4D and Half Year Management Presentation – 25th February, 2021

Trilogy

The Power of 3

CONTROL BIONICS | LIFE CHANGING CONNECTIONS

A leading global provider of **augmentative communication solutions**

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Presenters

Rob Wong
CEO

John Bell
Chief Financial Officer

Neale Java
Chief Financial Officer
(Incoming March 1, 2021)

Agenda

11am-11.30am

- Company Overview
  - Mission
  - Products & Technology
  - Market Overview
  - Growth Strategy
- Half Year Highlights
- Financial Performance
- Growth Initiatives & Progress
- Q&A via webinar chat

Company Overview

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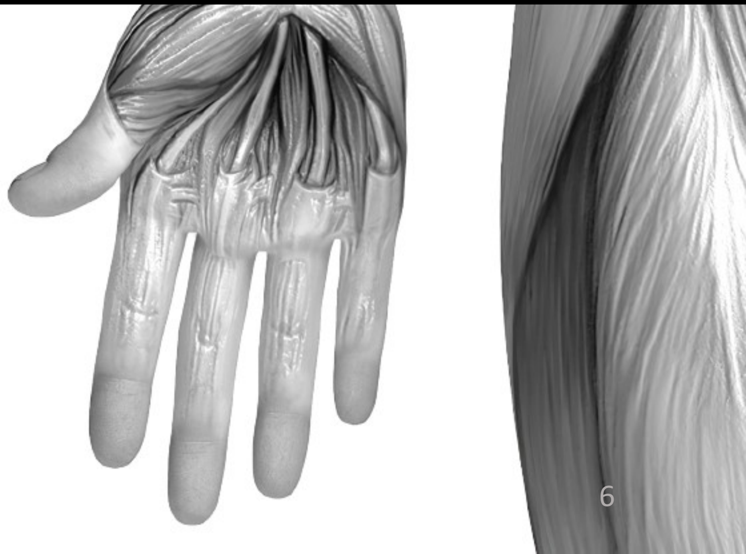
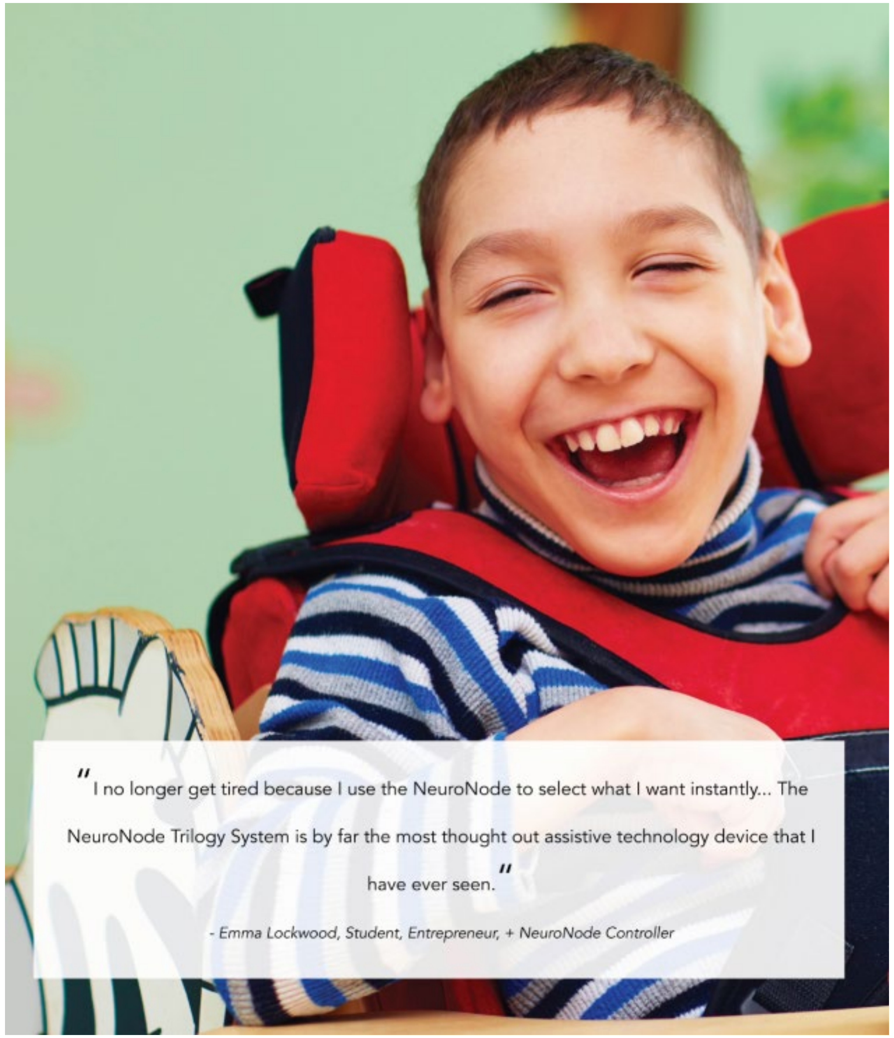


