

Control Bionics Limited
Appendix 4D
Interim Report

1. Company details

Name of entity: Control Bionics Limited
ABN: 45 115 465 462
Reporting period: For the half-year ended 31 December 2025
Previous period: For the half-year ended 31 December 2024

2. Results for announcement to the market

				\$
Revenues from ordinary activities	down	2.6%	to	2,820,044
Loss from ordinary activities after tax attributable to the owners of Control Bionics Limited	up	12.01%	to	3,609,172
Loss for the half-year attributable to the owners of Control Bionics Limited	up	12.01%	to	3,609,172

Dividends

There were no dividends, paid, recommended or declared during the half-year period.

Comments

The loss for the Group after providing for income tax amounted to \$3,609,172 (31 December 2024: \$3,222,197). Further details about results and operations during the period can be found in the Directors' Report in the Control Bionics Limited Interim report.

3. Net tangible assets

	31 December 2025 Cents	30 June 2025 Cents
Net tangible assets per ordinary security	<u>0.73</u>	<u>0.49</u>

4. Control gained over entities

Name of entity:
Neuro Elite Athletics, LLC

Date control gained:
31 December 2025

Percentage acquired:
79.29%, increasing the Group's interest from 20.71% to 100%. The Group's interest increased during the period from 20.00% at 31 December 2024 to 20.71% immediately prior to obtaining control.

Contribution to loss since acquisition:
As control was obtained on 31 December 2025, there was no material contribution to the Group's loss for the period.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Name of associate	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
Neuro Elite Athletics, LLC	-	20.00%	(49)	-

Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)

Profit/(loss) from ordinary activities before income tax	(49)	-
Income tax on operating activities	-	-

Neuro Elite Athletics, LLC was accounted for as an associate prior to 31 December 2025. Control was obtained on that date and the entity has been consolidated as a wholly owned subsidiary from that date. The Group's share of loss of \$49k relates to the period prior to obtaining control on 31 December 2025.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

Details of attachments (if any):

The Interim Report of Control Bionics Limited for the half-year ended 31 December 2025 is attached.

9. Signed

Signed Stephen Rix
Stephen Rix (Feb 25, 2026 17:41:00 GMT+11)

Date: 25 February 2026

Stephen Rix
Chairman

Control Bionics Limited

ABN 45 115 465 462

Interim Report

For the half-year ended 31 December 2025

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Control Bionics Limited
Directors' report
31 December 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 half-year ended 31 December 2025.

Directors

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

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

Dr Samuel Straface was a director and Chairman from the beginning of the financial period until his resignation on 19 November 2025.

Mr Damian Lismore was appointed as acting Chairman on 19 November 2025 and acted in this capacity until 1 December 2025.

Mr Stephen Rix was appointed as a director and Chairman on 1 December 2025 and continues in office as at the date of this report.

Principal activities

During the half 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 electromyography (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.

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

Dividends

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

Review of operations

For the half-year ended 31 December 2025, the Group reported revenue of \$2,820,044 (31 December 2024: \$2,896,291) and a net loss after tax of \$3,609,172 (31 December 2024: \$3,222,197).

Sales performance during the half-year reflects the Group's ongoing transition in the United States from a retail sales model to a wholesale, distributor-led sales model for NeuroNode. This transition involves a period in which retail sales volumes decline while wholesale distribution partners are onboarded and scale their commercial activities. Management expects this transition to continue through FY26, with the distributor-led model anticipated to be fully operational by Q4 FY26.

During the period, the Group continued to execute its strategy focused on strengthening its core assistive communication business, progressing its NeuroNode-only distribution strategy, and advancing the commercial application of its NeuroStrip technology platform, while maintaining disciplined cost management.

