

Control Bionics Limited

ABN 45 115 465 462

Annual Report

For the year ended 30 June 2025

For personal use only

Control Bionics Limited
Contents
30 June 2025

Corporate directory	2
Chairman's Message	3
Directors' report	5
Auditor's independence declaration	20
General Information	21
Consolidated statement of profit or loss and other comprehensive income	22
Consolidated statement of financial position	23
Consolidated statement of changes in equity	24
Consolidated statement of cash flows	25
Notes to the consolidated financial statements	26
Consolidated entity disclosure statement	56
Directors' declaration	57
Independent auditor's report to the members of Control Bionics Limited	58
Shareholder information	61

For personal use only

Control Bionics Limited
Corporate directory
30 June 2025

Directors as at the date of this report

Dr Samuel Straface
Mr Damian Lismore
Mr Jeremy Steele
Prof Robert Heard
Dr Stephanie Phillips

Company secretary

Mr Brett Crowley

Registered office

Level 4
11-13 Pearson Street
Cremorne VIC 3121
Phone: +61 3 9897 3576

Principal place of business

Level 4
11-13 Pearson Street
Cremorne VIC 3576
Phone: +61 3 9897 3576

Share register

Automic Registry Services
Level 5
126 Phillip Street
Sydney NSW 2000
Phone: +61 2 9698 5414

Auditor

BDO Audit Pty Ltd
Collins Square | Tower Four
Level 18
727 Collins Street
Melbourne VIC 3008

Stock exchange listing

Control Bionics Limited shares are listed on the Australian Securities Exchange (ASX code: CBL).

Website

www.controlbionics.com

Corporate Governance Statement

<https://www.controlbionics.com/wp-content/uploads/2025/09/2025-CBL-Corporate-Governance.pdf>

Control Bionics Limited
Chairman's Message
30 June 2025

Dear Shareholders,

It's a privilege to present Control Bionics' FY25 Annual Report — a year defined by partnership-led growth, product innovation, and a sharper strategic focus across disability solutions, stroke rehabilitation, and elite sports performance.

As incoming Chairman, I'm energized by the extraordinary potential of our organization. With a background in neuroscience, I was captivated by the science and precision behind Control Bionics' technology. As a businessman, I immediately saw the upside in its commercial applications. From the early breakthroughs that gave Professor Stephen Hawking a voice, to today's ability to drive higher muscle recruitment in elite athletes for explosive movement on demand, Control Bionics has evolved into a global neurotech leader. Our team continues to deliver life-changing solutions for individuals facing neurological and physical impairment, and we're scaling that impact through strategic alliances and expanded new markets in stroke recovery and sports performance enhancement.

Our mission is to empower individuals to enhance their cognitive and physical abilities through non-invasive, easy-to-use, and low-cost technology. In FY25, we made meaningful progress in executing our strategy to expand our share of the disabilities market while diversifying revenue into high-growth verticals. FY25 marked important progress:

- We strengthened our global disabilities business through targeted distribution agreements in Japan and the U.S., with currently active expansion discussions underway in Europe, the U.S.A., and Asia.
- The approval of a new U.S. HCPCS (Healthcare Common Procedure Coding System) reimbursement code for NeuroNode® devices – a rare achievement, reserved for a select group of cutting-edge medical devices – has unlocked insurance reimbursement pathways and accelerated adoption.
- Our third-generation platform, NeuroStrip®, with its modular, scalable tools for both clinical and consumer markets, was launched in limited markets and continues to build commercial and clinical momentum. Many of its new capabilities have been passed on to the NeuroNode platform – giving it, with its strong margins, additional product life.
- Early-stage partnerships in stroke rehabilitation have validated NeuroStrip's potential in post-stroke recovery.
- Our exclusive technology partner, NeuroBounce™, demonstrated measurable performance gains in elite athletes in the U.S., and Australia, opening entirely new commercial channels in enhancing athletic performance.

Control Bionics' platforms stand apart for their ability to distinguish between voluntary and involuntary movements, a patented capability honed over more than a decade in the most technically demanding segment of Electromyography (EMG), namely the extremely low voltage levels required for Augmentative & Alternative Communication (AAC) for the neurologically disabled. This underpins our strong competitive advantage as we expand into new neurotech applications. While competitors such as Elon Musk-backed Neuralink pursue implantable brain devices, these systems remain unproven, carry surgical risks, and lack regulatory clearance. In contrast, our NeuroNode and NeuroStrip platforms are FDA-cleared, commercially available, and economically viable, offering superior functionality without the morbidity. Control Bionics stands at the forefront of neurotechnology, delivering FDA-cleared, non-invasive solutions that outperform surgical alternatives in functionality, accessibility, and safety, and has the potential to lead every market it enters with unmatched technical and clinical rigor.

Historically, our business was tied to lengthy and unpredictable insurance cycles, notably through the National Disability Insurance Scheme (NDIS) in Australia and similar systems abroad. While demand for our technology remains strong, the delays in reimbursement created constraints that were no longer sustainable for a fast-moving neurotech company. In response, our FY25 strategy deliberately shifted toward wholesale partnerships in the disabilities market and diversification into new commercial channels, notably stroke rehabilitation and sports performance enhancement, to mitigate these risks. This transition was successfully executed, setting the foundation for a more predictable and scalable revenue model.

The approval of our U.S. HCPCS code for NeuroNode arrived at exactly the right time. This designation not only unlocks direct reimbursement pathways from both the U.S. government and private insurers but strengthens our negotiating position with wholesale partners who operate large, U.S. sales teams. To support these strategic changes, we made the difficult decision to reorganize our U.S. operations and say farewell to several valued team members. Even with those changes, we've continued to manage our cost base rigorously while maintaining our clear path toward EBITDA-positive performance in every region we operate.

This past year marked a period of meaningful transition for the Board of Directors. After seven years of dedicated stewardship, Roger Hawke stepped down as Chairman, and I was honoured to take on the role in December. We also bid farewell to Peter Ford, our visionary Founder, whose breakthrough insight that damaged muscles in neurologically impaired individuals still emit usable electrical signals laid the foundation for Control Bionics' pioneering neurotech platforms. His legacy lives on through the patented technologies recognized as leaders in disability support, and now targeted for stroke rehabilitation, and athletic performance enhancement. On behalf of our patients, their families, and all stakeholders, I extend

Control Bionics Limited
Chairman's Message
30 June 2025

heartfelt thanks to Roger and Peter for their enduring impact. As we chart new applications for our technology, I'm pleased to welcome Dr. Stephanie Phillips to the Board, whose deep expertise in medicine, innovation and fresh perspectives will enrich our strategic direction moving forward.

Despite achieving record sales, Control Bionics' share price performance has not reflected our underlying progress - a disconnect that is understandably disappointing for all stakeholders. While significant shareholder ownership remains concentrated, we acknowledge the need to better inform the broader market about the strength of our business and the scale of our opportunity. These challenges affected our ability to secure optimal funding as planned, yet we welcomed new investors who share our vision and remain grateful to our existing shareholders for their continued support. As we move forward, Control Bionics remains focused on executing a clear thesis: to grow our leadership in the disabilities market while expanding into high-impact verticals such as stroke rehabilitation and elite athletic performance. Whether it's helping someone rediscover their voice, accelerate physical recovery, or achieve peak mobility, our ambition is grounded in life-changing technologies born from the mission to give a voice to people with disabilities.

On behalf of our Board, I'd like to thank the Control Bionics' team for their unwavering commitment, our shareholders for their continued support, and our customers and their families, whose progress fuels everything we do.

Samuel F. Straface, Chairman



Control Bionics Limited
Directors' report
30 June 2025

The directors present their report, together with the financial statements on the consolidated entity (Group or Control Bionics) consisting of Control Bionics Limited (Company or Parent Entity) and the entities it controlled at the end of, or during, the year ended 2025.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Mr Damian Lismore
Mr Jeremy Steele
Prof Robert Heard

Dr Samuel Straface was appointed as a director on 22 October 2024 and continues in office as at the date of this report. Dr Straface was appointed as non-executive Chairman on 17 December 2024.

Mr Roger David Hawke was a director and Chairman from the beginning of the financial period until his resignation on 17 December 2024.

Dr Stephanie Phillips was appointed as a director on 26 March 2025 and continues in office as at the date of this report.

Mr Peter Shann Ford was a director from the start of the financial year up until his resignation on 26 March 2025.

Principal activities

During the year, the principal activities of the Group continued to be the development, commercialisation and sale of assistive communications technology systems within the disability sector. The Group's core systems include NeuroNode Trilogy, NeuroNode Duo and Eye-gaze Duo. These systems allow people with speech and movement difficulties to control a computer for speech generation, electronic communications (eg email, social media), entertainment and external control of other devices.

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.

The Group has also received TGA approval to market DROVE - the autonomous wheelchair module. DROVE allows powered users the independence to operate their wheelchairs in their own homes for the first time.

No other significant changes in the nature of these activities occurred during the year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Control Bionics Limited
Directors' report
30 June 2025

Review of operations

Control Bionics Limited delivered a record year in revenue, increasing to \$6,144,907 (2024: \$5,350,774). The increase was primarily driven by strong sales performance in the United States following the implementation of the HCPCS reimbursement code on 1 October 2024, and continued growth in Australia.

The Group reported a net loss after tax of \$6,108,667 (2024: \$5,913,779), reflecting investment in research and development, commercial expansion, and costs associated with building the Company's platform for future growth.

As at 30 June 2025, the Group held net assets of \$5,508,725 (2024: \$6,267,708) and cash and cash equivalents of \$594,733 (2024: \$980,760).

Operational performance

US

The financial year ended 30 June 2025 marked a significant milestone for the Group's US operations. Following Healthcare Common Procedure Coding System (HCPCS) code approval, Medicare, Medicaid and insurance-funded customers gained access to reimbursed NeuroNode devices, improving sales conversion and revenue visibility. Distributor engagement across both assistive and rehabilitation markets continued to build, and the US sales pipeline remains at its strongest level to date.

Australia

Revenue from Australia (excluding inter-company sales) increased to a record level in FY25, growing by nearly 20% over the prior year. This growth was underpinned by improving consistency in NDIS approvals and a strong backlog of funded orders. At 30 June 2025, over \$1.2 million in additional sales remained subject to NDIS processing. The NeuroStrip device was deployed across a number of clinical and research environments, diversifying the Company's market presence in Australia.

Japan

The Group's Japanese operations grew during the financial year as awareness of the NeuroNode increased and commercial partnerships expanded. The team focused on leveraging wholesale and corporate partners with broader market reach to drive distribution efficiency and uptake. Early-stage NeuroStrip trials also commenced with select partners.

Other Markets

In the United Kingdom, multiple NHS roadshows contributed to increased demand, with the NeuroNode now being adopted as a preferred assistive technology for targeted patient cohorts. Trials and evaluation programs also commenced in several European countries, with new distribution agreements expected in the next financial year.

