement in Germany,

supporting the Company's strategy to expand its NeuroNode-only distribution model into European markets.

(e) Product development

The Company continued to progress development and commercialisation of its NeuroStrip platform during the quarter, with commercial engagement continuing to build across sports performance, rehabilitation and research segments.

Quarterly cash flows and cash at bank

The Group's results reflect the following:

- Customer receipts of approximately \$1.0 million for the quarter.
- Net operating cash outflows of approximately \$1.6 million, reflecting continued NDIS approval delays in Australia and the slower-than-anticipated transition from retail to wholesale in North America.
- Net cash inflow from financing activities of approximately \$2.4 million, reflecting proceeds from Tranche 1 of the capital raise and drawdown under the R&D-secured loan facility, partly offset by scheduled repayments under the Attvest insurance funding arrangement.
- A closing cash balance of approximately \$2.1 million at 30 June 2026.

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	1,301
Product manufacturing	773
Administration and corporate	305
Research and development	80
Advertising and marketing	85

Related Party Payments

Related party payments as noted in Item 6.1 of the Appendix 4C comprise a total amount of \$140,387 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.

For further information, please contact:

Jeremy Steele
CEO and Managing Director
jsteele@controlbionics.com

Brett Crowley
Company Secretary
brettcrowley@controlbionics.com

About Control Bionics

Control Bionics Limited is a neurotechnology company commercialising objective, non-invasive neural-signal technology proven in clinical environments and built to scale across multiple markets. Its neural-signal platform captures the body's physiological signals, including the electrical activity generated by muscles, with medical-grade precision and converts them into measurable, decision-ready outcomes. A single underlying technology platform serves four applications: Performance, Rehabilitation, Research & Data, and Assistive Communication. The technology has historically been deployed in assistive communication and is now being extended into sports performance, rehabilitation, medical research, platform partnerships and broader human-computer interface applications. Control Bionics' technology does not require surgery or implantation, and holds regulatory clearances in the US, Australia and Europe. The Company is also a registered NDIS provider in Australia.

Forward-looking statements

This announcement contains forward-looking statements, including statements regarding expected revenue and operating cash flows, the launch of the NextLevel tablet, the proposed German distribution agreement, the expansion of NeuroStrip commercial activity, the completion of Tranche 2 of the capital raising and the Company's expected path to cash flow positivity. Forward-looking statements are based on current expectations and assumptions and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, and actual results may differ materially from those expressed or implied. In particular, completion of Tranche 2 of the capital raising is subject to shareholder approval at the General Meeting to be held on 6 August 2026. The Company does not undertake to update or revise any forward-looking statements except as required by law, and no representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statement.

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")

30 June 2026

Consolidated statement of cash flows	Current quarter (\$A'000)	Year to date (12 months) (\$A'000)
1. Cash flows from operating activities		
1.1 Receipts from customers	1,004	5,288
1.2 Payments for		
research and development	(80)	(206)
product manufacturing and operating costs	(773)	(3,537)
advertising and marketing	(85)	(320)
leased assets	(13)	(54)
staff costs	(1,301)	(5,631)
administration and corporate costs	(305)	(1,634)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	9
1.5 Interest and other costs of finance paid	(13)	(54)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	478
1.8 Other (provide details if material) ¹	-	(4)
1.9 Net cash from / (used in) operating activities	(1,565)	(5,665)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	businesses	-	(61)
	property, plant and equipment	-	(115)
	investments	-	-
	intellectual property	(15)	(170)
	other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	businesses	-	-
	property, plant and equipment	-	-
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired on business acquisition)	-	6
2.6	Net cash from / (used in) investing activities	(15)	(340)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,245	7,556
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	(148)	(215)
3.5	Proceeds from borrowings	400	850
3.6	Repayment of borrowings	(67)	(691)
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	2,430	7,500

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,234	595
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,565)	(5,665)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(340)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,430	7,500
4.5	Effect of movement in exchange rates on cash held	(7)	(13)
4.6	Cash and cash equivalents at end of period	2,077	2,077

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	2,077	1,234
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)	2,077	1,234

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	141
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	(400)	(400)
7.2	Credit standby arrangements	-	-
7.3	Other (Insurance Funding Arrangement) – see below	(85)	(85)
7.4	Total financing facilities	(485)	(485)
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.		
On 28 April 2026, the Company entered into a \$400,000 loan facility with Phoenix Development Fund Limited, secured against the Company's anticipated FY26 R&D tax incentive refund. The facility is secured by a General Security Agreement, bears interest at 12% per annum, and is repayable on the earlier of 30 September 2026 or the date the R&D tax incentive refund is received by the Company. The full facility limit of \$400,000 was drawn as at 30 June 2026. On 28 January 2026, the Company entered into an insurance premium funding arrangement with Attvest Finance (“Attvest”) to fund the renewal of its insurance policies. The facility is repayable in 10 monthly instalments to 30 October 2026 and incorporates a flat interest rate of 4.67% over the term. The outstanding balance of the facility is \$85,323 as at 30 June 2026.			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,565)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,077
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,077
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.3
<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: The net operating cash outflow for the quarter reflects continued softness in reported revenue, primarily due to ongoing NDIS approval delays in Australia and a slower-than-anticipated transition of the North American business from retail to a distributor-led wholesale model. The Company does not expect operating cash outflows to remain at this level going forward. Wholesale NeuroNode volumes in the US increased through June and into July, and the Company expects this trend to continue as its distribution partners scale ordering following Tobii's state expansion and the PRC-Salttillo launch in August. The Company also expects a positive contribution from the NextLevel iOS device program, its German distribution arrangement, and continued expansion of NeuroStrip commercial activity, each of which is expected to support improved operating cash flows over coming quarters.	
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: The Company has taken active steps to strengthen its funding position. In June 2026, the Company announced a two-tranche capital raising of approximately A\$9.8 million. Tranche 1, comprising approximately 29.6 million new shares, settled on 30 June 2026 and is reflected in the cash balance at quarter end. Tranche 2, comprising approximately 96.7 million new shares, is subject to shareholder approval at a General Meeting to be held on 6 August 2026, with settlement expected on 11 August 2026. On completion of Tranche 2, the Company does not anticipate a need for further equity raisings to reach cash flow positivity, based on its current operating plan. The Company also holds a \$400,000 loan facility secured against its anticipated FY26 R&D tax incentive refund (see item 7.6), and continues to maintain regular engagement with investors and funding counterparties.	

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 be able to continue its operations and meet its business objectives, supported by its cash balance at quarter end, the completed Tranche 1 placement, the anticipated completion of Tranche 2 in August 2026, and its R&D-secured loan facility. This is further supported by increasing commercial momentum, including growing wholesale NeuroNode volumes in the US, progress under the Tobii Dynavox, PRC-Salttillo, NextLevel and German distribution arrangements, continued expansion of NeuroStrip commercial activity, and the strengthened Board following Professor Nicholas Opie's appointment. These factors provide a reasonable basis for the continuation of operations and execution of the Company's strategic objectives.

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: *31 July 2026*

Authorised by: By the Board