Key developments during the half-year and up to the date of this Directors' Report

- **Capital management and liquidity:**
During the half-year, the Group completed a rights issue and private placement, raising total gross proceeds of \$5.3 million. These transactions strengthened the Group's balance sheet and provided funding capacity to support ongoing operations and strategic initiatives.
- **Research and development funding:**
The Group received \$478,359 in Research and Development Tax Incentive proceeds during the period, relating to eligible FY25 expenditure.
- **NeuroNode commercial progress:**
The Group continued to progress NeuroNode commercial activity during the half-year, leveraging the Healthcare Common Procedure Coding System (HCPCS) reimbursement framework to support engagement with distribution partners and expand market reach through a scalable, distributor-led sales model.
- **NeuroStrip platform expansion:**
During the period, NeuroStrip activity continued to expand across sports performance and rehabilitation settings. In addition, the technology has attracted increasing interest from clinicians, researchers and third parties who are evaluating and experimenting with the platform across a range of potential applications beyond those currently targeted by the Group, highlighting the versatility of the underlying technology.
- **Technology platform enhancement - Apple BCI integration:**
During the half-year, the Group implemented Apple's Brain-Computer Interface Human Interface Device protocol across its iOS-based AAC products, including NeuroNode and NeuroNode Trilogy. This integration is intended to simplify setup, improve signal feedback within the iOS interface, and enable automatic activation of Switch Control. The Group continues to work with Apple to further enhance the technology, overall user experience and develop applications over time.
- **NeuroBounce acquisition:**
On 31 December 2025, the Group acquired the remaining equity interest in Neuro Elite Athletics LLC (NeuroBounce), transitioning the business from an associate to a wholly owned subsidiary. The acquisition enables deeper integration of the NeuroBounce athletic performance program with the Group's NeuroStrip EMG technology platform and supports the Group's strategy to expand into high-growth sports performance and human optimisation markets. Full ownership also allows the Group to integrate NeuroBounce's intellectual property, brand, customer base and operational capabilities to accelerate commercial partnerships and growth initiatives.

Operational performance by region

North America (US)

The US business continued to progress commercial activity during the half-year, supported by ongoing customer engagement and refinement of the Group's distribution strategy. Management remained focused on aligning the cost base with sales activity and improving operating leverage as the business transitions toward a more distributor-led sales model.

Australia

Australian operations continued to be impacted by variability in National Disability Insurance Scheme (NDIS) approval timing, which affected the predictability of invoicing during the half-year. The Group remains actively engaged with the NDIS and other stakeholders to support participant access and improve approval outcomes. NeuroStrip activity in Australia continued to expand, supported by growing interest from clinicians, institutions and third-party users.

Japan

In Japan, the Group continued to develop the market for NeuroStrip through its partnership with Stroke Lab. During the half-year, clinical research activity progressed across multiple sites, supporting further validation of the technology and informing future commercial pathways in the region.

Other markets

The Group maintained a selective approach to international expansion during the period, continuing to assess distribution and market access opportunities across Europe and other regions. This included progressing a NeuroNode funding application in Germany as part of broader market access initiatives.

Control Bionics Limited
Directors' report
31 December 2025

Product development and commercialisation

Product activity during the half-year remained focused on advancing the NeuroStrip platform and associated applications, alongside targeted platform integration initiatives within the Group's existing product suite. These activities are intended to support broader use-case development, improve interoperability within established technology ecosystems, and enable scalable commercial deployment over time.

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 half-year ended 31 December 2025.

Matters subsequent to the end of the financial half-year

Since 31 December 2025, the Group has signed agreements with two wholesale distribution partners in North America in connection with the distributor-led sales model for NeuroNode as described above.

The Group also entered into a premium funding arrangement on 28 January 2026 in respect of its 2026 insurance policies. Under the arrangement, insurance premiums of approximately \$213,300 were financed, with interest payable at a stated flat rate of 4.67%.

No other matter or circumstance has arisen since 31 December 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.

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.

