



19 September 2024

NON-RENOUNCEABLE RIGHTS ISSUE OFFER AND PRIVATE PLACEMENT

UNDERWRITTEN TO APPROXIMATELY \$0.85 MILLION

Control Bionics Limited is pleased to announce that it will be undertaking a pro rata non-renounceable rights issue (**Offer**) of ordinary fully paid shares to Eligible Shareholders, being persons who are registered as shareholders of the Company on the record date of 25 September 2024 (**Record Date**) and have a registered address in Australia or New Zealand.

In addition the Company will seek to place up to an additional \$1m in new shares (under the same terms as the Offer) subject to shareholder approval.

The Company is raising capital to accelerate its established growth initiatives to ensure the business maximises the opportunities already created. In particular this new funding will allow the business to more aggressively commercialise the NeuroStrip, assist in our market launch initiatives for DROVE and build out capacity for growth in our NeuroNode Only strategy.

The company is currently testing NeuroStrip in different markets, and has recently entered into negotiations with NeuroBounce (www.neurobounce.com) to create a strategic partnership for the rapid expansion of their offerings, initially in the US. Whilst there is no certainty of this partnership being formalised, we are working closely with the team there to finalise this opportunity and have therefore allocated part of this rights issue to support this opportunity.

We expect to commence clinical validation of the NeuroStrip with Australian research organisations later this calendar year, which will support our strategy to rollout the NeuroStrip and its associated App to a number of possible clinical and non-clinical applications.

Control Bionics remains focused on its core strategic pillars and has made meaningful progress over the last 6 months including the approval of DROVE as a TGA Class I medical device and the recent HCPCS code for the NeuroNode in the USA. Following the granting of UK regulatory clearance for the NeuroNode in the UK earlier this year, on 9 September 2024 we announced we have entered into an exclusive agreement with Smart Box UK for the distribution into the UK and Ireland of the NeuroNode. We expect this to be the first of such agreements we enter into during the course of FY25.

Offer

Shareholders are being offered the opportunity to subscribe for one new fully paid ordinary shares (**New Shares**) in the Company for every 7 existing fully paid ordinary shares in the Company held at 7pm (Sydney time) on 25 September 2024 at a price of 7c per share (**Issue Price**). In addition, subscribers to the Offer will receive one Option for every two New Shares with an exercise price of 10c and an expiry date of two years from the date of issue.

The Issue Price of 7c represents an approximately 8% discount to the last closing price on 18 September 2024, and an approximately 20% discount to the volume weighted average price of Shares for the 19 days prior to the announcement of the Offer.



If fully subscribed, the Offer will raise up to approximately \$2.1 million (before costs).

Underwritten Offer

The Offer is underwritten for approximately \$850,000.

One of the three largest shareholders of CBL (Nightingale Partners Pty Ltd) has underwritten a total of \$604,680. In addition, North Star Impact Fund, who recently invested in the business has underwritten \$150,000. This represents the Fund's full entitlement plus a further \$50,000 in underwriting commitment.

In addition, CEO Jeremy Steele and Non-executive Directors Roger Hawke, Prof Rob Heard and Damian Lismore (either personally or through their related entities) have collectively committed a total of \$92,000 to the Offer. This amount consists of their full entitlements plus an underwritten amount of \$33,000.

Further details

Shareholders who, at the Record Date, have an address registered in either Australia or New Zealand, will be eligible to participate in the Offer. All other shareholders will not be eligible to participate.

New Shares issued pursuant to the Offer will rank equally with existing fully paid ordinary shares currently on issue and the Company will apply to ASX for official quotation of the New Shares.

Eligible Shareholders may also apply for additional new shares (**Additional New Shares**), being New Shares in excess of their pro rata entitlement under the Offer. The allocation of Additional New Shares and any scale back will be subject to availability of Additional New Shares and will occur in the Company's absolute discretion.