NeuroBounce (Neuro Elite Athletics)

During the year ended 30 June 2025, the Group made a strategic investment in Neuro Elite Athletics LLC, a US-based performance training business focused on neuromuscular rehabilitation and athletic optimisation. The investment supports Control Bionics' strategy to expand into adjacent markets beyond assistive technology. Following this, the NeuroBounce program was introduced in Australia, combining NeuroStrip technology with sports performance protocols. Commercial discussions progressed in both the United States and Australia with several sporting organisations, positioning the initiative as a potential contributor to future growth and diversification.

Risk Management

Key Risks

The Company, through its Board and Management, takes a proactive approach to identifying and managing risk. The Board assumes responsibility for identifying risks and ensuring that management develops actions and activities to mitigate, manage and address these risks. Assessment of risk is made alongside consideration of opportunities to ensure a balanced view of business management. The Company has an Audit and Risk Committee (ARC) which is a committee of the Board established in accordance with the Company's constitution. As its role pertains to risk management, the committee is responsible for:

- preparing a risk profile which describes the material risks facing the Company including financial and non-financial matters;
- regularly reviewing and updating the risk profile;
- ensuring that the company has an effective risk management system;
- assessing and ensuring that there are internal controls for determining and managing key risk areas, such as:

Control Bionics Limited
Directors' report
30 June 2025

- (a) non-compliance with laws, regulations, standards and best practice guidelines including industrial relations, occupational health and safety, environmental and trade practices laws (as relevant to the Company from time to time);
- (b) important judgements and accounting estimates;
- (c) business licence requirements;
- (d) litigation and claims;
- (e) fraud and theft; and
- (f) relevant business risks not dealt with by other Board committees.

- receiving reports concerning material and actual incidents within the risk areas above and ensuring that macro risks are reported to the Board at least annually;
- conducting investigations of breaches or potential breaches of any internal controls, and incidents within the risk areas above, particularly in relation to accounts and financial reporting;
- evaluating the independence of external auditors;
- examining and evaluating the effectiveness of external auditors and making improvements;
- encouraging voluntary reporting by employees to the Committee of breaches of Company policies, and incidents within the risk areas above;
- assessing existing controls that management has in place for unusual transactions or transactions with more than an acceptable level of risk;
- meeting periodically with key management, external auditors, and compliance staff to understand the Company's control environment;
- overseeing the preparation of a summary of the main internal and external risk sources that could adversely affect the Company's prospects for future financial years, for inclusion in the operating and financial review section of the directors' report; and
- ensuring that the Company has appropriate internal audit systems and controls in place.

The ARC meets regularly with management to monitor and manage risk and the material financial, operational and strategic risks being actively managed by the Company are set out below.

Financial Risks

Financing Risks

The business is currently not generating sufficient cash receipts to cover its costs. During the year ended 30 June 2025, the Company completed capital raising activities which raised \$5,213,253, net of transactions costs, and will continue to examine other capital raising options to ensure the business remains funded through to cashflow break even.

Fiduciary Risk

The risk of fraud or inappropriate conduct leading to significant loss and/or reputational damage is managed through a variety of means including a delegation matrix, dual sign-off, bank and system access and controls. We engage a third party to manage our cyber risk and we are subject to an external audit of our financial statements on an annual basis.

Receivables Risk

Operating in the US health system is complex and comes with inherent risk around collectability of certain receivables. The Company mitigates this through a highly skilled team and close receivables management. Our years of experience and reputation, combined with pre-approvals before shipping ensure this risk is well managed.

Operation and Strategic Risks

Cyber Security Risk

The risk of a serious breach of our systems and customer information is mitigated through both internal and external control measures. These include outsourcing our systems and cyber risk to a specialised third party, internal controls such as dual factor authentication for all bank payments and managing key company intellectual property on highly secure third-party systems. As at the date of this report, there have been no material cyber issues in the company.

Supply Chain Risk

The Company is reliant on third parties to supply us with both completed and partially completed products for sale. We have dedicated resources to manage our suppliers and ensure that we mitigate the risks associated with the reliance on these companies to have the stock when we require it. We continually examine alternate suppliers.

Intellectual Property Risk

The risk of Control Bionics' IP being lost, copied or infringed by a third party is mitigated and managed through a combination of active surveillance, use of legal specialists, secure warehousing of key source code and the ownership of key patents.

Market Risk

Control Bionics currently operates in a niche part of the healthcare market. The business mitigates its reliance on payor mix by ensuring strong relationship with those market participants. The company is actively pursuing opportunities to diversify both its revenue and supply base to mitigate any potential risks in the future.

Staff Risk

As a small business Control Bionics is reliant on a limited number of people to ensure our successful growth. In addition, we operate in part of the health care industry that supports individuals with complex medical issues that can be confronting at times. To mitigate these risks Control Bionics has an established performance management process and rewards key staff with incentives. We also offer an Employee Assistance Program to provide staff with access to third party assistance and counselling.

Significant changes in the state of affairs

Other than developments reported elsewhere in this report, in the opinion of the Directors, there were no other significant changes in the state of affairs of the Group during the year ended 2025.

Matters subsequent to the end of the financial year

On 22 July 2025, the Company entered into a loan facility agreement with Phoenix Development Fund Limited for \$450,000. The loan is secured by the Company's R&D tax refund, is subject to 12% interest per annum, and is due and payable on the earlier of 6 months from the date of the agreement or the date on which the R&D refund is received.

On 28 August 2025, Control Bionics Limited announced a Non-Renounceable Rights Issue Offer (Offer) for 58,922,220 new shares at a price of \$0.035 per share. If fully subscribed, the Offer will raise up to approximately \$2.062 million (before costs). The Offer is underwritten to the extent of \$1,157,725 and is available to eligible shareholders on the record date of 2 September 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Control Bionics will continue to introduce new commercial models to grow organically and commercialise new technologies that are consistent with the company's vision.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Control Bionics Limited
Directors' report
30 June 2025

Information on directors

Dr Samuel Straface Ph.D.

Experience and expertise:

Non-Executive Chairman

Dr. Straface is a seasoned executive with extensive leadership experience in both multinational and emerging Medtech companies. His career includes senior roles at Johnson & Johnson and Boston Scientific Corporation, as well as CEO positions in several U.S.-based startups, most notably as former President and CEO of Medrobotics Corporation in Massachusetts. He has served on the boards of multiple U.S. medical technology firms, bringing deep expertise in clinical innovation and commercialisation. Although based in the United States for much of his professional life, Dr. Straface earned his doctorate in neurophysiology from The University of Western Australia.

Other current directorships:

None

Former directorships in last 3 years:

None

Special responsibilities:

Member of the Audit & Risk Committee

Chairman of the Nomination & Remuneration Committee

Interests in shares and options:

None

Mr Damian Lismore BA (Hons),
GAICD, CA ANZ, FCA (Ireland)

Experience and expertise:

Non-Executive Director

Damian has held a number of directorships and has extensive commercial, international and listed company experience (both ASX and NASDAQ), covering many industries including healthcare and technology. In his executive career, he held senior management roles in listed companies on the ASX and NASDAQ. He continues to act as an advisor to CEOs, boards and business owners. Damian joined the Control Bionics Board in September 2020.

Other current directorships:

None

Former directorships (last 3 years):

Non-Executive Director of LBT Innovations Limited (ASX: LBT).

Special responsibilities:

Chairman of the Audit & Risk Committee

Member of the Nomination & Remuneration Committee

Interests in shares and options

971,905 ordinary shares; 79,286 options

Mr Jeremy Steele BCom, ASIA,
AICD, FGLF

Experience and expertise:

Executive Director and Chief Executive Officer

Jeremy has more than 25 years of global corporate experience. His experience crosses many industries relevant to his role at Control Bionics, including 10 years in the healthcare industry. Jeremy has held a wide range of senior positions and prior to joining Control Bionics he was Chief Executive Officer of CardioScan, a leading global provider of Cardiac Diagnostics. Jeremy has invested in and worked with many businesses across his career including Aesop and FastTrack - both internationally successful. Jeremy has significant experience across the business spectrum including digital transformation, building high growth businesses, financial management, analysis and reporting.

Other current directorships:

None

Former directorships (last 3 years):

None

Special responsibilities:

None

Interests in shares and options:

2,469,869 ordinary shares; 4,320,807 options

Prof Robert Heard BSc (Hons),
MD, FRCP, FRACP

Experience and expertise:

Non-Executive Director

Rob is a clinical and academic neurologist. He is currently Conjoint Professor of Neurology at Newcastle University. He has had a long research career and has made major contributions in the field of multiple sclerosis. He is an active investor in biotechnology and pharmaceutical sectors. Rob has been a key contributor to our efforts to deliver new products for the med-tech sector. This is his first directorship.

Other current directorships:

None

Former directorships (last 3 years):

None

Special responsibilities:

Member of the Audit & Risk Committee

Member of the Nomination & Remuneration Committee

Interests in shares and options:

1,016,403 ordinary shares; 82,067 options

Control Bionics Limited
Directors' report
30 June 2025

Dr Stephanie Phillips BMed,
FRCA, FANZCA, GAICD
Experience and expertise:

Non-Executive Director

Dr Phillips is a Consultant Anaesthetist and Clinical Associate Professor at the Australian National University. She has formerly held senior leadership positions at the University of Sydney including Deputy Head of School, and Academic Lead for Education at the Sydney Adventist Hospital Clinical School and was a member of the Academic Boards of both the University and Faculty of Medicine. She has been Managing Director of Northern Specialist Anaesthetics Pty Ltd. She was also the Chair of the Australian Society of Anaesthetists, Science, Prizes, Awards and Research Committee. Her international training and experience span paediatric, cardiothoracic and neurosurgical anaesthesia. Her research interest is intraoperative monitoring of neuromuscular blockade.

Other current directorships:

None

Former directorships (last 3 years):

None

Special responsibilities:

Member of the Audit & Risk Committee

Member of the Nomination & Remuneration Committee

Interest in shares and options:

3,849,998 ordinary shares; 215,994 options

Mr Roger David Hawke BEng,
MES, MBA, MAICD
Experience and expertise:

Non-Executive Chairman (resigned 17 December 2024)

Roger has over 35 years of experience in the telecommunications technology space, having retired after 8 years as CEO / Managing Director of Crown Castle Australia / Axicom, and brings a high level of experience particularly in technology, operations, sales and management.

Other current directorships:

None

Former directorships in last 3 years:

None

Special responsibilities

Member of the Audit & Risk Committee

Chairman of the Nomination & Remuneration Committee

Control Bionics Limited
Directors' report
30 June 2025

Mr Peter Shann Ford Graduate
 1OTU Officer Training Unit, 2nd
 Lieutenant, Australian Army with
 3RAR
 Experience and expertise:

Non-Executive Director (resigned 26 March 2025)

Peter was the Founder and Non-Executive Director of Control Bionics Limited. He completed National Service as an infantry officer with The Third Battalion, Royal Australian Regiment, before moving to the USA as a news anchor with CNN in Atlanta. While at CNN, he was also contracted for three years as a computer programmer and analyst with the US Veterans Administration Rehabilitation Research and Development Laboratory - one of the first of its kind in the United States.