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

Stephen Rix

Stephen Rix (Feb 25, 2026 17:41:00 GMT+11)

Stephen Rix
Chairman

25 February 2026

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

As lead auditor for the review of Control Bionics Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Katherine Robertson
Director

BDO Audit Pty Ltd

Melbourne, 25 February 2026

Control Bionics Limited
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31 December 2025

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General information

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 interim financial period. 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 25 February 2026. The directors have the power to amend and reissue the financial statements.

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Control Bionics Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
Revenue	3	2,820,044	2,896,291
Other income	4	345,947	379,299
Expenses			
Raw materials and consumables used		(1,440,618)	(1,217,359)
Depreciation and amortisation expense		(427,379)	(451,276)
Employee benefits expense		(2,906,027)	(3,048,663)
Insurance recovery shortfall		(197,464)	(98,284)
Marketing and promotion		(161,412)	(226,321)
Research & development costs (non-staff)		(615,424)	(565,956)
Legal fees, patents and insurance		(142,752)	(163,381)
Corporate travel		(207,248)	(277,040)
Professional fees		(213,976)	(142,026)
Foreign exchange gain/(loss)		14,572	(36,172)
General and administrative expense		(178,854)	(211,794)
Finance costs		(48,369)	(59,515)
Share of loss from associate		(49,492)	-
Loss on remeasurement of previously held interest in associate	5	(200,720)	-
Loss before income tax expense		(3,609,172)	(3,222,197)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Control Bionics Limited		(3,609,172)	(3,222,197)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(30,366)	92,707
Other comprehensive income for the half-year, net of tax		(30,366)	92,707
Total comprehensive income for the half-year attributable to the owners of Control Bionics Limited		<u>(3,639,538)</u>	<u>(3,129,490)</u>
		Cents	Cents
Basic loss per share		(1.09)	(1.39)
Diluted loss per share		(1.09)	(1.39)

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

Control Bionics Limited
Condensed consolidated statement of financial position
As at 31 December 2025

		31 December	
	Note	2025	30 June 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,056,546	594,733
Trade and other receivables		1,212,518	1,968,397
Inventories		383,296	409,644
Other assets		135,169	200,009
Total current assets		<u>4,787,529</u>	<u>3,172,783</u>
Non-current assets			
Investments accounted for using the equity method	5	-	341,000
Property, plant and equipment		428,687	644,531
Intangibles	6	4,585,542	3,875,219
Right-of-use assets		131,085	199,423
Total non-current assets		<u>5,145,314</u>	<u>5,060,173</u>
Total assets		<u>9,932,843</u>	<u>8,232,956</u>
Liabilities			
Current liabilities			
Trade and other payables		1,707,386	2,013,718
Borrowings		-	94,941
Lease liabilities		218,443	206,857
Employee benefits		235,068	237,886
Total current liabilities		<u>2,160,897</u>	<u>2,553,402</u>
Non-current liabilities			
Lease liabilities		19,828	133,600
Employee benefits		23,209	37,229
Total non-current liabilities		<u>43,037</u>	<u>170,829</u>
Total liabilities		<u>2,203,934</u>	<u>2,724,231</u>
Net assets		<u>7,728,909</u>	<u>5,508,725</u>
Equity			
Issued capital	7	46,147,879	40,365,766
Reserves	8	578,025	530,782
Accumulated losses		<u>(38,996,995)</u>	<u>(35,387,823)</u>
Total equity		<u>7,728,909</u>	<u>5,508,725</u>

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

Control Bionics Limited
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2025

	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 half-year	-	-	(3,222,197)	(3,222,197)
Other comprehensive income for the half-year, net of tax	-	92,707	-	92,707
Total comprehensive income for the half-year	-	92,707	(3,222,197)	(3,129,490)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,251,651	-	-	3,251,651
Share-based payments	-	69,542	-	69,542
Balance at 31 December 2024	<u>38,404,164</u>	<u>556,600</u>	<u>(32,501,353)</u>	<u>6,459,411</u>