Any New Shares offered under the Rights Issue that are not subscribed for by Eligible Shareholders will form part of the shortfall (**Shortfall**). The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to allocate any Shortfall to Eligible Shareholders that apply for Additional New Shares or otherwise, to place any remaining Shortfall at their discretion within 3 months after the Closing Date (on the same conditions as New Shares and at a price not less than the Issue Price).

Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

Shares	100% of entitlements paid up	50% of entitlements paid up
Shares on issue at date of the offer	209,286,776	209,286,776
New shares offered under the offer	29,898,111	14,949,055
Total shares on completion of the offer	239,184,887	224,235,831



Use of Funds

It is intended that the proceeds from the Offer will be used in accordance with the table set out below.

Purpose		Amount \$
NeuroStrip		648,000
- <i>Software development</i>	500,000	
- <i>Electrical and radio testing</i>	62,000	
- <i>Encapsulation design</i>	71,000	
- <i>Clinical trials</i>	15,000	
Strategic Investment		500,000
Working Capital including DROVE rollout		887,000
Costs of issue		58,000
Total (if fully subscribed)		2,093,000

Timetable

The Offer is proposed to be conducted according to the following timetable:

Lodgement of Appendix 3B and Cleansing Notice for Rights Issue with ASX	19 September 2024
"Ex" Date (i.e. the date on and from which Shares trade on ASX without an Entitlement)	24 September 2024
Record Date (i.e. the time and date for determining Entitlements)	7pm (Sydney time) on 25 September 2024
Despatch of Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	26 September 2024
Rights Issue Opening Date	26 September 2024
Last day to extend the offer Closing Date	4 October 2024
Rights Issue Closing Date	5pm (Sydney time) on 9 October 2024
Trading in New Shares on ASX on a "deferred settlement basis" begins	10 October 2024
Announcement of results of Rights Issue before 12.00pm AEST on:	10 October 2024
Issue of New Shares to successful applicants under the Rights Issue	10 October 2024
Trading in New Shares on ASX on a normal ("T+2") settlement basis begins	11 October 2024



All dates (other than the date of lodgement of the Offer Document with ASX) are indicative only. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice.

On 26 September 2024, the Company will dispatch an Offer Document together with a personalised Entitlement and Acceptance Form to eligible shareholders. The Entitlement and Acceptance Form together with the appropriate application monies needs to be returned to the Company's share registry before 5pm (Sydney time) on the anticipated closing date of 9 October 2024.

The Offer Document includes details of the Offer and the risks associated with investing in the Company. It is recommended that you read the Offer Document carefully and, if you are interested in participating in the Offer, consult with your professional advisers.

This announcement is authorised by CBL's Chairman, Roger Hawke.

About Control Bionics:

Control Bionics is a medical device company assisting patients whose ability to communicate verbally or via text and social media is compromised by illnesses such as Motor Neurone Disease (MND) and Amyotrophic Lateral Sclerosis (ALS). Our core patented NeuroNode technology is a wireless wearable device that detects minute signals sent from the brain to any skeletal muscle and is captured as EMG (Electromyography) output. This output is then sent wirelessly via the NeuroNode to a personal computer, enabling speech and other computer controlled functions like email and texting. Our technology is integrated with eye gaze technology whereby the eye gaze enables a cursor to be moved about a computer screen, driven much like a mouse, and the NeuroNode acts as like the mouse button. Control Bionics is the only such product to harness three modalities – touch, eye and NeuroNode control – which combined yield unique benefits in terms of the ability of patients to express themselves with significantly faster speed and less fatigue.

Control Bionics recently extended its offering to mobility with the launch of DROVE – the autonomous wheelchair module. DROVE allows powered users the independence to operate their wheelchairs in their own homes for the first time. DROVE recently got approved by the TGA as a Class I medical device.

Control Bionics is currently commercialising its most recent advancement in its technology, the NeuroStrip®. This wearable, miniaturised EMG device provides the business with the opportunity to enter new markets such as health diagnostics, sports performance and rehabilitation to name only a few potential markets.

Control Bionics operates in North America, Australia, Singapore and Japan.



Investors and Media

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For further information visit the website: <https://www.controlbionics.com/>