As a result, Peter began consulting to doctors, therapists and disability clients developing innovative Assistive Technology for communication, bionics and robotics.

He was inspired by Professor Stephen Hawking who was paralysed and unable to speak due to Motor Neuron Disease (MND). In 2000, Peter identified that a patient's disabled muscles still emitted small electromyography (EMG) signals that could be reliably used to control a computer. With an EMG clinical monitor from Therapeutic Alliances Inc (TAI), Peter created code to use a patient's signals to generate computerised text and speech, patenting the technology as NeuroSwitch.

In 2021 Prof. Hawking invited Peter to demonstrate the technology in Cambridge, and shortly after, asked to a Neuroswitch on his powered wheelchair. He met with Peter and TAI CEO, James Schorey, and the installed NeuroSwitch along with specialised software Peter wrote using Prof. Hawking's famous robotic voice. Over the next five years, Peter Beta-tested each new iteration of NeuroSwitch with Prof. Hawking at Cambridge University.

As he evolved the technology Peter began working with doctors, therapists and clients in Australia, New Zealand, the USA and Europe. In 2005, Lindsay Phillips, Chairman of Phoenix Development Fund in Australia, invested one million dollars and Control Bionics was born.

Other current directorships:
 Former directorships in last three
 years:
 Special responsibilities:

None
 None
 Member of the Audit & Risk Committee
 Member of the Nomination & Remuneration Committee

Company secretary

The company secretary is Mr Brett Crowley. He has held the role since September 2020. Brett is a practicing solicitor and former partner of Ernst & Young Hong Kong and Australia, and of KPMG Hong Kong. He is a former Senior Legal Member of the NSW Guardianship Tribunal and the NSW Civil and Administrative Tribunal. Brett has extensive ASX-listed company experience. He is currently a director or company secretary of five ASX-listed companies.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

Directors	Full Board		Audit and Risk Committee		Nomination and Remuneration Committee	
	Attended	Held*	Attended	Held*	Attended	Held*
Dr Samuel Straface	6	6	3	3	-	-
Mr Damian Lismore	9	9	5	5	1	1
Mr Jeremy Steele	9	9	5	5	-	-
Prof Robert Heard	9	9	5	5	1	1
Mr Roger David Hawke	5	5	2	3	1	1
Mr Peter Shann Ford	7	7	4	4	1	1
Dr Stephanie Phillips	2	2	1	1	-	-

Control Bionics Limited
Directors' report
30 June 2025

*Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation;
- Additional information; and
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Executive rewards are competitive in the markets in which Control Bionics operates;
- Executive remuneration has an appropriate balance of fixed and at-risk reward;
- Remuneration is linked to Control Bionics' performance and the creation of shareholder value;
- Executive remuneration is fair and appropriate, having regard to the performance of the Group and the relevant executive; and
- Remuneration outcomes comply with relevant legal requirements.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having sustainable revenue growth as a core component of plan design
- focusing on sustained growth in the business in both existing new and existing markets likely to create increased shareholder wealth, as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

Control Bionics Limited
Directors' report
30 June 2025

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. As disclosed in the Corporate Governance Statement, initially, and until a different amount is determined, the Board has determined that the maximum annual aggregate non-executive directors' remuneration is \$400,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay, consulting fees and non-monetary benefits
- short-term performance incentives
- share-based payments; and
- other remuneration such as superannuation and long service leave and medical insurance in some markets.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include revenue, EBITDA, profit contribution, new market performance, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments.

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group and measures that are linked to growth in earnings and shareholder wealth. Cash bonus and incentive payments are dependent on defined financial, operational and personal performance targets (KPIs) being met. Some adjustments to cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Measures for the 2025 financial year included: Revenue, EBITDA, Net Profit or Loss after income tax, and cash balances and management.

In addition to the financial metrics, the Board also considers the achievement of non-financial milestones or KPIs. For the year ended 30 June 2025, the following milestones were assessed as part of the Executive performance KPIs:

- Improve sales performance in current markets of Australia and North America and grow a sustainable business in Japan;
- Progress on key strategic objectives of the business including product development and capital raising initiatives to meet operational and investment needs; and
- Maintain a safe, happy and well-informed workforce with low turnover.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of the Company:

- Dr Samuel Straface - Non-Executive Director (Appointed 22 October 2024); Chairman (Appointed 17 December 2024)
- Mr Roger David Hawke - Chairman (Resigned 17 December 2024)
- Mr Peter Shann Ford - Executive Director (Resigned 26 March 2025)
- Mr Damian Lismore - Non-Executive Director
- Prof Robert Heard - Non-Executive Director
- Dr Stephanie Phillips - Non-Executive Director (Appointed 26 March 2025)
- Mr Jeremy Steele - Executive Director, Chief Executive Officer

And the following persons:

- Mr Todd Tyler - US Country Manager
- Ms Shannon Boothroyd - Chief Financial Officer (Appointed 13 May 2024)
- Mr Dominik Kucera - Interim Chief Financial Officer (Resigned 31 May 2024)

Control Bionics Limited
Directors' report
30 June 2025

2025	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
Dr Samuel Straface ¹	50,920	-	5,856	-	-	56,776
Mr Damian Lismore	60,475	-	-	-	-	60,475
Prof Robert Heard	46,048	-	5,296	-	-	51,344
Dr Stephanie Phillips ²	12,558	-	1,444	-	-	14,002
Mr Roger David Hawke ³	34,045	-	3,915	-	-	37,960
Mr Peter Shann Ford ⁴	34,456	-	3,963	-	-	38,419
<i>Executive Directors:</i>						
Mr Jeremy Steele	311,723	-	19,469	-	73,641	404,833
<i>Other Key Management Personnel:</i>						
Mr Todd Tyler	308,952	-	15,448	-	19,917	344,317
Ms Shannon Boothroyd	217,461	-	25,008	-	7,802	250,271
	1,076,638	-	80,399	-	101,360	1,258,397

2024	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
Mr Damian Lismore	47,000	-	-	-	-	47,000
Prof Robert Heard	42,534	-	-	4,679	-	47,213
Mr Roger David Hawke	68,182	-	-	7,500	-	75,682
Mr Peter Shann Ford ⁵	193,330	-	-	23,333	315	216,978
<i>Executive Directors:</i>						
Mr Jeremy Steele	331,540	82,875	-	-	74,480	488,895
<i>Other Key Management Personnel:</i>						
Mr Todd Tyler	283,428	-	-	-	17,431	300,859
Ms Shannon Boothroyd ⁶	29,615	-	3,296	-	1,096	34,007
Mr Dominik Kucera ⁷	190,163	-	-	-	-	190,163
	1,185,792	82,875	3,296	35,512	93,007	1,400,797

¹ Represents remuneration from 22 October 2024

² Represents remuneration from 26 March 2025 to 30 June 2025

³ Represents remuneration from 1 July 2024 to 17 December 2024

⁴ Represents remuneration from 1 July 2024 to 26 March 2025

⁵ Represents remuneration from 1 July 2023 to both 15 August 2023 as an employee and to 30 June 2024 as a non-executive director

⁶ Represents remuneration from 13 May 2024

⁷ Represents remuneration from 1 July 2023 to 31 May 2024

Control Bionics Limited
Directors' report
30 June 2025

There were no benefits or remuneration paid during the financial year or the comparative financial year for:

- Non-monetary short-term benefits
- Equity-settled shares as share-based payments; and
- Equity-settled options as share-based payments.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
<i>Non-Executive Directors:</i>						
Dr Samuel Straface	100%	-	-	-	-	-
Mr Roger David Hawke	100%	100%	-	-	-	-
Mr Peter Shann Ford	100%	100%	-	-	-	-
Mr Damian Lismore	100%	100%	-	-	-	-
Prof Robert Heard	100%	100%	-	-	-	-
Dr Stephanie Phillips	100%	-	-	-	-	-
<i>Executive Directors:</i>						
Mr Jeremy Steele	82%	68%	-	17%	18%	15%
<i>Other Key Management Personnel:</i>						
Mr Todd Tyler	94%	94%	-	-	6%	6%
Ms Shannon Boothroyd	97%	97%	-	-	3%	3%
Mr Dominik Kucera	-	100%	-	-	-	-

Cash bonuses are dependent on meeting defined performance measures.

The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Group performance and link to remuneration'.

The maximum bonus values are established at the start of each financial year and amounts payable are determined at the end of the financial year by the Nomination and Remuneration Committee.

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2025	2024	2025	2024
<i>Executive Directors:</i>				
Mr Jeremy Steele	-	50%	100%	50%
<i>Other Key Management Personnel:</i>				
Mr Todd Tyler	-	-	100%	100%
Ms Shannon Boothroyd	-	-	100%	-
Mr Dominik Kucera	-	-	-	-

Control Bionics Limited
Directors' report
30 June 2025

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Mr Jeremy Steele
Title: Chief Executive Officer
Agreement commenced: 19 January 2023
Term of agreement: Ongoing
Details: Total Fixed Remuneration for the year ended 30 June 2025 of \$348,075 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. A cash bonus of up to 50% of Fixed Remuneration as per Nomination and Remuneration Committee approval and KPI achievement. A sign-on LTI award of 2,000,000 options have been granted. There is an ability to participate in employee share options as set out in Note 22 of this report. There is a 6-month termination notice by either party and standard, non-solicitation and non-compete clauses.

Name: Mr Todd Tyler
Title: US Country Manager
Agreement commenced: 8 September 2021
Term of agreement: Ongoing
Details: Total Fixed Remuneration comprising base salary of US\$187,200 for the year ended 30 June 2025 plus matching 401(k) contributions of up to 3% of base salary, to be reviewed annually by the Nomination and Remuneration Committee. A cash bonus of up to 30% as per Nomination and Remuneration Committee approval and KPI achievement and a sign on LTI award of up to 30% of base salary. There is an ability to participate in employee share options as set out in Note 22 of this report. There is a 15-day termination notice by the employee or immediate termination right by the company, and standard non-solicitation and non-compete clauses.

Name: Ms Shannon Boothroyd
Title: Ongoing
Agreement commenced: 13 May 2024
Term of agreement: Ongoing
Details: Total Fixed Remuneration for the year ended 30 June 2025 of \$220,000 exclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. A cash bonus of up to 25% of Fixed Remuneration as per Nomination and Remuneration Committee approval and KPI achievement. A sign-on LTI award of 500,000 options have been granted. There is an ability to participate in employee share options as set out in Note 22 of this report. There is a 6-month termination notice by either party and standard, non-solicitation and non-compete clauses.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Options

Mr Todd Tyler was granted 377,358 options, to expire on 9 August 2029 with an exercise price of \$0.053.

Mr Jeremy Steele was granted 1,698,113 options, to expire on 10 October 2029 and with an exercise price of \$0.053.

Terms and conditions of the above options are explained in Note 22 to this report.

No other options were granted, exercised, or lapsed for directors and other key management personnel during the year ended 30 June 2025.