Company Mission



Control Bionics' aim is to become the world's leading provider of innovative augmentative communications and control devices for people with speech and movement disabilities

Technology and Products

Technology : NeuroNode	NeuroNode 3 (iOS)	NeuroNode Trilogy & Trilogy GridPad

Patented NeuroNode Technology

NeuroNode 3.0
“Communicate with confidence”

NeuroNode Trilogy - **“Faster Speed, Less Fatigue, More Control”** **Power of 3**

Average Revenue Per System $22,000 AUD

Market Overview

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Customers

End users:

- ALS / MND
- Spinal Cord Injuries
- Multiple Sclerosis
- Cerebral Palsy

Channel to Market

- Speech Language Clinicians
- Rehabiltation Centres

Government & Private Funding

- NDIS (Australia)
- Veterans Affairs (Australia and USA)
- New York Education Department (USA)
- Medicare/Medicaid (USA)
- Private Health Insurers (USA)

Regulatory Environment

USA	• FDA approved • Accredited Medicare/Medicaid
Australia	• TGA registered • NDIS Accredited
Canada	• Assistive Devices Program with the Ontario Ministry of Health registered • ISED Grant of Equipment Certification in Canada for NeuroNode devices
Europe	• CE Mark certified
Japan	• JETRO No regulatory barriers

Growth Strategy – Geographic Expansion

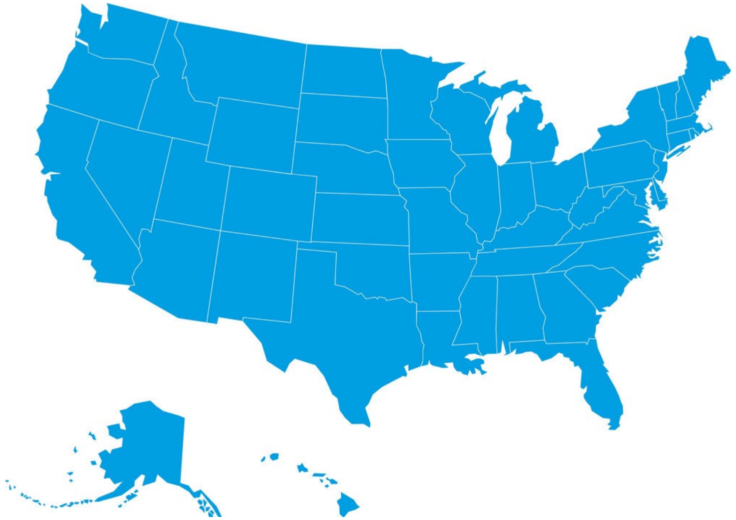
Australian Expansion

- Sales & marketing and corporate infrastructure investment

- Total Cases: approximately 82,000
- New Cases Each Year: 1,900

USA Expansion

- Sales, marketing, operations infrastructure for product development & manufacturing investment



- Total Cases: approximately 2,043,000
- New Cases Each Year: 44,330

Japan Market Entry

- Sales, marketing & channel development into the Japanese market

- Total Cases: approximately 385,000
- New Cases Each Year: 10,320

New International Markets

- Canada expansion
- Potential market entry to Europe given CE Mark
- Asia

Half Year FY 2021 Highlights

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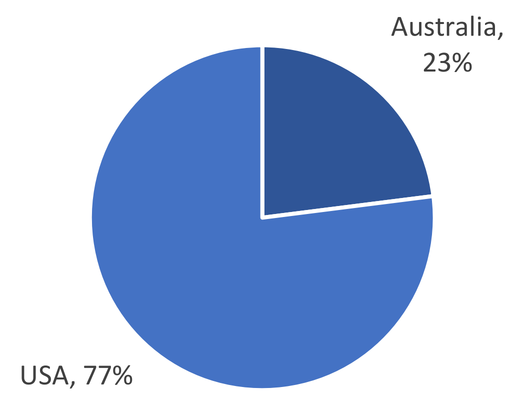
Highlights Half Year FY21