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	40,365,766	530,782	(35,387,823)	5,508,725
Loss after income tax expense for the half-year	-	-	(3,609,172)	(3,609,172)
Other comprehensive income for the half-year, net of tax	-	(30,366)	-	(30,366)
Total comprehensive income for the half-year	-	(30,366)	(3,609,172)	(3,639,538)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 7)	5,230,736	-	-	5,230,736
Share-based payments	-	77,609	-	77,609
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax (note 11)	551,377	-	-	551,377
Balance at 31 December 2025	<u>46,147,879</u>	<u>578,025</u>	<u>(38,996,995)</u>	<u>7,728,909</u>

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

Control Bionics Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2025

	31 December 2025	31 December 2024
Note	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	3,074,843	3,177,719
Payments to suppliers and employees (inclusive of GST)	(5,756,759)	(6,258,185)
Receipts from government grants	478,359	736,794
Interest received	2,034	6,790
Interest and other finance costs paid	(21,310)	(28,532)
	<u>(2,222,833)</u>	<u>(2,365,414)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(160,160)	(124,497)
Payments for intangible assets	6 (111,750)	(81,927)
Payments for investments accounted for using the equity method	5 (60,668)	(160,849)
Cash acquired on purchase of subsidiary	5,719	-
	<u>(326,859)</u>	<u>(367,273)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	7 5,311,746	3,441,561
Share issue transaction costs	7 (81,010)	(189,910)
Repayment of borrowings	(94,941)	(517,136)
Repayment of lease liabilities	(123,492)	(22,110)
	<u>5,012,303</u>	<u>2,712,405</u>
Net cash from financing activities		
Net increase/(decrease) in cash and cash equivalents	2,462,611	(20,282)
Cash and cash equivalents at the beginning of the financial half-year	594,733	980,760
Effects of exchange rate changes on cash and cash equivalents	(798)	11,751
	<u>3,056,546</u>	<u>972,229</u>
Cash and cash equivalents at the end of the financial half-year		

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

Note 1. Statement of material accounting policies

Basis of preparation of the financial report

These condensed consolidated interim financial statements for the half-year reporting period ended 31 December 2025 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes normally included in annual consolidated financial statements. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2025 and any public announcements made by the Group during the interim financial period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim financial period, unless otherwise stated. The Group has adopted the Business Combinations and Goodwill accounting policies described below for the first time in this report.

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 interim financial reporting period.

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

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 \$3,609,172 (2024: \$3,222,197) and had net cash outflows from operating activities of \$2,222,833 for the half year ended 31 December 2025 (2024: \$2,365,414).

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 second half of FY2026 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 31 December 2025 of \$3,056,546 (30 June 2025: \$594,733). During the half year period the group raised \$5,311,746 through a strategic share placement and a rights issue and received a Research and Development Tax Incentive rebate of \$478,359.

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.

The Group continues to progress its NeuroStrip commercialisation and strategic partnership initiatives, which may support future revenue growth, although the timing and magnitude of any impact remain uncertain and have not been materially reflected in the forecast.

These factors give rise to a material uncertainty relating to going concern that may cast significant doubt about the Group's ability to continue as a going concern to realise its assets and discharge its liabilities in the normal course of business. However, the directors are confident the Group will raise additional equity to fund operations or implement other risk mitigating factors disclosed above.

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.

Note 1. Statement of material accounting policies (continued)

Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- the fair value of the assets transferred
- the liabilities incurred to the former owners of the acquired business
- the equity interests issued by the group
- the fair value of any asset or liability resulting from a contingent consideration arrangement; and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Goodwill

Goodwill is measured as described in the Business Combinations accounting policy. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments

Note 2. 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 \$3,609,172 for the interim financial period (2024 loss: \$3,222,197).

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:

Control Bionics Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 2. Operating Segments (continued)

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.
Eliminations (Elim)	Intercompany transactions eliminated on consolidation.