Control Bionics Limited
Directors' report
30 June 2025

Additional information

The earnings of the consolidated entity for the five years to 30 June 2025 are summarised below:

	2025	2024	2023	2022	2021
	\$	\$	\$	\$	\$
Sales revenue (including rental and trials)	6,144,907	5,350,774	5,642,386	4,501,890	3,792,119
EBITDA	(5,000,464)	(4,920,499)	(4,737,231)	(5,577,450)	(3,320,674)
Loss after income tax	(6,108,667)	(5,913,779)	(5,631,141)	(6,101,224)	(3,550,826)
Available cash	594,733	980,760	935,503	5,214,003	12,331,109
Share price at financial year end (\$)	\$0.030	\$0.052	\$0.087	\$0.225	\$0.695

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Mr Damian Lismore	813,334	-	158,571	-	971,905
Prof Robert Heard	852,270	-	164,133	-	1,016,403
Dr Stephanie Phillips	-	-	-	3,849,998	3,849,998
Mr Jeremy Steele	1,856,060	-	613,809	-	2,469,869
Mr Roger David Hawke	2,344,638	-	377,329	(2,721,967)	-
Mr Peter Shann Ford	20,003,433	-	-	(20,003,433)	-
	<u>25,869,735</u>	<u>-</u>	<u>1,313,842</u>	<u>(18,875,402)</u>	<u>8,308,175</u>

Dr Phillips held 3,849,998 ordinary shares in the Company at the time of her appointment on 26 March 2025. These shares were acquired prior to her appointment and do not form part of her remuneration for the current financial year.

Mr Hawke held 2,721,967 ordinary shares and Mr Ford held 20,003,433 shares at the time of their resignations.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Mr Jeremy Steele	2,315,789	2,005,018	-	-	4,320,807
Mr Todd Tyler	675,234	377,358	-	-	1,052,592
Ms Shannon Boothroyd	500,000	-	-	-	500,000
Mr Damian Lismore	-	79,286	-	-	79,286
Prof Robert Heard	-	82,067	-	-	82,067
Dr Stephanie Phillips	-	-	-	215,994	215,994
Mr Roger David Hawke	-	188,665	-	(188,665)	-
	<u>3,491,023</u>	<u>2,732,394</u>	<u>-</u>	<u>27,329</u>	<u>6,250,746</u>

Dr Phillips held 215,994 options in the Company at the time of her appointment on 26 March 2025. These options were acquired prior to her appointment and do not form part of her remuneration for the current financial year.

Mr Hawke held 188,665 options at the time of his resignation.

Control Bionics Limited
Directors' report
30 June 2025

Other transactions with key management personnel and their related parties

Executive Director Mr Steele and Non-Executive Directors Mr Hawke, Mr Lismore and Prof Heard received underwriting fees of \$1,665 in total pursuant to individual underwriting agreements related to a rights issue that was completed in October 2024. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares

Unissued ordinary shares of Control Bionics Limited under option as the date of this report are as follows:

Date options granted	Number of unissued ordinary shares under option	Issue price of shares	Expiry date of the options
08/09/2022	365,636	\$0.220	08/09/2027
19/01/2023	2,000,000	\$0.164	19/01/2028
10/08/2023	724,459	\$0.095	10/08/2028
11/10/2023	315,789	\$0.095	11/10/2028
13/05/2024	1,000,000	\$0.100	13/05/2026
13/05/2024	1,000,000	\$0.150	13/05/2026
13/05/2024	500,000	\$0.045	13/05/2029
20/05/2024	500,000	\$0.100	20/05/2027
14/08/2024	1,226,414	\$0.053	14/08/2029
10/10/2024	1,698,113	\$0.053	10/10/2029
20/12/2024	650,000	\$0.100	20/12/2026
	9,980,411		

Shares issued on exercise of options

There were no ordinary shares of Control Bionics Limited issued during or since the end of the financial year as a result of the exercise of options.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Audit and non-audit services

Details of the amounts paid or payable to the auditor for audit and non-audit services during the year are disclosed in Note 32 'Remuneration of auditors'.

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the Group are important.

Control Bionics Limited
Directors' report
30 June 2025

The board of directors, in accordance with advice provided by the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including independence standards).

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors Report.

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Samuel F. Straface
Chairman

12 September 2025



Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY KATHERINE ROBERTSON TO THE DIRECTORS OF CONTROL BIONICS LIMITED

As lead auditor of Control Bionics Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Control Bionics Limited and the entities it controlled during the period.

A handwritten signature in blue ink that reads 'Katherine Robertson'.

Katherine Robertson

Director

BDO Audit Pty Ltd

Melbourne, 12 September 2025

For personal use only

Control Bionics Limited
General Information
30 June 2025

The financial statements cover Control Bionics Limited as a Group consisting of Control Bionics Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Control Bionics Limited's functional and presentation currency.

Control Bionics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
11-13 Pearson Street
Cremorne VIC 3121
Australia

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 September 2025. The directors have the power to amend and reissue the financial statements.

Control Bionics Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue	4	6,144,907	5,350,774
Other income	5	895,295	1,004,594
Expenses			
Raw materials and consumables used		(2,031,466)	(1,454,121)
Employee benefits expense		(6,061,413)	(5,449,029)
Research & development costs (non-staff)		(1,067,359)	(1,714,851)
Depreciation and amortisation expense	6	(986,458)	(843,191)
Corporate travel		(629,065)	(586,837)
Professional fees		(413,560)	(724,598)
Marketing and promotion		(413,797)	(460,674)
Legal fees, patents and insurance		(288,114)	(258,572)
General and administrative expense		(836,856)	(217,268)
Bad debt expense		(232,886)	(414,089)
Foreign exchange (loss)/gain		(10,769)	4,172
Impairment loss arising from other assets		(10,077)	(93,806)
Finance costs	6	(108,973)	(56,283)
Share of net losses of investments accounted for using the equity method	11	(58,076)	-
Loss before income tax expense		(6,108,667)	(5,913,779)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Control Bionics Limited		(6,108,667)	(5,913,779)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		3,459	(20,983)
Other comprehensive income/(loss) for the year, net of tax		3,459	(20,983)
Total comprehensive loss for the year attributable to the owners of Control Bionics Limited		<u>(6,105,208)</u>	<u>(5,934,762)</u>
		Cents	Cents
Basic loss per share	21	(2.31)	(3.71)
Diluted loss per share	21	(2.31)	(3.71)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Control Bionics Limited
Consolidated statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	594,733	980,760
Trade and other receivables	9	1,968,397	2,186,704
Inventories	10	409,644	404,150
Other assets		200,009	190,164
Total current assets		<u>3,172,783</u>	<u>3,761,778</u>
Non-current assets			
Investments accounted for using the equity method	11	341,000	-
Property, plant and equipment	12	644,531	851,698
Intangibles	13	3,875,219	4,047,007
Right-of-use assets	14	199,423	366,827
Total non-current assets		<u>5,060,173</u>	<u>5,265,532</u>
Total assets		<u>8,232,956</u>	<u>9,027,310</u>
Liabilities			
Current liabilities			
Trade and other payables	15	2,013,718	1,567,488
Borrowings	16	94,941	517,136
Lease liabilities	14	206,857	108,437
Employee benefits	17	237,886	210,046
Total current liabilities		<u>2,553,402</u>	<u>2,403,107</u>
Non-current liabilities			
Lease liabilities	14	133,600	336,165
Employee benefits	17	37,229	20,330
Total non-current liabilities		<u>170,829</u>	<u>356,495</u>
Total liabilities		<u>2,724,231</u>	<u>2,759,602</u>
Net assets		<u>5,508,725</u>	<u>6,267,708</u>
Equity			
Issued capital	18	40,365,766	35,152,513
Reserves	19	530,782	394,351
Accumulated losses	20	(35,387,823)	(29,279,156)
Total equity		<u>5,508,725</u>	<u>6,267,708</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Control Bionics Limited
Consolidated statement of changes in equity
For the year ended 30 June 2025

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	30,241,659	271,371	(23,365,377)	7,147,653
Loss after income tax expense for the year	-	-	(5,913,779)	(5,913,779)
Other comprehensive loss for the year, net of tax	-	(20,983)	-	(20,983)
Total comprehensive loss for the year	-	(20,983)	(5,913,779)	(5,934,762)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (Note 18)	4,910,854	-	-	4,910,854
Share-based payments	-	136,963	-	136,963
Options issued in lieu of payment	-	7,000	-	7,000
Balance at 30 June 2024	<u>35,152,513</u>	<u>394,351</u>	<u>(29,279,156)</u>	<u>6,267,708</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	35,152,513	394,351	(29,279,156)	6,267,708
Loss after income tax expense for the year	-	-	(6,108,667)	(6,108,667)
Other comprehensive income for the year, net of tax	-	3,459	-	3,459
Total comprehensive income/(loss) for the year	-	3,459	(6,108,667)	(6,105,208)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (Note 18)	5,213,253	-	-	5,213,253
Share-based payments	-	123,872	-	123,872
Options issued in lieu of payment	-	9,100	-	9,100
Balance at 30 June 2025	<u>40,365,766</u>	<u>530,782</u>	<u>(35,387,823)</u>	<u>5,508,725</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Control Bionics Limited
Consolidated statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,938,272	5,321,759
Payments to suppliers and employees (inclusive of GST)		(11,048,215)	(10,975,225)
Receipts from government grants		852,106	785,668
Interest received		36,672	12,183
Interest and other finance costs paid		(48,155)	(56,283)
Net cash used in operating activities	24	(4,269,320)	(4,911,898)
Cash flows from investing activities			
Payments for property, plant and equipment	12	(302,327)	(398,337)
Payments for intangible assets	13	(139,660)	(74,750)
Payments for investments accounted for using the equity method	11	(338,132)	-
Proceeds from sale of shares		35,337	-
Net cash used in investing activities		(744,782)	(473,087)
Cash flows from financing activities			
Proceeds from issue of shares	18	5,406,223	5,094,273
Proceeds from borrowings		232,737	648,449
Share issue transaction costs	18	(192,970)	(114,476)
Repayment of borrowings		(654,932)	(131,313)
Repayment of lease liabilities		(164,963)	(47,496)
Net guarantee paid on new lease arrangements		-	(21,738)
Net cash from financing activities		4,626,095	5,427,699
Net (decrease)/increase in cash and cash equivalents		(388,007)	42,714
Cash and cash equivalents at the beginning of the financial year		980,760	935,503
Effects of exchange rate changes on cash and cash equivalents		1,980	2,543
Cash and cash equivalents at the end of the financial year	8	<u>594,733</u>	<u>980,760</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 1. Statement of material accounting policies

Basis of preparation of the financial report

This financial report is a general-purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Control Bionics Limited and its controlled entities. Control Bionics Limited is a company limited by shares, incorporated and domiciled in Australia. Control Bionics Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS Accounting Standards

The consolidated financial statements of Control Bionics Limited also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies below.