- Successful IPO in December 2020 raising $15m created a strong balance sheet to fund global growth
- Solid Half Year performance with revenue up 22% at $2m and unit sales up 25%, despite significant COVID-19 impact, particularly in the USA
- Modest loss for the half (less IPO costs) at $0.29m (Avg per month $0.05m)
- Cash as at 31st December 2020 was $14.6m. No debt
- Developing demand globally for our products. Intend to invest for the long-term, but mindful of COVID-19 continuing flare-ups
- In December, commenced implementation of strategy outlined in the Prospectus
  - Increasing sales, marketing and operational resources
  - Japan: Positive relationship with JETRO and commenced product language conversion project – appointed BDM in Tokyo
  - Initiated research and development projects to miniaturise NeuroNode tech and extension NeuroNode control functions such as wheelchair control

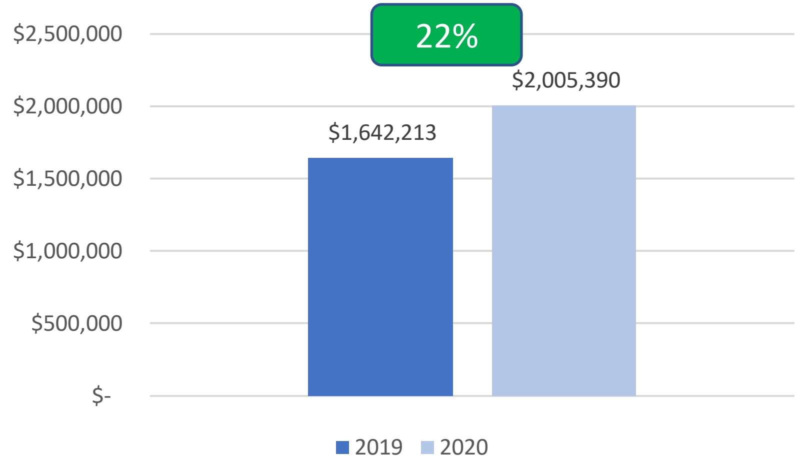
Revenue & Units Snapshot

- Revenue $2m up by 22% over PCP
- Unit sales increased by 25%
- USA sales were flat (3% increase) for the half but understandable given COVID-19 impact. Australian sales up 84% due to good pipeline conversion accounting for 35% of revenues up from 23%.
- In December 2020 USA sales began to recover but Australian sale activity was hit by lock downs

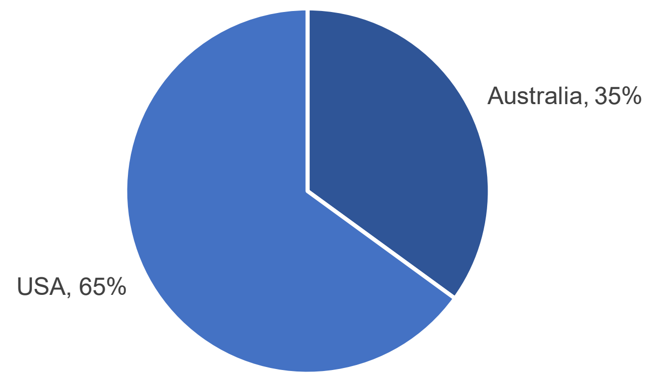
Revenue Share by Market for the Half Year as at Dec 2019



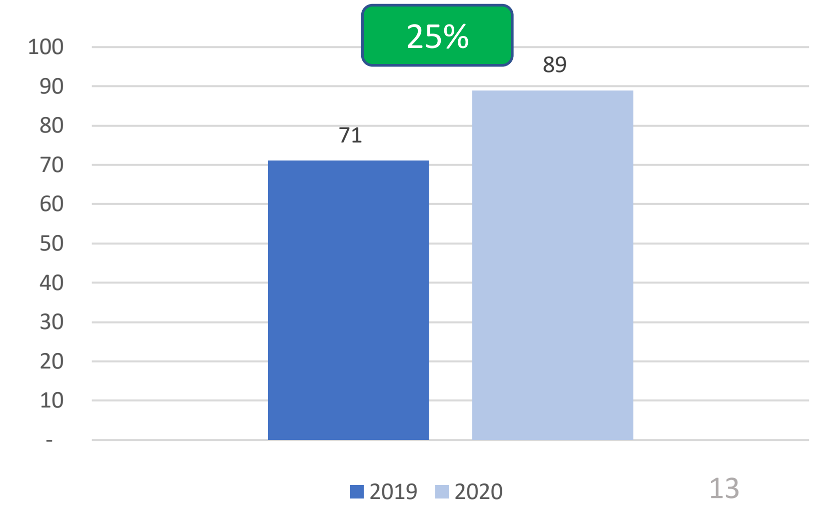
Revenue for the Half Year 2019 v 2020 AUD