	Aust	US	Japan and other markets	R&D	Corporate	Elim	Total
	\$	\$	\$	\$	\$	\$	\$
31 December 2025							
Income	577,803	2,540,921	33,917	351,132	256,788	(594,570)	3,165,991
Expenses*	(871,136)	(3,629,750)	(161,845)	(1,125,309)	(855,733)	594,570	(6,049,203)
EBITDA	<u>(293,333)</u>	<u>(1,088,829)</u>	<u>(127,928)</u>	<u>(774,177)</u>	<u>(598,945)</u>	<u>-</u>	<u>(2,883,212)</u>
Interest							(48,369)
Depreciation and amortisation							(427,379)
Share of loss from associate							(49,492)
Loss on remeasurement of previously held interest in associate							(200,720)
Loss before income tax for the period							<u>(3,609,172)</u>
Income tax expense							-
Loss after income tax expense for the period							<u><u>(3,609,172)</u></u>
	Aust	US	Japan and other markets	R&D	Corporate	Elim	Total
	\$	\$	\$	\$	\$	\$	\$
31 December 2024							
Income	561,593	2,588,921	46,818	365,297	307,314	(594,353)	3,275,590
Expenses*	(850,821)	(3,817,076)	(137,448)	(1,021,529)	(754,475)	594,353	(5,986,996)
EBITDA	<u>(289,228)</u>	<u>(1,228,155)</u>	<u>(90,630)</u>	<u>(656,232)</u>	<u>(447,161)</u>	<u>-</u>	<u>(2,711,406)</u>
Interest							(59,515)
Depreciation & amortisation							(451,276)
Loss before income tax for the period							<u>(3,222,197)</u>
Income tax expense							-
Loss after income tax expense for the period							<u><u>(3,222,197)</u></u>

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Control Bionics Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 2. Operating Segments (continued)

*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.

Note 3. Revenue

	31 December 2025	31 December 2024
	\$	\$
<i>Revenue from contracts with customers</i>		
Sale of goods	2,751,079	2,763,860
Technical trials and support	9,129	13,888
Lease of goods (rental)	59,836	118,543
	<u>2,820,044</u>	<u>2,896,291</u>
Revenue	<u>2,820,044</u>	<u>2,896,291</u>

Disaggregation of revenue

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

	31 December 2025	31 December 2024
	\$	\$
<i>Geographical regions</i>		
Australia	597,016	580,459
US	2,189,111	2,269,014
Japan and other markets	33,917	46,818
	<u>2,820,044</u>	<u>2,896,291</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	2,751,079	2,763,860
Services transferred over time	68,965	132,431
	<u>2,820,044</u>	<u>2,896,291</u>

The revenues referred to above are net of intercompany eliminations.

Note 4. Other income

	31 December 2025	31 December 2024
	\$	\$
Research and development tax offset	214,199	214,217
Grant income	136,933	151,080
Interest income	2,034	6,790
Other income/(loss)	(7,219)	7,212
	<u>345,947</u>	<u>379,299</u>

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Control Bionics Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 5. Investments accounted for using the equity method

	31 December 2025	30 June 2025
	\$	\$
Investments	-	341,000

During the period, the Group increased its investment in Neuro Elite Athletics LLC from 20.003% to 20.714% with contributions being made in September 2025 and October 2025.

On 31 December 2025, the Group obtained control of Neuro Elite Athletics LLC, acquiring the remainder of the business. Accordingly, the carrying amount of the investment was derecognised and remeasured to fair value at the acquisition date, with a loss of \$200,720 recognised in profit or loss. Neuro Elite Athletics LLC has been consolidated as a subsidiary from that date.