Functional currency and presentation currency

The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 1. Statement of material accounting policies (continued)

Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which the Group has control. The group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the share of profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in their carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

Where the Group's share of losses in an associate equals or exceeds its interest in the entity, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Going Concern

The Group's financial statements have been prepared on the basis of continuity of operations, the realisation of assets and the satisfaction of liabilities in the ordinary course of business. As disclosed in the financial statements, the Group has incurred a net loss after taxes of \$6,108,667 (2024: \$5,913,779) and had net cash outflows from operating activities of \$4,269,320 for the year ended 30 June 2025 (2024: \$4,911,898).

The future viability of the Group is largely dependent on the number and timing of sales, and on its ability to raise capital to finance its operations. The Group's level of sales in the upcoming financial year and ability to raise capital as and when needed could have a negative impact on its financial condition and its ability to pursue its business strategies. If adequate funds are not available to the Group, the Group may be required to delay, reduce or eliminate research and development programs, reduce costs, or eliminate commercialisation efforts, cease operations, raise new equity or pursue merger and acquisition strategies.

The Group had cash on hand balances available as at 30 June 2025 of \$594,733 (2024: \$980,760). During the year the Group raised an additional \$5,213,253 through a share placement and a rights issue and received a Research and Development Tax Incentive rebate of \$736,794.

The Group has prepared a cash flow forecast supported by detailed assumptions and scenario planning directed to sustaining business growth. These forecasts indicate that the Group will require additional finance to fund its ongoing operations for a period of 12 months from the date the financial report was authorised for issue. Subsequent to year end, the Group announced a Non-Renounceable Rights Issue Offer for 58,922,220 new shares at \$0.035 per share, representing the initial round of funding for the 12-month period following the financial report date. The Offer is underwritten up to \$1,157,725 ensuring a minimum level of proceeds.

The potential requirement to raise additional finance or equity to fund operations creates a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, the directors are confident the Group will raise additional investment to fund operations and implement other risk mitigating factors disclosed above.

Note 1. Statement of material accounting policies (continued)

The financial statements do not reflect the situation should the Group be unable to continue as a going concern. If the going concern assumption is not valid, the consequence is the Group may be unable to realise the value of its assets including its intangible assets and discharge its liabilities in the ordinary course of business.

The Group believes that it has sufficient liquidity and options available to prepare the financial statements on a going concern basis at this time.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

The foreign currency translation reserve is recognised in profit or loss when the foreign operation is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration reflects concessions provided to the customer such as discounts, rebates and any other contingent events. Such estimates are determined using the 'expected value' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

The primary performance obligation identified by the Group is the provision of goods.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods. For most contracts, the Group has determined that control transfers upon shipment of the goods, which is the point at which the Group has satisfied its primary performance obligation. This reflects the terms under which the customer assumes ownership and risk upon dispatch, and the Group retains no further performance obligations post-shipment. The Group considers indicators such as transfer of legal title, risk of loss, and the customer's ability to direct the use of the goods to determine the point of control transfer.

Rental

Revenue from rental of goods is recognised over the period of the rental arrangement.

Technical support and product trials

Revenue from technical support and product trials is recognised over the period of the trial or support arrangement. Technical support is provided for 12 months from purchase and recognition of revenue is weighted toward the earlier months in line with when support services are utilised. Product trials vary in length dependent on the needs of the customer and the requirements of the jurisdiction in which the customer resides.

Note 1. Statement of material accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Research and Development tax offset

The refundable component of the research and development tax offset is recognised as other income in the same year in which the associated expenses have been incurred. The receipt of the research and development tax offset is dependent on the submission and acceptance by the Australian Taxation Office of a research and development project description, and the Group fulfilling its requirements to lodge a company tax return for the relevant year.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Grants relating to costs are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate. Government grants have been presented on a gross basis in the consolidated statement of profit or loss and other comprehensive income.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates and tax laws that have been enacted at the end of the reporting period.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Control Bionics Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 December 2005. Control Bionics Limited is the head entity of the tax consolidated group. All tax liabilities will be recognised by the head entity in the absence of any tax sharing agreement.

No amounts have been recognised in the financial statements as no tax is payable.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Terms for trade receivables in the ordinary course of business require settlement with 30-90 days, however, terms for specialised "insurance" sales in the United States may require extensions of up to 180 days.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 1. Statement of material accounting policies (continued)

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Inventories represent:

- Finished goods for sale
- Finished goods under construction
- Elements of finished goods held for future production
- Spare parts for finished goods that have previously been sold

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects has been assigned by using specific identification of their individual costs.

Where inventories of items are interchangeable, the Group has elected to assign costs to inventories on the basis of weighted average costs. This cost formula has been implemented as management is of the opinion that the weighted average cost basis will provide more relevant information and result in a more accurate carrying amount of inventory as the end of each reporting date.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Class of asset	Estimate useful lives
Plant and equipment	2-7 years
Trial and demonstration equipment	3 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 1. Statement of material accounting policies (continued)

Amortisation is calculated on a straight-line basis to write off the net cost of intangible assets over their expected useful lives as follows:

Class of intangible asset	Estimated useful lives
Patents and trademarks	1-8 years
Intellectual property	15.5 years

Patents and trademarks

Patents and trademarks are capitalised at their purchase or registration cost and the resulting asset amortised over their effective lives.

Intellectual property

Expenditure during the research phase of a project is recognised as an expense when incurred. Expenditure on intellectual property acquired from third parties is carried at cost less accumulated depreciation.

Impairment

Impairment testing is performed when indicators of impairment are identified.

All intellectual property held as a non-current asset was acquired from third parties; no intellectual property was internally generated. The intellectual property held as a non-current asset at year end comprises proprietary plans, specifications, modelling, knowledge, techniques, software and machine code that enable the Group to develop the proprietary assistive technology used in its business.

The majority of the intellectual property owned by the Group is represented by technical know-how which is an integral part of the product produced. Without this technical know-how, the Group would be unable to produce and market its product. For as long as the Group continues its current operations, that technical know-how will continue to be applied.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Deferred revenue

Deferred revenue represents the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Note 1. Statement of material accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1. Statement of material accounting policies (continued)

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards or Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements but the standard will affect the presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements, for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Determination of variable consideration for revenue recognition

Judgement is exercised in estimating variable consideration which, is determined using the expected value method, accounting for the amount that the Group expects to be entitled to under contract. The variable consideration is estimated by management with regard to past experience and historical trends in relation to receipts from insurance customers in North America. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Impairment of intellectual property

The consolidated entity assesses impairment of intellectual property assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal (being the relief from royalty method), which incorporates a number of key estimates and assumptions.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Research and development tax offset

An estimate has been made of the refundable research and development tax offset due to the Group in respect of research and development activities conducted during the year. This estimate is based on a calculation of expenditure on eligible research and development activities. Should this estimate be incorrect an adjustment is made to the following accounting period in respect of other income.

Note 3. Operating Segments

Identification of reportable operating segments

Segment information is based on the information that management uses to make decisions about operating matters and allows users to review operations through the eyes of management. Operating segments represent the information reported to the chief operating decision makers (CODM), being the executive management team, for the purposes of resource allocation and assessment of segment performance.

The Group has identified operating segments applicable to the sale of assistive communications technology systems within the disability sector. The reported loss for the combined segments within the sector before income tax is \$6,108,667 for the year (2024 loss: \$5,913,779).

The segment currently has two functioning operations in two geographical locations: Australia and North America, market exploration in alternate geographical locations including Japan, a corporate function in addition to a substantial Research and Development program. This is consistent with the internal reporting provided to the CODM and is aligned to the one major revenue stream.

The CODM reviews EBITDA (earnings before interest, tax, depreciation, and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in these financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and/or services of each of the geographical locations within the operating segment are as follows:

Australia (Aust)	Sales of systems related units and components in Australia
North America (US)	Manufacture and sales of systems units and components in North America
Japan and other markets	Activities undertaken to establish viable and additional operating markets, but not yet determined to be a material market segment in their own right.
R&D (R&D)	Research activities undertaken in regards to the Group's products.
Corporate	The provision of support, regulatory and infrastructure activities, and elimination entries above the EBITDA line.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 3. Operating Segments (continued)

	Aust \$	US \$	Japan and other markets \$	R&D \$	Corporate \$	Total \$
2025						
Revenue and income	1,256,330	5,684,688	125,185	724,633	(750,634)	7,040,202
Expenses*	<u>(1,845,485)</u>	<u>(7,523,477)</u>	<u>(262,100)</u>	<u>(2,026,943)</u>	<u>(327,280)</u>	<u>(11,985,285)</u>
EBITDA	<u>(589,155)</u>	<u>(1,838,789)</u>	<u>(136,915)</u>	<u>(1,302,310)</u>	<u>(1,077,914)</u>	<u>(4,945,083)</u>
Interest						(108,973)
Depreciation						(986,458)
Impairment of assets						(10,077)
Share of associates losses						<u>(58,076)</u>
Loss before income tax for the period						<u>(6,108,667)</u>
Income tax expense						-
Loss after income tax expense for the period						<u><u>(6,108,667)</u></u>

	Aust \$	US \$	Japan and other markets \$	R&D \$	Corporate \$	Total \$
2024						
Revenue and income	1,086,448	4,962,722	59,950	952,134	(705,886)	6,355,368
Expenses*	<u>(1,313,449)</u>	<u>(7,177,583)</u>	<u>(226,670)</u>	<u>(2,501,129)</u>	<u>(57,036)</u>	<u>(11,275,867)</u>
EBITDA	<u>(227,001)</u>	<u>(2,214,861)</u>	<u>(166,720)</u>	<u>(1,548,995)</u>	<u>(762,922)</u>	<u>(4,920,499)</u>
Interest						(56,283)
Depreciation						(843,191)
Impairment of assets						<u>(93,806)</u>
Loss before income tax for the period						<u>(5,913,779)</u>
Income tax expense						-
Loss after income tax expense for the period						<u><u>(5,913,779)</u></u>

*Interest, Depreciation, Amortisation and Impairment are excluded from expenses in the above schedule due to joint use between segments of certain assets and expense components.

Segment assets and liabilities

The internal management reporting presented to key business decision makers report total assets and liabilities on the basis consistent with that of the consolidated financial statements. These reports do not allocate assets and liabilities based on the operations of each segment or by geographical location.

Under the current management reporting framework, total assets are not reviewed to a specific reporting segment or geographical location.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 4. Revenue

	2025	2024
	\$	\$
<i>Revenue from contracts with customers</i>		
Sale of goods	5,948,104	5,065,353
Technical trials and support	24,420	61,544
Lease of goods (rental)	172,383	223,877
	<u>6,144,907</u>	<u>5,350,774</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2025	2024
	\$	\$
<i>Geographical regions</i>		
Australia	1,246,733	1,040,856
US	4,772,989	4,249,968
Japan and other markets	125,185	59,950
	<u>6,144,907</u>	<u>5,350,774</u>

Timing of revenue recognition

Goods transferred at a point in time	5,948,104	5,065,353
Services transferred over time	196,803	285,421
	<u>6,144,907</u>	<u>5,350,774</u>

The revenues referred to above are net of intercompany eliminations.