Revenue by Market for the Half Year as at Dec 2020



Unit Sales for the Half Year 2019 v 2020



Profit and Loss For the Half Year ended December 31st 2020

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P&L	Half Year Dec 31st 2020 $000	Half Year Dec 31st 2019 $000
Revenue	2,005	1,642
Grants and other income	329	14
Cost of sales	(690)	(425)
Operating expenses (excl. IPO costs)	(1,940)	(1,775)
IPO Costs	(775)	-
Forex translation	16	22
Loss for the half year	(1,052)	(522)
Loss for the half year (excl. IPO Costs)	(292)	(544)

- **Revenue**
  - 22% increase YOY for the half year
  - Australia up by 84% and US up by 3% (despite COVID-19 impact)
  - Grants and other income is COVID-19 Government support $0.33m
- **Expenses**
  - IPO costs of $775,000 are a one off – this is the amount charged to P&L – the other $900,000 went to the capital account
  - Marketing costs down due to trade show cancellations and general cost management.
  - YOY travel and related costs down
  - Going forward increase in expenses as we build resources and momentum in line with Prospectus use of funds strategy

Cash Flow Statement FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Cash Flow	For the Half Year Ended 31 Dec. 2020 $000	For the Half Year Ended 31 Dec 2019 $000
Cash flow used in operating activities	(1,602)	(644)
Cash used in investing activities	(131)	(44)
Cash generated from financing activities	14,872	1,045
Net increase in cash	13,138	356
Cash at beginning of period	1,428	799
Cash at end of period	14,567	1,155

- IPO proceeds
- COVID support and R&D rebate
- Increased trial stock
- Accounts receivable - some impact from increased insurance funded sales

Balance Sheet

Summary balance sheet	31 Dec 2020 $000	June 30 2020 $000
Current Assets	15,931	1,924
Other Assets	4,490	4,421
Total Assets	20,421	6,345
Total Liabilities	783	622
Net Assets	19,638	5,723

- Strong Balance Sheet to execute growth strategy as described in the Prospectus even with current COVID-19 risks
- Zero debt

Update by Region

USA

- First quarter revenue impacted by COVID-19, but also reduced cost exposure in marketing and travel.
- Some recovery in late Q2 with funding seasonality and growing awareness of Trilogy and Trilogy GridPad (Soft launched September 2020). Access to facilities improved, but exposed to snap COVID-19 lockdowns.
- Post IPO focussed on implementing long-term growth plan in line with Prospectus. Adding sales, marketing and operational resources
- Signed USA reseller agreement with Numotion extending sales reach Upper East States

Australia

- Sales first half strong given good pipeline conversion and IPO PR exposure
- Post IPO investment in sales people and marketing/PR