Reconciliation of carrying amount

Reconciliations of the carrying amount at the beginning and end of the financial half-year are set out below:

	31 December 2025
	\$
Balance at 1 July 2025	341,000
Additions	60,866
Share of loss for the period	(49,492)
Foreign exchange movements	(7,042)
Loss on remeasurement to fair value upon gaining control	(200,720)
Derecognition of associate	(144,612)
Balance at 31 December 2025	-

Note 6. Intangibles

	31 December 2025	30 June 2025
	\$	\$
Goodwill - at cost	752,097	-
Intellectual property - at cost	4,064,353	4,064,353
Less: Accumulated amortisation	(524,424)	(393,318)
	3,539,929	3,671,035
Patents and trademarks - at cost	367,269	244,224
Less: Accumulated amortisation	(99,218)	(70,606)
	268,051	173,618
Software - at cost	50,594	50,594
Less: Accumulated amortisation	(25,129)	(20,028)
	25,465	30,566
	4,585,542	3,875,219

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Control Bionics Limited
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Note 6. Intangibles (continued)

Reconciliations

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

	Goodwill \$	Intellectual property \$	Patents and trademarks \$	Software \$	Total \$
Balance at 1 July 2025	-	3,671,035	173,618	30,566	3,875,219
Additions	-	-	111,750	-	111,750
Additions through business combinations (note 11)	752,097	-	11,295	-	763,392
Amortisation expense	-	(131,106)	(28,612)	(5,101)	(164,819)
Balance at 31 December 2025	<u>752,097</u>	<u>3,539,929</u>	<u>268,051</u>	<u>25,465</u>	<u>4,585,542</u>

Note 7. Issued capital

	31 December 2025 Shares	30 June 2025 Shares	31 December 2025 \$	30 June 2025 \$
Ordinary shares - fully paid	<u>411,961,889</u>	<u>294,611,102</u>	<u>46,147,879</u>	<u>40,365,766</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance at the beginning of the period		294,611,102		40,365,766
Rights issue	17/09/2025	41,727,040	\$0.0350	1,460,446
Shortfall issue	29/10/2025	17,180,000	\$0.0350	601,300
Private placement	8/12/2025	50,000,000	\$0.0650	3,250,000
Shares issued as consideration for business combination	31/12/2025	8,443,747	\$0.0653	551,377
Less: Transaction costs				(81,010)
Balance at the end of the period		<u>411,961,889</u>		<u>46,147,879</u>

Note 8. Reserves

	31 December 2025 \$	30 June 2025 \$
Foreign currency translation reserve	42,083	72,449
Share option reserve	<u>535,942</u>	<u>458,333</u>
	<u>578,025</u>	<u>530,782</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 interim financial period rather than at historical rates.

Control Bionics Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 8. Reserves (continued)

Share options reserve

The option reserve relates to share options granted by the Group to its employees under the arrangements outlined in the 30 June 2025 Annual Report.

Movements in reserves

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

	Foreign currency translation reserve \$	Share option reserve \$	Total \$
Balance at 1 July 2025	72,449	458,333	530,782
Exchange differences on translation of foreign operations	(30,366)	-	(30,366)
Share based payments	-	77,609	77,609
	<u>42,083</u>	<u>535,942</u>	<u>578,025</u>
Balance at 31 December 2025	<u>42,083</u>	<u>535,942</u>	<u>578,025</u>

Share options granted during the period

During the half-year ended 31 December 2025, there were 9,999,998 options issued to employees.

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.

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 - 3.60%

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 half-year ended 31 December 2025 can be found in the tables below.

Grant date	Expiry date	Exercise Price	Number Issued	Fair Value at Grant Date
25/08/2025	25/08/2030	\$0.045	1,999,998	\$0.026
26/11/2025	26/11/2030	\$0.045	8,000,000	\$0.049

Note 9. Contingent liabilities

The Group has no contingent liabilities at 31 December 2025 (30 June 2025: \$nil).

Control Bionics Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 10. Related party transactions

Parent entity, subsidiaries and associates
Control Bionics Limited is the parent entity.