Note 5. Other income

	2025	2024
	\$	\$
Research and development tax offset	426,632	850,399
Grant income	298,001	101,722
Other income	133,990	40,290
Interest income	36,672	12,183
	<u>895,295</u>	<u>1,004,594</u>

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 6. Expenses

	2025	2024
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Plant and equipment	506,499	590,163
Right-of-use assets	168,511	119,630
Intangible assets	311,448	133,398
Total depreciation and amortisation	<u>986,458</u>	<u>843,191</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	48,155	24,584
Interest and finance charges paid/payable on lease liabilities	60,818	31,699
Finance costs expensed	<u>108,973</u>	<u>56,283</u>
Net loss on disposal of property, plant and equipment	<u>9,119</u>	<u>4,315</u>
Defined contribution superannuation expense	<u>204,859</u>	<u>155,463</u>
Share-based payments expense	<u>123,872</u>	<u>136,963</u>

Note 7. Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense. The current income tax expense for the year ended 2025 is \$nil (2024: Nil).

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

A deferred tax asset (potential tax benefit) has not been recognised in the consolidated statement of financial position as the recovery of this benefit is uncertain. The Group has committed to invest in operational infrastructure (including sales staff) to grow sales. Until the success of that strategy is clear, directors have adopted a prudent approach to not recognise deferred tax assets this financial year.

The unused tax losses generated in the current financial year are not materially different from the loss after income tax as shown in the consolidated statement of profit or loss and other comprehensive income with the exception of the reduction in loss caused by adding back the expenses claimed and amounts received for the Research and Development Tax Incentive during the period.

	2025	2024
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(6,108,667)</u>	<u>(5,913,779)</u>
Tax at the statutory tax rate of 25%	(1,527,167)	(1,478,445)
Deferred tax assets not recognised	<u>1,527,167</u>	<u>1,478,445</u>
Income tax expense	<u><u>-</u></u>	<u><u>-</u></u>

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 7. Income tax (continued)

	2025	2024
	\$	\$
<i>Unused tax losses for which no deferred tax assets have been brought to account</i>		
Australian tax consolidated group	3,753,159	3,343,915
Control Bionics Inc (in relation to its tax year)	17,250,638	15,828,542
	<u>21,003,797</u>	<u>19,172,457</u>

Note 8. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank	<u>594,733</u>	<u>980,760</u>

Note 9. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	174,629	112,620
Trade receivables - subject to variable consideration	1,224,337	1,164,414
Net carrying value of trade receivables	<u>1,398,966</u>	<u>1,277,034</u>
Government grants receivable (R&D tax incentive)	474,160	784,322
Office deposit bond	77,924	77,924
GST refundable	17,347	47,424
Total trade and other receivables	<u>1,968,397</u>	<u>2,186,704</u>

Trade receivables subject to variable consideration

After analysis of the various sub-markets that the Group operates in, management considers the only sector subject to variable consideration is the insurance sector for Control Bionics Inc. Clients in this sector normally pay an invoice below the gross carrying value at varying percentages based on the individual client and this has been factored into the business model of the Group. These accounts are settled through progressive payments over time, often from multiple insurers or sources for the same account. As clients in this sector pay on lodged and approved claims, the carrying value for any invoice for these sector clients reflects the variable consideration expected to be received.

Management continues to monitor the ageing of receivables in the normal course of business.

The ageing of the receivables are as follows:

2025	Current	3 to 6	Over 6	Total
	\$	months	months	
		overdue	overdue	
		\$	\$	\$
Trade receivables	145,585	10,361	18,683	174,629
Trade receivables subject to variable consideration	1,033,315	165,558	25,464	1,224,337
	<u>1,178,900</u>	<u>175,919</u>	<u>44,147</u>	<u>1,398,966</u>

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 9. Trade and other receivables (continued)

2024	Current \$	3 to 6 months overdue \$	Over 6 months overdue \$	Total \$
Trade receivables	105,486	7,134	-	112,620
Trade receivables subject to variable consideration	1,127,698	35,729	987	1,164,414
	<u>1,233,184</u>	<u>42,863</u>	<u>987</u>	<u>1,277,034</u>

Allowance for expected credit losses

The Group has not recorded a separate provision in the consolidated statement of financial position for expected credit losses at the end of the financial period (2024: \$Nil).

Note 10. Inventories

	2025 \$	2024 \$
Components of inventory	<u>409,644</u>	<u>404,150</u>

Note 11. Investments accounted for using the equity method

	2025 \$	2024 \$
Investments in associates	<u>341,000</u>	<u>-</u>

Refer to Note 29 for further information on interests in associates.

On 16 December 2024, Control Bionics Limited, through its wholly owned subsidiary Control Bionic Ngage Inc., acquired a 20% stake in Neuro Elite Athletics, LLC, the US-based company behind the NeuroBounce program, for approximately US\$260,000 including cash and in-kind contributions. Per the agreement, payments and contributions were to be made in tranches as follows:

- the first tranche payment of US\$100,000 was made on 14 December 2024.
- the second and final tranche payment of US\$111,100 to be made within 6 months of 14 December 2024, upon Neuro Elite Athletics, LLC providing Control Bionics 20 business days' notice to pay.
- Control Bionics to provide Neuro Elite Athletics, LLC certain equipment and resources with a deemed value of US\$50,000 on an as needed basis.

As of 30 June 2025, all cash payments have been made and approximately US\$10,000 of the equipment and resources have been provided.

The investment is classified as an associate and is accounted for using the accounting policy described in Note 1.

Reconciliation of carrying amount

The carrying amount of equity-accounted investments has changed as follows during the 2025 financial year:

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 11. Investments accounted for using the equity method (continued)

	2025
	\$
Balance at the beginning of the year	-
Additions	398,626
Share of loss for the period	(58,076)
Foreign exchange movements	450
	<u> </u>
Balance at the end of the year	<u><u>341,000</u></u>

Note 12. Property, plant and equipment

	2025	2024
	\$	\$
Trial and demonstration equipment - at cost	1,587,870	1,681,054
Less: Accumulated depreciation	(1,006,276)	(906,885)
	<u>581,594</u>	<u>774,169</u>
Leasehold improvements - at cost	42,241	41,769
Less: Accumulated depreciation	(27,128)	(18,285)
	<u>15,113</u>	<u>23,484</u>
Plant and equipment - at cost	210,168	189,822
Less: Accumulated depreciation	(163,961)	(135,777)
	<u>46,207</u>	<u>54,045</u>
Assets under construction	<u>1,617</u>	<u>-</u>
	<u><u>644,531</u></u>	<u><u>851,698</u></u>

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 12. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Trial and demonstration equipment \$	Leasehold improvements \$	Plant and equipment \$	Assets under construction \$	Total \$
Balance at 1 July 2023	480,644	31,994	81,975	2,239	596,852
Additions	42,306	-	2,025	393,662	437,993
Disposals	(39,656)	-	-	-	(39,656)
Other	12,346	-	-	-	12,346
Exchange differences	18,318	121	5,487	-	23,926
Transfers from inventory	410,401	-	-	-	410,401
Transfers in/(out)	384,261	-	11,640	(395,901)	-
Depreciation expense	(534,451)	(8,631)	(47,082)	-	(590,164)
Balance at 30 June 2024	774,169	23,484	54,045	-	851,698
Additions	-	-	6,104	7,123	13,227
Disposals	(9,119)	-	-	-	(9,119)
Transfers from inventory	282,092	-	-	7,008	289,100
Exchange differences	5,122	355	647	-	6,124
Transfers in/(out)	-	-	12,514	(12,514)	-
Depreciation expense	(470,670)	(8,726)	(27,103)	-	(506,499)
Balance at 30 June 2025	581,594	15,113	46,207	1,617	644,531

Note 13. Intangibles

	2025 \$	2024 \$
Intellectual property - at cost	4,064,353	4,064,353
Less: Accumulated amortisation	(393,318)	(131,106)
	3,671,035	3,933,247
Patents and trademarks - at cost	244,224	104,564
Less: Accumulated amortisation	(70,606)	(31,489)
	173,618	73,075
Software - at cost	50,594	50,594
Less: Accumulated amortisation	(20,028)	(9,909)
	30,566	40,685
	3,875,219	4,047,007

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 13. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Patents and trademarks \$	Intellectual property \$	Software \$	Total \$
Balance at 1 July 2023	4,486	4,064,353	37,798	4,106,637
Additions	74,750	-	-	74,750
Other	-	-	(982)	(982)
(Amortisation expense) / reversal of amortisation expense	(6,161)	(131,106)	3,869	(133,398)
Balance at 1 July 2024	73,075	3,933,247	40,685	4,047,007
Additions	139,660	-	-	139,660
Amortisation expense	(39,117)	(262,212)	(10,119)	(311,448)
Balance at 30 June 2025	<u>173,618</u>	<u>3,671,035</u>	<u>30,566</u>	<u>3,875,219</u>

Note 14. Leases

Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	551,068	548,966
Less: Accumulated depreciation	(351,645)	(182,139)
	<u>199,423</u>	<u>366,827</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	2025 \$	2024 \$
Balance at the beginning of the financial year	366,827	123,359
Additions	-	363,008
Depreciation expense	(168,511)	(119,630)
Exchange differences	1,107	90
Balance at the end of the financial year	<u>199,423</u>	<u>366,827</u>

Lease Liabilities

	2025 \$	2024 \$
<i>Current</i> Lease Liabilities	<u>206,857</u>	<u>108,437</u>
<i>Non Current</i> Lease Liabilities	<u>133,600</u>	<u>336,165</u>
Total carrying amount of lease liabilities	<u>340,457</u>	<u>444,602</u>

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 14. Leases (continued)

Maturity analysis of committed lease payments

	2025	2024
	\$	\$
Less than one year	241,797	165,024
One to five years	138,799	380,500
Total committed cash payments	<u>380,596</u>	<u>545,524</u>

Note 15. Trade and other payables

	2025	2024
	\$	\$
Trade payables	877,776	609,667
Other current liabilities	510,603	411,891
Deferred revenue	274,104	315,523
Payroll and bonus accruals	251,435	166,724
Other taxes payable	99,800	63,683
	<u>2,013,718</u>	<u>1,567,488</u>

Note 16. Borrowings

	2025	2024
	\$	\$
Insurance funding arrangement	94,941	87,542
Research & Development loan	-	429,594
	<u>94,941</u>	<u>517,136</u>

Refer to Note 23 for further information on financial instruments.

Total secured liabilities

The total secured liabilities are as follows:

	2025	2024
	\$	\$
Research and Development loan	<u>-</u>	<u>429,594</u>

Terms of borrowings

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 this funding facility is \$94,941 at year end. Interest is payable at a rate of 4.3% and the funding facility is due for repayment on or before 31 December 2025.