International /Japan

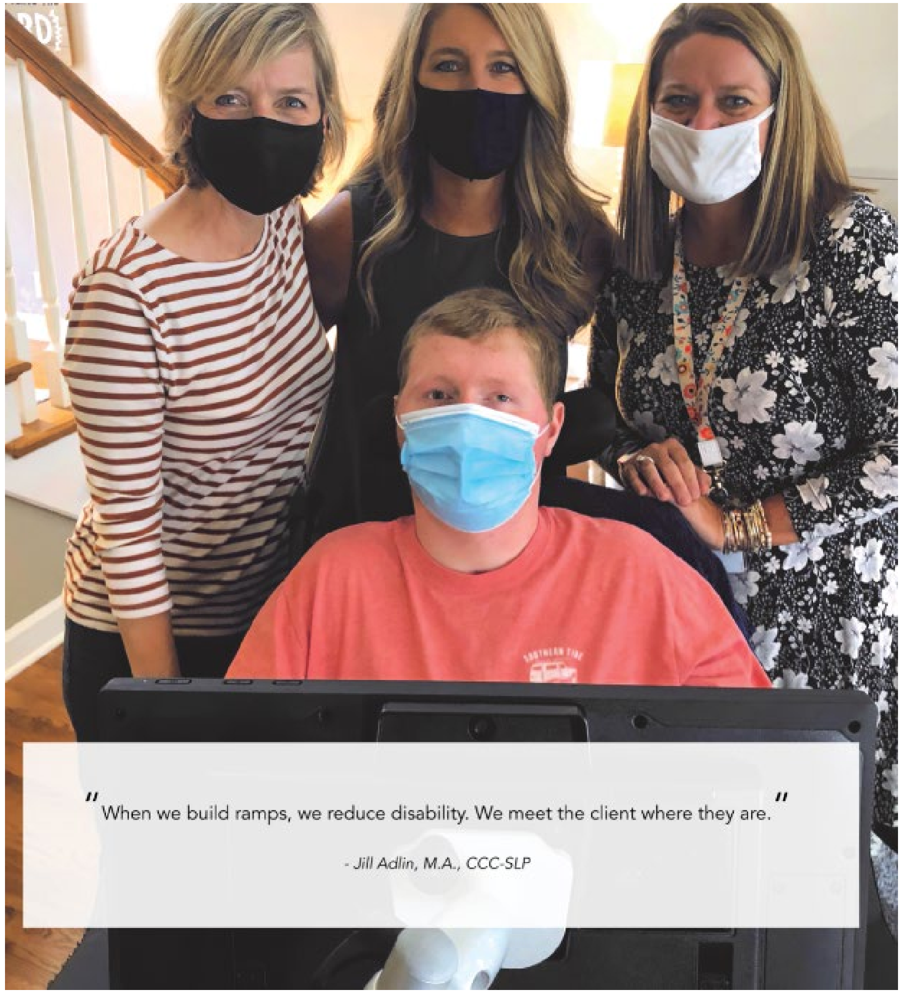
- Recruited International Market Development Director
- Commenced Japanese product conversion
- Continued working closely with JETRO in Japan
- Employed senior local market representative in Tokyo

Senior Management Changes

- Jamie Lemsing appointed as International Market Development Manager February 2021
- Experienced ASX CFO, John Bell appointed on part time basis October 2020
- Brett Crowley appointed as Company Secretary October 2020
- Neale Java joined as full-time CFO in February 2021 (March 1 responsibility handover)

COVID-19 Update Half-Year FY 21

- COVID-19 impacted ability to reach specifying clinicians and our immune compromised clients globally
- In Q2 there was some easing of sales staff access in the USA, but correspondingly a tightening of conditions in Australia. COVID-19 stalled international access and sales
- USA remained challenging in terms of number of COVID cases continuing to increase
- We practice a high degree of hygiene throughout our business to keep staff and our clients safe, but the continued uncertainty caused by COVID-19 outbreaks and mutations means the risk of business interruption remains high



Outlook

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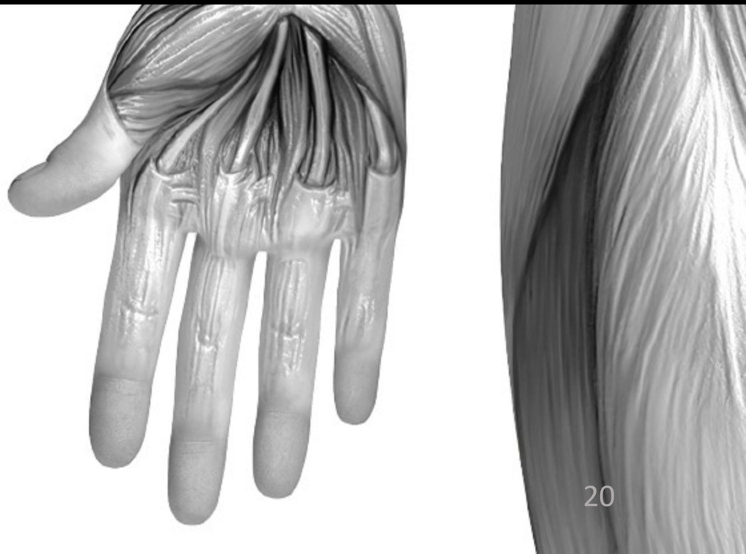


Outlook

- Cautiously optimistic about sales in the next two quarters and especially beyond, but COVID-19 uncertainty can delay conversion and our ability to build pipeline