During the period, the Group acquired the remaining ownership interest in Neuro Elite Athletics LLC, an entity previously accounted for as an associate (see note 5 and note 11). Neuro Elite Athletics LLC is therefore an 100% owned subsidiary from 31 December 2025 and the Group no longer holds any interests in associates.

There have been no further changes to the details of subsidiaries as disclosed in the 2025 Annual Report.

Key management personnel

The key management personnel of the Group consists of the following directors of Control Bionics Limited:

Name	Position
Dr Samuel Straface	Chairman (until 19 November 2025)
Mr Stephen Rix	Chairman (from 1 December 2025)
Mr Damian Lismore	Non-Executive Director (Chairman from 19 November to 1 December 2025)
Mr Jeremy Steele	Executive Director, Chief Executive Officer
Prof Robert Heard	Non-Executive Director
Dr Stephanie Phillips	Non-Executive Director

The key management personnel also consisted of the following people:

Name	Appointment / Resignation Dates	Position
Mr Todd Tyler	Appointed 8 September 2021	US Country Manager
Ms Shannon Boothroyd	Appointed 13 May 2024	Chief Financial Officer

During the half-year period, payments of \$700,074 (2024: \$613,969) were made for employment services to key management personnel of Control Bionics Limited. All transactions were made on normal commercial terms and conditions and at market rates.

There were no other related party transactions.

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Control Bionics Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 11. Business combinations

On 31 December 2025, the Group, through its U.S. subsidiary Control Bionics Ngage Inc., obtained control of Neuro Elite Athletics LLC, an entity previously accounted for as an associate. Neuro Elite Athletics LLC develops and markets the NeuroBounce program, which integrates with the Group's NeuroStrip EMG platform.

Control was achieved through the acquisition of the remaining 79.29% interest in Neuro Elite Athletics LLC. The acquisition was funded by the issue of Control Bionics shares valued at \$551,377 (US\$389,150). The shares issued are subject to a 12-month escrow.

At the acquisition date, the Group remeasured its previously held equity interest to fair value, recognising a loss of \$200,720 in profit or loss. The fair value of identifiable net liabilities acquired amounted to \$56,306 resulting in goodwill of \$752,097.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Neuro Elite Athletics LLC with those of the Group. The goodwill is not deductible for tax purposes.

The fair values of the identifiable assets and liabilities of Neuro Elite Athletics LLC as at the date of acquisition were:

	Fair value \$
Cash and cash equivalents	5,719
Prepayments	397
Patents and trademarks	11,295
Trade and other payables	<u>(73,717)</u>
Identifiable net liabilities acquired	(56,306)
Existing investment measured at fair value	(144,414)
Goodwill	<u>752,097</u>
Total consideration transferred	551,377

As the business was acquired on 31 December 2025 it did not contribute revenue or net profit to the Group for the interim period, with the exception of the share of loss for the period during which Neuro Elite Athletics LLC was considered an associate.

Note 12. Non-cash investing and financing activities

	31 December 2025	31 December 2024
	\$	\$
Shares issued in relation to business combinations	<u>551,377</u>	<u>-</u>

Note 13. Matters subsequent to the end of the interim financial period

Since 31 December 2025, the Group has signed agreements with two wholesale distribution partners in North America in connection with the distributor-led sales model for NeuroNode.

The Group also entered into a premium funding arrangement on 28 January 2026 in respect of its 2026 insurance policies. Under the arrangement, insurance premiums of approximately \$213,300 were financed, with interest payable at a stated flat rate of 4.67%.

No other matter or circumstance has arisen since 31 December 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.

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Control Bionics Limited
Directors' declaration
31 December 2025

In the directors' opinion:

- 1) the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date and
- 2) there are reasonable ground to believe that Control Bionics Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Stephen Rix
Stephen Rix (Feb 25, 2026 17:41:00 GMT+11)
Stephen Rix
Chairman

25 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Control Bionics Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Control Bionics Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating 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 conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



Katherine Robertson
Director

Melbourne, 25 February 2026