The research and development loan, held with Radium Capital, was repaid in full during September 2024.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 17. Employee benefits

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Annual leave	233,323	199,777
Long service leave	4,563	10,269
	<u>237,886</u>	<u>210,046</u>
<i>Non-current liabilities</i>		
Long service leave	37,229	20,330
	<u>37,229</u>	<u>20,330</u>
Aggregate employee benefits liability	<u><u>275,115</u></u>	<u><u>230,376</u></u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have the right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 18. Issued capital

	2025	2024	2025	2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>294,611,102</u>	<u>199,286,776</u>	<u>40,365,766</u>	<u>35,152,513</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance at the beginning of the period		199,286,776		35,152,513
Private Placement	15/08/2024	10,000,000	\$0.0525	525,000
Rights issue	11/10/2024	9,938,489	\$0.0700	695,694
Rights issue	16/10/2024	16,428,722	\$0.0700	1,150,011
Rights issue	16/10/2024	11,904,369	\$0.0700	760,856
Shortfall shares	20/12/2024	4,428,571	\$0.0700	310,000
Private placement	25/02/2025	42,624,175	\$0.0450	1,964,662
Less: Transaction costs				(192,970)
Balance at the end of the period		<u>294,611,102</u>		<u>40,365,766</u>

The Group also issued 21,350,125 options to non-renounceable rights holders with an exercise price of \$0.10.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 18. Issued capital (continued)

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise funds for working capital or when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of investment.

Note 19. Reserves

	2025	2024
	\$	\$
Foreign currency translation reserve	72,449	68,990
Share option reserve	458,333	325,361
	<u>530,782</u>	<u>394,351</u>

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from translating non-monetary assets and liabilities at the current rate at the end of the financial period rather than at historical rates.

Share options reserve

The option reserve relates to share options granted by the Group to its employees under the arrangements outlined in Note 22.

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	Foreign currency translation reserve \$	Share option reserve \$	Total \$
Balance at 1 July 2023	89,973	181,398	271,371
Exchange differences on translation of foreign operations	(20,983)	-	(20,983)
Share based payments	-	136,963	136,963
Options issued in lieu of payment	-	7,000	7,000
	<u>68,990</u>	<u>325,361</u>	<u>394,351</u>
Balance at 30 June 2024	68,990	325,361	394,351
Exchange differences on translation of foreign operations	3,459	-	3,459
Share based payments	-	123,872	123,872
Options issued in lieu of payment	-	9,100	9,100
	<u>72,449</u>	<u>458,333</u>	<u>530,782</u>
Balance at 30 June 2025	72,449	458,333	530,782

Note 20. Accumulated losses

	2025	2024
	\$	\$
Accumulated losses at the beginning of the financial year	(29,279,156)	(23,365,377)
Loss after income tax expense for the year	(6,108,667)	(5,913,779)
	<u>(35,387,823)</u>	<u>(29,279,156)</u>

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 21. Earnings per share

	2025	2024
	\$	\$
Loss after income tax attributable to the owners of Control Bionics Limited	<u>(6,108,667)</u>	<u>(5,913,779)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>264,083,917</u>	<u>159,393,290</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>264,083,917</u>	<u>159,393,290</u>
	Cents	Cents
Basic loss per share	(2.31)	(3.71)
Diluted loss per share	(2.31)	(3.71)

The number of ordinary shares used in the calculation of diluted loss per share is the same as the number used in the calculation of basic loss per share in the year ended 30 June 2025 and the prior year ended 30 June 2024 as potential ordinary shares are not considered dilutive as a loss was incurred in both years.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 22. Share-based payments

Equity-settled share-based payments

Employee option plan

During the year ended 30 June 2025, there were 2,924,527 options issued to employees (2024: 1,540,248). No other share-based incentives were issued to executives or any other party in the 2025 financial year.

Other

The Group also issued 650,000 options to its corporate advisor in lieu of capital raise services provided (2024: 2,500,000 in lieu of advisory fees and capital raise services). The grantee paid a nominal fee of \$.0001 per option.

Historical Grants of Options

On 13 February 2020 the Group adopted an Employee Share Option Plan, capped at 5% of issued capital whereby the Group may, at the discretion of the Board, grant options over ordinary shares in the Company to certain management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Employee Share Option Plan.

The number of options granted is at the Group's discretion and intended to reward those individuals' contributions to the performance of the Group. No additional amounts were paid or payable by the recipient of the options. The options carry neither dividend or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Key details of the grants are outlined in the tables below.

Vesting period and conditions

The vesting conditions of all employee options is that the employee remains an employee of the Group at each tranche vesting date. All options issued during the half-year period vest in four equal tranches beginning one-year from the grant date.

All options issued to the Group's corporate advisor were fully vested upon grant.

Exercise period

The exercise period of all options is any time from vesting date until the expiry date.

Valuation method

All options have been valued using the Black-Scholes Method. The inputs used to determine the fair value of the options include the following:

Risk-free rate - 4.35%

Volatility - 70%

Dividend Yield - Nil

Entitlement to shares

Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of Control Bionics Limited upon exercise of the option.

Other key information

All other key information with respect to the options issued during the year ended 30 June 2025 can be found in the tables below.

Set out below are the summaries of options granted under the plan and in existence during the year.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 22. Share-based payments (continued)

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/02/2020	13/02/2025	\$0.4500	749,202	-	-	(749,202)	-
08/09/2022	08/09/2027	\$0.2200	365,636	-	-	-	365,636
19/01/2023	19/01/2028	\$0.1640	2,000,000	-	-	-	2,000,000
10/08/2023	10/08/2028	\$0.0950	724,459	-	-	-	724,459
11/10/2023	11/10/2028	\$0.0950	315,789	-	-	-	315,789
13/05/2024	13/05/2029	\$0.0450	500,000	-	-	-	500,000
13/05/2024	13/05/2026	\$0.1000	1,000,000	-	-	-	1,000,000
13/05/2024	13/05/2026	\$0.1500	1,000,000	-	-	-	1,000,000
20/05/2024	20/05/2027	\$0.1000	500,000	-	-	-	500,000
14/08/2024	14/08/2029	\$0.0530	-	1,226,414	-	-	1,226,414
10/10/2024	10/10/2029	\$0.0530	-	1,698,113	-	-	1,698,113
20/12/2024	20/12/2025	\$0.1000	-	650,000	-	-	650,000
			<u>7,155,086</u>	<u>3,574,527</u>	<u>-</u>	<u>(749,202)</u>	<u>9,980,411</u>
Weighted average exercise price			\$0.1600	\$0.0615	\$0.0000	\$0.4500	\$0.1052

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/02/2020	13/02/2025	\$0.4500	749,202	-	-	-	749,202
08/09/2022	08/09/2027	\$0.2200	365,636	-	-	-	365,636
19/01/2023	19/01/2028	\$0.1640	2,000,000	-	-	-	2,000,000
10/08/2023	10/08/2028	\$0.0995	-	724,459	-	-	724,459
11/10/2023	11/10/2028	\$0.0995	-	315,789	-	-	315,789
13/05/2024	13/05/2029	\$0.0450	-	500,000	-	-	500,000
13/05/2024	13/05/2026	\$0.0450	-	1,000,000	-	-	1,000,000
13/05/2024	13/05/2026	\$0.1500	-	1,000,000	-	-	1,000,000
13/05/2024	20/05/2027	\$0.1000	-	500,000	-	-	500,000
			<u>3,114,838</u>	<u>4,040,248</u>	<u>-</u>	<u>-</u>	<u>7,155,086</u>
Weighted average exercise price			\$0.1000	\$0.0600	\$0.0000	\$0.0000	\$0.1600

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2025 Number	2024 Number
13/02/2020	13/02/2025	-	749,202
08/09/2020	08/09/2027	91,409	91,409
19/01/2023	19/01/2028	500,000	500,000
13/05/2024	13/05/2026	1,000,000	1,000,000
13/05/2024	13/05/2026	1,000,000	1,000,000
20/05/2024	20/05/2027	500,000	500,000
20/12/2024	20/12/2025	650,000	-
		<u>3,741,409</u>	<u>3,840,611</u>

The weighted average share price of options exercise during the financial year was \$Nil (2024: \$Nil).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.44 years (2024: 2.89 years).

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 23. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by the Chief Executive Officer (CEO) and other senior executives under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the net risk exposure of the Group and appropriate procedures, controls and risk limits. The CEO and senior executives identify, evaluate and look to mitigate financial risks within the Group's operating units.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

	Assets		Liabilities	
	2025 \$	2024 \$	2025 \$	2024 \$
US dollars	<u>1,090,409</u>	<u>856,765</u>	<u>(1,076,661)</u>	<u>(394,327)</u>

The table below indicates the potential impact on movement in exchange rates. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date.

2025	% change	AUD strengthened Effect on loss before tax		% change	AUD weakened Effect on loss before tax	
		Effect on equity	Effect on equity			
US Dollar	10%	<u>(53,463)</u>	<u>(53,463)</u>	10%	<u>58,808</u>	<u>58,808</u>

2024	% change	AUD strengthened Effect on loss before tax		% change	AUD weakened Effect on loss before tax	
		Effect on equity	Effect on equity			
US Dollar	10%	<u>(63,466)</u>	<u>(63,466)</u>	10%	<u>69,812</u>	<u>69,812</u>

The actual foreign exchange loss for the year ended 30 June 2025 was \$10,769 (2024: gain of \$4,172).

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 23. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group predominately makes sales to individuals and deals with insurance institutions for payment of individual treatment plans. There are therefore no large or material customers or counterparties to whom the Group is significantly exposed. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the passing of a customer while waiting for approval of a claim, failure of a customer to engage in a repayment plan, no active enforcement activity, failure to receive funds from insurance providers and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

The Group has external borrowings of \$94,941 as at 30 June 2025 (2024: \$517,136).

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025						
Trade payables	-	2,013,718	-	-	-	2,013,718
Lease liabilities	10.00%	241,797	139,799	-	-	381,596
Borrowings	4.33%	94,941	-	-	-	94,941
Total non-derivatives		2,350,456	139,799	-	-	2,490,255
	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024						
Trade payables	-	1,567,488	-	-	-	1,567,488
Lease liabilities	10.00%	165,024	241,701	138,799	-	545,524
Borrowings	10.18%	517,136	-	-	-	517,136
Total non-derivatives		2,249,648	241,701	138,799	-	2,630,148

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 24. Cash flow information

Reconciliation of cash flow used in operations with loss after income tax

	2025	2024
	\$	\$
Loss from ordinary activities after income tax	(6,108,667)	(5,913,779)
<i>Adjustments and non-cash items</i>		
Depreciation and amortisation	986,458	843,191
Impairment of receivables	10,077	93,806
Share-based payments	123,872	136,963
Net foreign exchange differences	5,329	(23,526)
Bad debt expense	232,886	414,089
Share of losses of equity-method investees	58,076	-
Loss on disposal of property, plant and equipment	9,119	-
<i>Changes in operating assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(69,838)	(760,548)
(Increase)/decrease in inventories	(5,494)	(48,421)
Increase/(decrease) in trade and other payables	444,123	365,953
Increase/(decrease) in provisions	44,739	(19,626)
	<u>(4,269,320)</u>	<u>(4,911,898)</u>

Non-cash investing and financing activities

	2025	2024
	\$	\$
Additions to right-of-use assets	-	363,008
In-kind contributions for purchase of investment in associate	60,494	-
	<u>60,494</u>	<u>363,008</u>

Note 25. Contingent liabilities

The Group has no contingent liabilities at 30 June 2025 (30 June 2024: \$Nil).