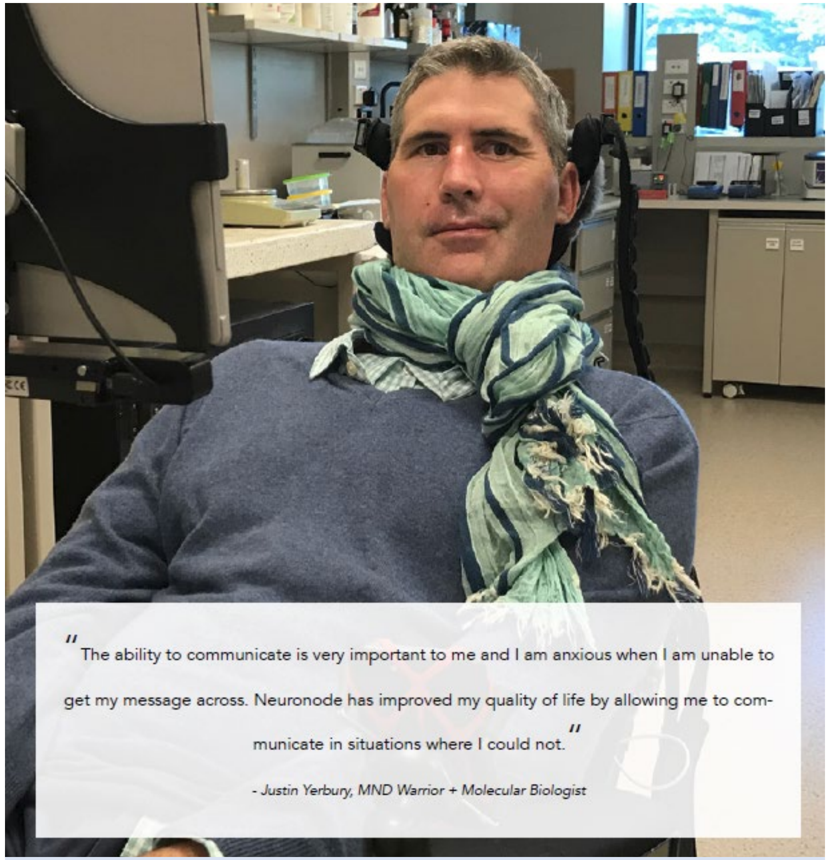
- Core interest in our NeuroNode systems is building with our users and clinicians are becoming more aware of our brand, systems and success stories

- Confident in our strategy to build presence in key markets around the world as per our Prospectus

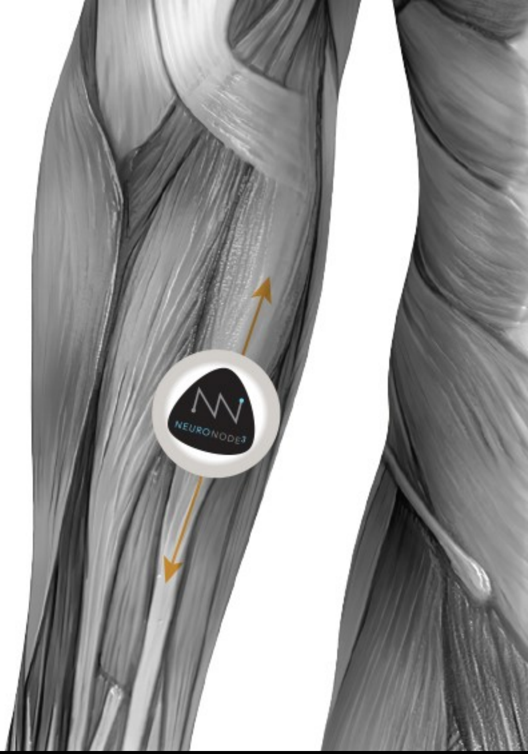
- Intend to continue to expand sales, marketing and operational capabilities to ensure we are in a strong position when the impact of COVID-19 eases

- Continued investment in R&D projects

- Great team of passionate people



Professor Justin Yerbury OAM – Is a Professorial Fellow in Neurodegenerative Disease at the University of Wollongong NSW. Professor Yerbury is recognised internationally as a true pioneer in his field. Despite the challenges of living with familial MND, he has been unstinting in his efforts to find a cure for the disease. He relies on NeuroNode Trilogy everyday.



Q & A via webinar platform

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