Note 26. Commitments

The Group has no capital commitments at 30 June 2025 (30 June 2024: \$nil)

Note 27. Key management personnel disclosures

Directors

The following persons were directors of Control Bionics Limited during the financial year:

Name	Position
Mr Roger David Hawke	Chairman (until 17 December 2024)
Dr Samuel Straface	Director (from 22 October 2024), Chairman (from 17 December 2024)
Mr Peter Shann Ford	Founder and Non-Executive Director (until 26 March 2025)
Mr Damian Lismore	Non-Executive Director
Mr Jeremy Steele	Executive Director, Chief Executive Officer
Prof Robert Hard	Non-Executive Director
Dr Stephanie Phillips	Non-Executive Director (from 26 March 2025)

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 27. Key management personnel disclosures (continued)

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, during the financial year:

Name	Position
Mr Todd Tyler	US Country Manager
Ms Shannon Boothroyd	Chief Financial Officer (appointed 13 May 2024)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2025	2024
	\$	\$
Short-term employee benefits	1,076,638	1,182,692
Post-employment benefits	80,399	38,808
Long-term benefits	-	315
Share-based payments	101,360	178,982
	<u>1,258,397</u>	<u>1,400,797</u>

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Place of business / Country of incorporation	Ownership interest	
		2025	2024
		%	%
Control Bionics Australia Pty Limited	Australia	100%	100%
Control Bionics Inc	USA	100%	100%
Control Bionics Ngage Inc	USA	100%	-

Note 29. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business of each entity and the proportion of ownership interest is the same as the proportion of voting rights held. Further information on associates is also contained in Note 11.

Name	Country of incorporation	Ownership interest	
		2025	2024
		%	%
Neuro Elite Athletics LLC	USA	20%	-

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 29. Interests in associates (continued)

Summarised financial information

The table below provides summarised financial information for the Group's associate. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Control Bionics Limited's share of those amounts.

	Neuro Elite Athletics LLC 2025 \$
<i>Summarised statement of financial position</i>	
Current assets	54,824
Non-current assets	25,667
Total assets	<u>80,491</u>
Current liabilities	-
Non-current liabilities	-
Total liabilities	<u>-</u>
Net assets	<u><u>80,491</u></u>
<i>Summarised statement of profit or loss and other comprehensive income</i>	
Revenue	38,949
Loss from continuing operations	(711,084)
Other comprehensive income	-
Total comprehensive loss	<u><u>(711,084)</u></u>

Note 30. Related party transactions

Parent entity

Control Bionics Limited is the parent entity.

Subsidiaries and associates

Interests in subsidiaries are set out in Note 28 and interests in associates are set out in Note 29.

Key management personnel

Disclosures relating to key management personnel are set out in Note 27 and the remuneration report included in the directors' report.

Transactions with related parties

Aside from the employment payments made to key management personnel of Control Bionics Limited as disclosed in Note 27 and the remuneration report, there no related party transactions during the year ended 30 June 2025 (2024: nil).

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 31. Parent entity details

Set out below is the supplementary information about the parent entity:

Summarised statement of financial position

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 31. Parent entity details (continued)

	2025	2024
	\$	\$
Assets		
Current assets	897,291	1,844,529
Non-current assets	4,429,638	4,362,557
Total assets	<u>5,326,929</u>	<u>6,207,086</u>
Liabilities		
Current liabilities	1,048,507	1,498,684
Non-current liabilities	4,595	1,282
Total liabilities	<u>1,053,102</u>	<u>1,499,966</u>
Net assets	<u>4,273,827</u>	<u>4,707,120</u>
Equity		
Share capital	40,365,766	35,152,513
Retained earnings	(36,550,272)	(30,770,754)
Reserves	458,333	325,361
Total equity	<u>4,273,827</u>	<u>4,707,120</u>

Summarised statement of comprehensive income

	2025	2024
	\$	\$
Loss for the year	(5,779,518)	(5,543,062)
Total comprehensive loss for the year	<u>(5,779,518)</u>	<u>(5,543,062)</u>

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Commitments

The parent entity had no capital commitments as at 30 June 2025 and 30 June 2024.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for investment in subsidiaries which are accounted for at cost, less any impairment, in the parent entity.

Note 32. Remuneration of auditors

During the financial year the following amounts were paid for services provided by BDO, the auditor of the company, its network firms and unrelated firms:

	2025	2024
	\$	\$
<i>Audit Services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	84,178	108,153
<i>Other Services - BDO Services Pty Ltd</i>		
Preparation of tax return and other tax services	42,329	10,000
	<u>126,507</u>	<u>118,153</u>

Control Bionics Limited
Notes to the consolidated financial statements
30 June 2025

Note 33. Matters subsequent to the end of the financial year

On 22 July 2025, the Company entered into a loan facility agreement with Phoenix Development Fund Limited for \$450,000. The loan is secured by the Company's R&D tax refund, is subject to 12% interest per annum, and is due and payable on the earlier of 6 months from the date of the agreement or the date on which the R&D refund is received.

On 28 August 2025, Control Bionics Limited announced a Non-Renounceable Rights Issue Offer (Offer) for 58,922,220 new shares at a price of \$0.035 per share. If fully subscribed, the Offer will raise up to approximately \$2.062 million (before costs). The Offer is underwritten to the extent of \$1,157,725 and is available to eligible shareholders on the record date of 2 September 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

For personal use only

Control Bionics Limited
Consolidated entity disclosure statement
30 June 2025

Name of entity	Type of entity	% of share capital	Place of Incorporation	Australian Resident	Foreign jurisdiction(s)
Control Bionics Limited	Body Corporate	N/A	Australia	Yes	N/A
Control Bionics Australia Pty Ltd	Body Corporate	100%	Australia	Yes	N/A
Control Bionics Inc.	Body Corporate	100%	USA	No	USA
Control Bionics Ngage Inc.	Body Corporate	100%	USA	No	USA

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3B)(a) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining Australian tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling 2018/5.
- **Foreign tax residency**
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency in those foreign jurisdictions and ensure compliance with applicable foreign tax legislation.

Control Bionics Limited
Directors' declaration
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2021*, the Australian Accounting Standards, *the Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- the attached financial statements and notes comply with *International Financial Reporting Standards* as issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the consolidated entity disclosure statement is true and correct

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2021*.

On behalf of the directors



Samuel F. Straface
Chairman

12 September 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Control Bionics Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Control Bionics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>Revenue recognition is a presumed fraud risk under Auditing Standards and inherent in all revenue generating entities.</p> <p>This is amplified as the accounting standards are complex and there is an element of judgement in relation to the determination of the variable consideration on US sales and could be manipulated to achieve particular financial results.</p>	<p>Our audit procedures in order to address this key audit matter included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewed management’s position paper on revenue recognition, ensuring key elements of the recognition policy are in compliance with AASB 15 Revenue from Contracts with Customers. • Reviewed the reasonableness of the judgements associated with measuring the variable consideration of the transaction price on US sales, with reference to historical data from the US, across insurers and states. • Tested a sample of revenue transactions throughout the year to supporting documentation, ensuring revenue has been recognised as the performance obligation is satisfied in accordance with AASB 15 Revenue from Contracts with Customers. • Tested a sample of revenue transactions immediately prior to and subsequent to the year-end, to ensure cut-off has been achieved and items have been recorded in the correct period.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2025, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 18 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Control Bionics Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd



Katherine Robertson
Director

Melbourne, 12 September 2025

Control Bionics Limited
Shareholder information
30 June 2025

The shareholder information set out below was applicable as at 10 September 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders	Number of shares	% of total shares issued
1 to 1,000	178	119,557	0.04%
1,001 to 5,000	335	1,007,355	0.34%
5,001 to 10,000	211	1,657,783	0.56%
10,001 to 100,000	332	11,571,137	3.93%
100,001 and over	166	280,255,270	95.13%
	<u>1,222</u>	<u>294,611,102</u>	<u>100.00%</u>

Holding less than as marketable parcel using the share price as the end of the financial period

- 209 -

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number of shares	% of total shares issued
PHOENIX DEVELOPMENT FUND LIMITED	58,495,641	19.86%
NIGHTINGALE PARTNERS PTY LIMITED	55,702,502	18.91%
PETER SHANN FORD	19,623,433	6.66%
MR BRIAN GREGORY WALSH	12,046,445	4.09%
BNP PARIBAS NOMINEES PTY LTD AGENCY LENDING A/C>	7,101,297	2.41%
DR RUSSELL KAY HANCOCK	6,000,000	2.04%
SCINTILLA STRATEGIC INVESTMENTS LIMITED	5,815,678	1.97%
MR CRAIG GRAEME CHAPMAN NAMPAC DISCRETIONARY A/C>	5,000,000	1.70%
DIXSON TRUST PTY LIMITED	4,590,000	1.56%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,445,306	1.51%
LOIDL NOMINEES PTY LTD LOIDL FAMILY A/C>	4,235,482	1.44%
WINDWARD CAPITAL PTY LTD S&L RIX SUPERFUND A/C>	4,195,179	1.42%
IRONWOOD INVESTMENTS PTY LIMITED PHILLIPS SUPER FUND A/C>	3,632,603	1.23%
PACIFIC ATLANTIC COMMERCE PTY LTD CORCILLUM SUPER FUND A/C>	3,545,860	1.20%
NANDAROO PTY LIMITED	3,117,784	1.06%
HAFNIUM MANAGEMENT PTY LTD HAFNIUM FAMILY A/C>	2,721,967	0.92%
BNP PARIBAS NOMINEES PTY LTD IB AU NOMS RETAILCLIENT>	2,561,170	0.87%
R & R WONG HOLDINGS PTY LIMITED R & R WONG FAMILY SUPER A/C>	2,540,616	0.86%
MR CRAIG GRAEME CHAPMAN & MRS JOANNE CHAPMAN WEEVCHOOK FAMILY A/C>	2,500,000	0.85%
MR CRAIG GRAEME CHAPMAN & MRS JOANNE CHAPMAN CHAPPO'S SUPER FUND A/C>	2,500,000	0.85%
Top 20 holders	<u>210,370,963</u>	<u>71.41%</u>
Total issued capital	294,611,102	100.00%

Control Bionics Limited
Shareholder information
30 June 2025

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	<u>24,500,125</u>	<u>169</u>

Substantial holders

Substantial holders in the company are set out below:

	Number held	% of total shares issued
PHOENIX DEVELOPMENT FUND LIMITED	58,495,641	19.85%
NIGHTINGALE PARTNERS PTY LIMITED	56,292,796	19.10%
PETER SHANN FORD	<u>20,003,433</u>	<u>10.04%</u>
	<u>134,791,870</u>	<u>48.99%</u>

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options have no voting rights.